



## AGENDA

### BOARD OF DIRECTORS MEETING

Wednesday, September 22, 2021 - 2pm

West Center Auditorium / Zoom

**Directors:** Mike Zelenak (President), Nina Campfield (Vice President), Ted Boyett (Secretary), Donna Coon (Treasurer), Mark McIntosh (Assistant Secretary), Randy Howard (Assistant Treasurer), Kathi Bachelor, Carol Crothers, Christine Gallegos, Connie Griffin, Bart Hillyer, Bev Lawless, Scott Somers (non-voting)

<u>AGENDA TOPIC</u>	<u>PRESENTER</u>	<u>EXHIBIT</u>	<u>ACTION</u>
1. Call to Order / Roll Call – Establish Quorum	Zelenak		
2. Adopt Agenda	Zelenak	Y	Y
3. CEO Report	Somers		
4. Consent Agenda	Zelenak	Y	Y
A. Minutes:			
▪ BOD Work Session Minutes: August 25, 2021			
▪ BOD Regular Meeting Minutes: August 25, 2021			
B. Financial Statements: August 2021			
5. New Business			
A. CPM Amendments: Facility Use	Griffin	Y	Y
B. CPM Amendments: New Operating Cash Policy	Campfield/Coon	Y	Y
C. Quarterly Financial Presentation	Webster		
6. Committee Reports			
A. Audit	Griffin		
B. Board Affairs	Campfield		
C. Fiscal Affairs	Coon		
D. Investments	Lawless		
E. Nominations & Elections	McIntosh		
F. Planning & Evaluation	Boyett		
7. Member Comments			
8. Adjournment			





## MINUTES

### BOARD OF DIRECTORS WORK SESSION

Wednesday, August 25, 2021  
West Center Auditorium / Zoom

**Directors Present:** Mike Zelenak (President), Nina Campfield (Vice President), Ted Boyett (Secretary), Donna Coon (Treasurer), Mark McIntosh (Assistant Secretary), Randy Howard (Assistant Treasurer), Kathi Bachelor, Carol Crothers, Christine Gallegos, Bart Hillyer, Bev Lawless, Don Weaver, Scott Somers (CEO, non-voting)

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (Interim CFO/Director of Accounting), Natalie Whitman (Communications Manager), Karen Miars (Administrative Assistant)

**Visitors:** 19 (includes additional staff)

#### 1. Call to Order

The President being in the chair and the Secretary being present. President Zelenak called the meeting to order at 1:00pm MST. Secretary Boyett called the roll; quorum established.

#### 2. Discussion: FAC discussion of formula and recommendation to transfer funds from Operations to Initiatives Reserve

FAC Chair Donna Coon and GVR Interim CFO David Webster presented an overview of the Operating Cash Ad Hoc Committee's findings to identify a proper and appropriate formula for establishing minimum cash needs in the Operations Fund and to recommend a transfer of funds from Operations to Initiatives above and beyond minimum cash needs. A lengthy discussion followed.

In the regular meeting of the Board following the Work Session, the Board will be asked to adopt the recommended formula and the motion of the FAC to transfer \$500,000 from Operating Cash to the Initiatives Board Designated Reserve.

Exhibits used in this discussion were the Operating Cash Investment Maximization memo and the GVR Projection of Operating Cash.

#### 3. Adjournment

President Zelenak adjourned the meeting at 1:56pm MST.





## MINUTES

### BOARD OF DIRECTORS REGULAR MEETING

Wednesday, August 25, 2021  
West Center Auditorium / Zoom

**Directors Present:** Mike Zelenak (President), Nina Campfield (Vice President), Ted Boyett (Secretary), Donna Coon (Treasurer), Mark McIntosh (Assistant Secretary), Randy Howard (Assistant Treasurer), Kathi Bachelor, Carol Crothers, Christine Gallegos, \*Connie Griffin, Bart Hillyer, Bev Lawless, \*Don Weaver, Scott Somers (CEO, non-voting)

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (Interim CFO/Director of Accounting), Natalie Whitman (Communications Manager), Karen Miars (Administrative Assistant)

**Visitors:** 25 (includes additional staff)

#### 1. Call to Order/Roll Call – Establish Quorum

The President being in the chair and the Secretary being present. President Zelenak called the meeting to order at 2:04pm MST. Secretary Boyett called the roll; quorum established.

#### 2. Adopt Agenda

**MOTION: Director Boyett moved, seconded to adopt the Agenda as presented. Passed: unanimous**

#### 3. CEO Report

- CEO Scott Somers welcomed Administrative Supervisor Nanci Moyo to GVR.
- Canoa Hills Parking Lot – GVR to close on purchase next week.
- East Center Pool Replacement – Staff will distribute a Request for Proposals for the construction of the East Center Pool next week. In September, staff anticipates bringing a recommendation before the Board to approve a contractor to build the East Center Pool.
- Free movies at GVR - Flyers will be displayed at the major Centers.
- GVRNow! - The updated and refreshed issue will be displayed at Centers on September 3.
- 2021 Fall Course Catalog and the GVR Live! 2021/2022 Arts & Entertainment Brochure are in Centers today.
- Signage - New signage going up at all Centers to help members see what's important, what to focus on, and to support our brand and our marketing.

#### 4. Consent Agenda

**MOTION: Director Campfield moved, seconded to approve the Consent Agenda as presented:**

- **Board of Directors Work Session Minutes: May 26, 2021**
- **Board of Directors Work Session Minutes: July 21, 2021**
- **Board of Directors Regular Meeting Minutes: July 28, 2021**
- **Financial Statements: July 2021**

It was asked that members be made aware of the 2019/2020 surplus/loss posted on pages 16-21 of the July 20, 2021 Fiscal Affairs Committee (FAC) meeting report on the GVR website referred to in the May 26, 2021 Work Session Minutes.

**Passed: unanimous**

## **5. New Business**

### **A. Consider FAC Recommendation: Transfer 2020 Operations Surplus to Initiatives Reserve**

FAC Chair Donna Coon reported on the August 17, 2021 FAC meeting (in the Staff Report).

**MOTION: Director Coon moved, seconded to authorize staff to transfer the 2020 Operations surplus of \$125,871 to the Initiatives Reserve Account.**

**Passed: unanimous**

### **B. Consider FAC Recommendation: Transfer Funds from Operations to Initiatives Reserve**

FAC Chair Coon discussed details of the calculation of the required cash in the Operating Cash Account (in the Staff Report).

**MOTION: Director Coon moved, seconded to adopt the recommended formula and to transfer \$500,000 from Operating Cash to the Initiatives Board Designated Reserve.**

**Passed: unanimous**

### **C. Create Reserve Account for Pool and Spa Replacement**

FAC Chair Coon presented details of the August 17, 2021 FAC meeting where options were presented by the Browning Reserve Group for adding a pool and spa replacement account to the MRR Reserve Study (Meeting Book Attachment 5.C.1.). It was determined that the best option was to create a separate Part B account.

CEO Somers explained the need for the creation of the MRR Part B account. He explained how the funding of MRR Part B would come out of Operations by a FAC recommendation. At present, Somers stated Operations is not planning or anticipating a 2022 Dues increase.

**MOTION: Director Coon moved, seconded to authorize staff to create a separate Major Pool and Spa Replacement account as Part B of the existing MRR Reserve, and to eliminate the recently approved Major Asset Replacement Fund (MAR).**

**Passed: unanimous**

## **6. Committee Reports**

### **A. Audit Committee**

Committee Chair Don Weaver reported. Director Weaver announced his immediate resignation from the Board of Directors due to his upcoming move to Tennessee. President Zelenak and Directors thanked Director Weaver for his time and service on the Board of Directors.

Per GVR Bylaws regarding Board vacancies in Article VI.1.F: Any vacancy in the office of a Director shall, if possible, be filled by the unsuccessful candidate of the most recent Directors' election, who, of those willing to fill the vacancy, received the greatest number of votes. Connie Griffin agreed to fill the unexpired term of Don Weaver which ends in 2022.

\*Director Griffin took Mr. Weaver's place at the Board of Directors meeting.

**B. Board Affairs**

Committee Chair Nina Campfield reported (received and placed on file).

**C. Fiscal Affairs**

Committee Chair Donna Coon reported (received and placed on file).

**D. Investments**

Committee Chair Bev Lawless reported (received and placed on file).

**E. Nominations & Elections**

Committee Chair Mark McIntosh reported (received and placed on file).

**F. Planning & Evaluation**

Committee Chair Ted Boyett reported (received and placed on file).

**7. Member Comments – 4**

**8. Adjournment**

**MOTION: Director Campfield moved, seconded to adjourn the meeting at 3:13pm MST.**

**Passed: unanimous**

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# Green Valley Recreation, Inc.

## CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying pages are the Financial Reports for August 31, 2021. The four statements

### **Statement of Financial Position.**

This is also known as a Balance Sheet or the Statement of Net Assets.

### **Statement of Activities**

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

### **Statement of Changes in Net Assets**

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

**Unrestricted** - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

**Emergency** - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

**Maint - Repair - Replacement** - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

**Initiatives** - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

### **Investment Portfolios**

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



GREEN VALLEY RECREATION, INC.

# Green Valley Recreation, Inc. Statement of Financial Position

As of Date: August 31, 2021 and Dec 31, 2020

	August 31, 2021		Dec 31, 2020	
	Total		Total	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash/Cash Equivalents		843,598		4,558,345
Accounts Receivable		346,101		244,976
Prepaid Expenses		357,595		267,187
Designated Investments (Charles S./SBH)				
Emergency - Fund	1,139,917	(1)	993,416	(15)
MRR - Fund	8,458,088	(2)	7,874,717	(16)
Initiatives - Fund	2,090,441	(3)	1,114,873	(17)
Total Designated Investments (CS/SBH)	11,688,445	(4)	9,983,006	(18)
Undesignated Invest. (JP Morgan)	3,821,503	(5)	2,309,471	(19)
Investments		15,509,949		12,292,477
<b>Total Current Assets</b>		<b>17,057,243</b>		<b>17,362,985</b>
<b>Fixed Assets</b>				
Contributed Fixed Assets		18,017,085		18,017,085
Purchased fixed Assets		24,514,312		23,455,093
Sub-Total		42,531,397		41,472,178
Less - Accumulated Depreciation		(24,678,613)		(23,587,197)
<b>Net Fixed Assets</b>		<b>17,852,784</b>	(7)	<b>17,884,981</b>
<b>Total Assets</b>		<b>34,910,027</b>		<b>35,247,966</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable		737,338		781,728
Deferred Dues & Fees		2,315,010		3,685,092
Deferred Programs		8,959		43,933
Compensation Liability		85,319		188,920
<b>Total Current Liabilities</b>		<b>3,146,626</b>		<b>4,699,673</b>
<b>TOTAL NET ASSETS</b>		<b>31,763,401</b>	(8)	<b>30,548,293</b>
<b>NET ASSETS</b>				
Temporarily Designated:				
Board Designated:				
Emergency	1,139,917	(9)	993,416	(23)
Maint - Repair - Replacement	8,458,088	(10)	7,874,717	(24)
Initiatives	2,090,441	(11)	1,114,873	(25)
Sub-Total	11,688,445	(12)	9,983,006	
Unrestricted Net Assets		18,859,847		20,565,287
Net change Year-to-Date		1,215,108	(13)	-
Unrestricted Net Assets		20,074,956	(14)	20,565,287
<b>TOTAL NET ASSETS</b>		<b>31,763,401</b>		<b>30,548,293</b>



## Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 8 month period ending August 31, 2021

FY Budget Period: Jan 1, 2021 - Dec 31, 2021

	PRIOR YEAR COMPARISON				%	BUDGET COMPARISON				%	Fiscal Year Budget	Remaining FY Budget
	2020 YTD Actual	2021 YTD Actual	Year to Year Variance			YTD Actual	YTD Budget	YTD Variance				
<b>Revenue</b>												
Member Dues	4,499,662	4,625,143	125,481	3%	4,625,143	4,620,077	5,066	0.1%	6,930,115	2,304,972		
LC, Trans., Crd Fees.	436,802	481,671	44,869	10%	481,671	567,935	(86,264)	(15%)	789,835	308,163		
Capital Revenue	1,593,161	2,169,826	576,665	36%	2,169,826	2,045,518	124,308	6%	2,518,147	348,321		
Programs	121,628	9,968	(111,660)	(92%)	9,968	157,866	(147,899)	(94%)	260,953	250,985		
Instructional	215,818	83,013	(132,805)	(62%)	83,013	95,367	(12,354)	(13%)	206,133	123,120		
<b>Recreational Revenue</b>	<b>337,445</b>	<b>92,980</b>	<b>(244,465)</b>	<b>(72%)</b>	<b>92,980</b>	<b>253,233</b>	<b>(160,253)</b>	<b>(63%)</b>	<b>467,086</b>	<b>374,106</b>		
<b>Investment Income</b>	<b>191,332</b>	<b>183,568</b>	<b>(7,765)</b>	<b>(4%)</b>	<b>183,568</b>	<b>162,658</b>	<b>20,910</b>	<b>13%</b>	<b>286,746</b>	<b>103,178</b>		
Advertising Income	83,081	23,335	(59,745)	(72%)	23,335	39,155	(15,820)	(40%)	71,257	47,922		
Cell Tower Lease Inc.	27,270	27,624	354	1%	27,624	22,589	5,035	22%	38,378	10,754		
<b>Comm. Revenue</b>	<b>110,350</b>	<b>50,959</b>	<b>(59,391)</b>	<b>(54%)</b>	<b>50,959</b>	<b>61,744</b>	<b>(10,785)</b>	<b>(17%)</b>	<b>109,635</b>	<b>58,676</b>		
Other Income	46,963	52,948	5,985	13%	52,948	81,973	(29,025)	(35%)	91,433	38,485		
Facility Rent	24,617	1,880	(22,737)	(92%)	1,880	7,600	(5,720)	(75%)	16,000	14,120		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	63,913	-	(63,913)	(100%)	-	-	-	0%	-	-		
<b>Other Revenue</b>	<b>135,493</b>	<b>54,828</b>	<b>(80,665)</b>	<b>(60%)</b>	<b>54,828</b>	<b>89,573</b>	<b>(34,745)</b>	<b>(39%)</b>	<b>107,433</b>	<b>52,605</b>		
<b>Total Revenue</b>	<b>7,304,246</b>	<b>7,658,976</b>	<b>354,730</b>	<b>5%</b>	<b>7,658,976</b>	<b>7,800,739</b>	<b>(141,763)</b>	<b>(2%)</b>	<b>11,208,997</b>	<b>3,550,021</b>		
<b>Expenses</b>												
Major Proj.-Rep. & Maint.	192,335	358,822	(166,487)	(87%)	358,822	486,211	127,389	26%	598,359	239,537		
Facility Maintenance	299,395	144,961	154,434	52%	144,961	191,610	46,649	24%	254,620	109,659		
Fees & Assessments	(1,430)	13,359	(14,788)	1,034%	13,359	30,061	16,703	56%	42,919	29,560		
Utilities	505,285	540,547	(35,262)	(7%)	540,547	623,804	83,257	13%	865,734	325,187		
Depreciation	1,108,607	1,106,351	2,256	0%	1,106,351	1,235,444	129,092	10%	1,810,173	703,822		
Furniture & Equipment	105,538	143,558	(38,021)	(36%)	143,558	139,302	(4,256)	(3%)	189,667	46,108		
Vehicles	32,565	49,887	(17,323)	(53%)	49,887	54,411	4,524	8%	70,112	20,225		
<b>Facilities &amp; Equipment</b>	<b>2,242,294</b>	<b>2,357,486</b>	<b>(115,191)</b>	<b>(5%)</b>	<b>2,357,486</b>	<b>2,760,843</b>	<b>403,357</b>	<b>15%</b>	<b>3,831,584</b>	<b>1,474,098</b>		
Wages	2,113,811	2,673,462	(559,652)	(26%)	2,673,462	2,746,411	72,949	3%	4,153,407	1,479,945		
Payroll Taxes	157,464	213,744	(56,280)	(36%)	213,744	215,044	1,300	1%	325,212	111,467		
Benefits	620,932	643,154	(22,222)	(4%)	643,154	565,474	(77,679)	(14%)	837,771	194,618		
<b>Personnel</b>	<b>2,892,207</b>	<b>3,530,361</b>	<b>(638,154)</b>	<b>(22%)</b>	<b>3,530,361</b>	<b>3,526,929</b>	<b>(3,431)</b>	<b>(0.1%)</b>	<b>5,316,390</b>	<b>1,786,030</b>		
Food & Catering	15,783	11,026	4,757	30%	11,026	27,553	16,526	60%	50,621	39,594		
Recreation Contracts	304,083	142,458	161,625	53%	142,458	220,961	78,504	36%	391,912	249,455		
Bank & Credit Card Fees	66,367	40,084	26,282	40%	40,084	72,922	32,838	45%	94,119	54,035		
<b>Program</b>	<b>386,233</b>	<b>193,568</b>	<b>192,664</b>	<b>50%</b>	<b>193,568</b>	<b>321,436</b>	<b>127,868</b>	<b>40%</b>	<b>536,652</b>	<b>343,084</b>		
Communications	71,105	68,841	2,264	3%	68,841	72,330	3,489	5%	107,185	38,344		
Printing	37,796	50,863	(13,067)	(35%)	50,863	60,722	9,859	16%	105,170	54,307		
Advertising	630	-	630	100%	-	-	-	0%	-	-		
<b>Communications</b>	<b>109,531</b>	<b>119,704</b>	<b>(10,173)</b>	<b>(9%)</b>	<b>119,704</b>	<b>133,052</b>	<b>13,348</b>	<b>10%</b>	<b>212,355</b>	<b>92,651</b>		
Supplies	118,945	180,903	(61,959)	(52%)	180,903	181,679	776	0%	264,531	83,628		
Postage	8,580	11,324	(2,744)	(32%)	11,324	10,964	(360)	(3%)	18,258	6,934		
Dues & Subscriptions	5,419	5,749	(330)	(6%)	5,749	8,298	2,549	31%	15,558	9,808		
Travel & Entertainment	4,768	37	4,731	99%	37	5,444	5,406	99%	14,912	14,874		
Other Operating Expense	174,124	87,291	86,832	50%	87,291	136,981	49,689	36%	263,646	176,354		
<b>Operations</b>	<b>311,836</b>	<b>285,306</b>	<b>26,530</b>	<b>9%</b>	<b>285,306</b>	<b>343,366</b>	<b>58,060</b>	<b>17%</b>	<b>576,904</b>	<b>291,598</b>		
Information Technology	41,706	43,686	(1,980)	(5%)	43,686	63,575	19,889	31%	86,509	42,823		
Professional Fees	150,841	210,548	(59,707)	(40%)	210,548	166,183	(44,365)	(27%)	272,286	61,738		
Commercial Insurance	203,211	209,545	(6,335)	(3%)	209,545	193,552	(15,993)	(8%)	287,000	77,455		
Taxes	84	10,157	(10,073)	(12,004%)	10,157	10,000	(157)	(2%)	20,367	10,210		
Conferences & Training	9,691	6,034	3,657	38%	6,034	34,537	28,503	83%	45,563	39,528		
Employee Recognition	4,210	(5,892)	10,102	240%	(5,892)	7,228	13,120	182%	10,842	16,734		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
<b>Corporate Expenses</b>	<b>409,743</b>	<b>474,079</b>	<b>(64,336)</b>	<b>(16%)</b>	<b>474,079</b>	<b>475,076</b>	<b>997</b>	<b>0.2%</b>	<b>722,567</b>	<b>248,488</b>		
<b>Expenses</b>	<b>6,351,843</b>	<b>6,960,504</b>	<b>(608,661)</b>	<b>(10%)</b>	<b>6,960,504</b>	<b>7,560,702</b>	<b>600,199</b>	<b>8%</b>	<b>11,196,452</b>	<b>4,235,949</b>		
Gross surplus(Rev-Exp)	952,402	698,472	(253,931)	(27%)	698,472	240,036	458,436	191%	12,544	(685,928)		
Net. Gain/Loss on Invest.	314,848	516,560	201,712		516,560	-	516,560		-	(516,560)		
<b>Net from Operations</b>	<b>1,267,251</b>	<b>1,215,032</b>	<b>(52,219)</b>	<b>(4%)</b>	<b>1,215,032</b>	<b>240,036</b>	<b>974,996</b>	<b>406%</b>	<b>12,544</b>	<b>(1,202,488)</b>		



Green Valley Recreation, Inc.  
**Statement of Changes in Net Assets**  
**As of Date: August 31, 2021 and Dec 31, 2020**

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
<b>Net change in net assets-GVR</b>	1,352,765 (13)	1,352,765	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(2,192,400)	-	906	1,048,192	1,143,302
Depreciation	-	969,144	(969,144)	-	-	-
Disposal of Fixed Assets	-	(14,935)	14,935	-	-	-
Purchase & Contributed Fixed Assets	-	(260,955)	1,059,219	-	(772,246)	(26,018)
Withdrawals	-	315,311	-	-	(154,310)	(161,001)
Allocations of Net Change components:						
Investment income	-	(150,615)	-	7,412	122,956	20,246
Investment Expenses	-	51,763	-	(4,084)	(42,124)	(5,554)
Net Gains (Losses) in Investments	-	(527,762)	-	142,268	380,902	4,592
Repairs and replacements	-	-	-	-	-	-
<b>Net Change to August 31, 2021</b>	1,352,765 (13)	(457,684)	105,010	146,502	583,370	975,568
Net Assets at, Dec 31, 2020	30,548,293 (22)	2,680,306	17,884,981 (21)	993,416 (23)	7,874,717 (24)	1,114,873 (25)
<b>Net Assets as at, August 31, 2021</b>	<b>31,901,058 (8)</b>	<b>2,222,622</b>	<b>17,989,991 (7)</b>	<b>1,139,917 (9)</b>	<b>8,458,088 (10)</b>	<b>2,090,441 (11)</b>
		20,212,613 (14)		11,688,445 (12)		

Footnotes refer to Statement of Financial Position and Statement of Activities



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.  
**Investment Portfolios**  
**Changes and Market Values**  
**Beginning of Year and Current Month End**

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
<b>Balance Dec 31, 2020 (at Market)</b>	12,292,477 <sup>(20)</sup>	2,309,471 <sup>(19)</sup>	993,416 <sup>(15)</sup>	7,874,717 <sup>(16)</sup>	1,114,873 <sup>(17)</sup>
<b>Changes since Jan 1, 2020:</b>					
Principal additions	5,192,400	3,000,000	906	1,048,192	1,143,302
Investment income	173,849	23,234	7,412	122,956	20,246
Withdrawals	(2,613,575)	(1,500,000)	-	(926,556)	(187,019)
Investment Expenses	(51,763)	-	(4,084)	(42,124)	(5,554)
<b>Net Change for 8 Months</b>	<b>2,700,911</b>	<b>1,523,234</b>	<b>4,234</b>	<b>202,468</b>	<b>970,975</b>
<b>Balance before Market Change at August 31, 2021</b>	<b>14,993,388</b>	<b>3,832,705</b>	<b>997,649</b>	<b>8,077,185</b>	<b>2,085,848</b>
<b>8 Months Net Change in Investments Gain/(Loss)</b>	<b>516,560</b>	<b>(11,202)</b>	<b>142,268</b>	<b>380,902</b>	<b>4,592</b>
<b>Balance at August 31, 2021 (at Market)</b>	<b>\$ 15,509,949 <sup>(6)</sup></b>	<b>3,821,503 <sup>(5)</sup></b>	<b>1,139,917.18 <sup>(1)</sup></b>	<b>8,458,088 <sup>(2)</sup></b>	<b>2,090,441 <sup>(3)</sup></b>

11,688,445 <sup>(12)</sup>

Footnotes refer to Statement of Financial Position and Statement of Activities





Green Valley Recreation, Inc.  
**Board of Directors, Regular Meeting**

**Amend CPM – Facility Use**

**Prepared By:** Connie Griffin  
**Staff Support:** Nanci Moyo  
**Presented By:** Connie Griffin

**Meeting Date:** 9/22/21  
**Consent Agenda:** No

<p><b>Originating Committee / Department:</b> Board Affairs Committee (BAC)</p>
<p><b>Action Requested:</b>                  Amend the Corporate Policy Manual (CPM) Section IV – Facility Use, Subsection 1. General Facilities Rules and Regulations, Paragraph L to read as follows:                  L. GVR facilities will not be used by any member for commercial purposes <u>s with the following exceptions: (1) with the prior written approval of GVR administration, a GVR member may temporarily display items for sale at a particular facility if they are intended to assist or benefit those using that facility to participate in the associated/related activity; and (2) <del>s</del> personal sales resulting from hobby pursuits. <del>are permitted</del> It is the responsibility of each individual seller to obtain an Arizona Transaction Privilege Tax License.</u></p>
<p><b>Strategic Plan Goal:</b> GOAL 3. Promote increased involvement of members in GVR</p>
<p><b>Background Justification:</b>                  It was brought to the BAC’s attention that a GVR member has been displaying Pickleball paddles near the Pickleball courts. These paddles were not being sold on GVR property, but were available for GVR members to try out prior to deciding to purchase a specific make/model. The CPM does not address products being displayed on GVR property or if there needed to be GVR administration permission. This addition to the CPM allows for the display of items on GVR property with written permission from the GVR administration.</p>
<p><b>Impact:</b> The CPM will correctly represent GVR policy.</p>
<p><b>Recommended Motion:</b>                  I move to update the CPM by changing Section IV.1.L to read: GVR facilities will not be used by any member for commercial purposes with the following exceptions: (1) with the prior written approval of GVR administration, a GVR member may temporarily display items for sale at a particular facility if they are intended to assist or benefit those using that facility to participate in the associated/related activity; and (2) personal sales resulting from hobby pursuits. It is the responsibility of each individual seller to obtain an Arizona Transaction Privilege Tax License.</p>
<p><b>Attachments:</b> None</p>







Green Valley Recreation, Inc.

## Amend CPM – Operating Cash Policy

Prepared By: Donna Coon, FAC Chair  
and David Webster, CFO

Meeting Date: 9/22/21

Presented By: Donna Coon, FAC Chair

Consent Agenda: No

<p><b>Originating Committee / Department:</b> Fiscal Affairs/Finance and Operating Cash Ad Hoc</p>
<p><b>Action Requested:</b> Approve the Operating Cash Policy as written per the attachment and approve including it in the CPM as Section V Fiscal/Accounting, Subsection 3 – Operating Cash Policy.</p>
<p><b>Strategic Plan Goal:</b> Goal 4 Cultivate and maintain a sound financial base that generates good value for our members.</p>
<p><b>Background Justification:</b> The Fiscal Affairs Committee formed the Operating Cash Ad Hoc committee to study and clarify how GVR maintains its cash accounts so they are readily available during the year to fund the day-to-day operations of GVR. The Ad Hoc committee had two objectives:</p> <p>Objective 1 - Create a new subsection for the CPM, under Section V Fiscal/Accounting, to explain how GVR manages its cash accounts to meet the working capital needs of GVR. It will also include the formula in Objective 2 (below) which will be used to determine minimum requirements of cash needed in the Operating Cash accounts.</p> <p>Objective 2 - Develop a formula to use when determining how much cash GVR needs to have available at different points during the fiscal year. This formula was approved at the August Board of Directors meeting.</p>
<p><b>Fiscal Impact:</b> The Operating Cash Policy will allow the Finance department to maximize investments of operating cash while ensuring adequate cash is available to fund the annual operational expenses of GVR.</p>
<p><b>Board Options:</b></p> <ol style="list-style-type: none"> <li>1. Approve the Operating Cash Policy as written.</li> <li>2. Table this Policy for further discussion.</li> </ol>
<p><b>Staff Recommendation:</b> Option #1</p>
<p><b>Recommended Motion:</b> Approve the Operating Cash Policy as written per the attachment and approve including it in the CPM as Section V Fiscal/Accounting, Subsection 3 – Operating Cash Policy.</p>
<p><b>Attachments:</b> Operating Cash Policy for CPM</p>

# SECTION V – FISCAL/ACCOUNTING

## SUBSECTION 1. FISCAL POLICY – GENERAL

## SUBSECTION 2 - RESERVE POLICY – updated 01/29/2020

## SUBSECTION 3 – OPERATING CASH POLICY

### A. Overview

Green Valley Recreation, INC (GVR) maintains two operating cash accounts to ensure access to working capital needed to fund the day-to-day operations of GVR. This includes board approved transfers to reserve funds as described in Section V, Subsection 2. The following information describes the purpose, methodology to determine level of cash needed during the year, and monitoring responsibility for these cash funds.

### B. Purpose

To be fiscally responsible and implement best practices related to cash management, the cash management policy must:

1. Allow for easy accessibility of funds to meet the working capital needs of GVR.
2. Recognize the seasonality of the income flow.
3. Be consistent with the Investment Policy established for that account.

### C. Description of Cash Accounts

#### 1. Operating Cash Bank Account

- a. Consists of all deposits at a local bank, including, but not limited to annual membership dues, Property Acquisition Capital Fee (PACF), tenant fees, and program revenue.
- b. All checks are written on this account for operating expenses.
- c. Withdrawals are also done for the transfer of board approved amounts to each reserve fund as described in Section V, Subsection 2.

#### 2. Operating Cash Investment Account

- a. This is the holding account maintained by the investment manager that is selected and approved by the Board. These funds are invested pursuant to the Investment Policy in Appendix I, Subsection 3.
- b. Staff is authorized to transfer funds between this account and the operating cash bank to meet daily expenses as necessary.
- c. Due to fluctuations in cash needs this account may be 'rebalanced' periodically to allow excess cash to be moved to an appropriate reserve account.

## D. Operating Cash Policy

- 1. Methodology for Determining Level of Total Cash Required:** GVR's approved operating budget requires following the steps as described below in determining the annual cash needs of the organization.

**Chart 1 - Total Annual Cash Required to Fund GVR For Fiscal Year**

<b>Steps</b>	<b>Description</b>	<b>Example (Cy 2021)</b>
1.	Use the Total Expense Budget approved by the Board	\$11,196,453
2.	Subtract Non-Cash Depreciation	(1,810,173)
3.	Subtract Expenses paid by Maintenance, Repair and Reserve (MRR-A)	(259,034)
4.	Add NonReserve Capital Purchases	205,000
5.	Subtract Reserve Fund Investment Fees	(82,792)
6.	Add back the Reserve funding revenues approved to be transferred to respective reserve accounts	
	a. Maintenance Repair and Replacement (Part A)	1,048,192
	b. Maintenance Repair and Replacement (Part B)	169,553
	c. Initiatives Reserve	507,315
7.	<b>Total Annual Cash Required to Fund GVR for the Fiscal Year</b>	<b>\$10,974,514</b>

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- 2. Determination of number of days of average cash on hand required:** GVR follows the best practices guideline that recommend a minimum cash balance, at the lowest point during the year, of 90 days of the annual expenses ("90 Day Guideline").

- a. Prior to calculating the 90 Day Guideline, GVR will subtract the one-time annual revenue transfer made to the MMR-A Reserve Fund in January of each year. This allows GVR to maximize investment returns to the MMR-A fund.
- b. The required cash will be divided by 365 days to determine the Average Daily Cash Required. This amount will be multiplied by 90 days to determine the 90 Day Guideline.
- c. This calculation will be made after the Board's approval of the budget for the following year.

### Chart 2 - Total Cash Required to fund GVR for 90 Days

Steps	Description	Example (Cy 2021)
1.	Use Total Cash Required for fiscal year from Step 7 in Chart 1	\$10,974,514
2.	Subtract cash transfer to MRR Part A, in January	(1,048,192)
3.	Add Step 1 and 2 for Total Cash Required	9,926,322
4.	Days per Year	365
5.	<b>Divide to get the Daily Average Cash Required</b>	<b>27,195</b>
6.	Multiply by 90 days as best practice minimum days	90
7.	<b>Total Cash Required to fund GVR for 90 Days</b>	<b>\$2,447,586</b>

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### 3. Description and On-Going Monitoring of Cash Cycle:

1. GVR receives the majority of its revenues from member dues in Dec/January of each year with other revenue streams budgeted on a monthly basis. Some expenses are budgeted on an equal monthly basis; however, those that are seasonal, such as member activities and facility maintenance expenses are budgeted as close to expected timing of expense. As actual expenses are reported each month and reflected in the monthly financial statements, staff may adjust the projected expense for the remaining months to account for any timing issues related to the actual expenses. Because of this seasonality of the collection of revenues and projected monthly expenses, the chart below reflects the uneven nature of cash balances at the end of each month. The cash balances are gradually spent down each month with the 90 Day Guideline projected in November of each year. GVR also subtracts the amount of the Property Assessment Capital Fund (PACF) that has been paid to property owners. The Auditors require this item be recorded in this manner.
  
2. Staff will monitor these cash balances as part of its monthly financial report. As actual expenses and revenues are recorded, the projected cash balances may fluctuate resulting in a change in the end of month cash on hand beyond the 90 Day Guideline. If, after analysis and projections of the cash needs for the remaining months of the calendar year, this variance is determined to be excess of cash needed, the Board may review options to transfer this excess to other reserve accounts.

### Chart 3 - Projecting Operating Cash Above the 90 Day Minimum

Steps	Description	Example (Cy 2021)
1.	Use Cash Balance Projected for November (from Monthly Chart of Cash Flow with Projections for Remaining Months)	3,517,961
2.	Subtract PACF Allowance	(312,340)
3.	Total Net Cash Available for Operating funds	3,205,621
4.	<b>Divide by Daily Average Cash Required – Chart 2, step 5</b>	<b>27,195</b>
5.	Number of Days of Operating Cash Available	118
6.	Total Net Cash Available for Operating funds (step 3 above)	3,205,621
7.	<b>Take Minimum 90 Day Cash Minimum from Chart 2, Step 7</b>	<b>(2,447,586)</b>
8.	Projected Operating Cash Above the Minimum available for possible distribution to other Reserve Accounts	758,035

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### Monthly Chart of Cash Flow with Projections for Remaining Months

