



## AGENDA

### BOARD OF DIRECTORS MEETING

Wednesday, October 27, 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)

<b><u>AGENDA TOPIC</u></b>	<b><u>PRESENTER</u></b>	<b><u>EXHIBIT</u></b>	<b><u>ACTION</u></b>
<b>1. Call to Order / Roll Call – Establish Quorum</b>	Zelenak		
<b>2. Adopt Agenda</b>	Zelenak	Y	Y
<b>3. CEO Report</b>	Somers		
<b>4. President Report</b>	Zelenak		
<b>5. Consent Agenda</b>	Zelenak	Y	Y
A. Minutes:			
▪ BOD Regular Meeting Minutes: August 25, 2021			
▪ BOD Regular Meeting Minutes: September 22, 2021			
▪ BOD Work Session Minutes: October 13, 2021			
▪ BOD Special Meeting Minutes: October, 20, 2021			
B. Financial Statements:			
▪ August 2021			
▪ September 2021			
<b>6. New Business</b>			
A. Approval of Proposed Operations & Capital Budget, Five-Year Capital Plan and 2022 Fee Schedule	Coon	Y	Y
B. Possible Award of Contract for East Center Pool Project	Jund		Y
C. CPM Amendments: Section II.3. and 4.	Campfield	Y	Y
D. CPM Amendments: Section V.2	Campfield/Coon	Y	Y
E. Election – Telephone Voting	McIntosh	Y	Y
F. Approval to Submit GVRF Request for Funding for MAP	Somers	Y	Y
G. Quarterly Financial Presentation	Webster	Y	
<b>7. Committee Reports</b>			
A. Audit	Griffin		
B. Board Affairs	Campfield		
C. Fiscal Affairs	Coon		
D. Investments	Lawless		
E. Nominations & Elections	McIntosh		
F. Planning & Evaluation	Boyett		
<b>8. Member Comments - (Limited to two (2) minutes)</b>			
<b>9. Adjournment</b>			



## 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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## MINUTES

### BOARD OF DIRECTORS REGULAR MEETING

Wednesday, September 22, 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, Scott Somers (non-voting)

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

**Visitors: 54**

#### 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 2:00pm MST. Secretary Boyett called the roll; quorum established.

#### 2. Adopt Agenda

**MOTION: Director Campfield moved, seconded to adopt the Agenda as presented.**

**Passed: unanimous**

#### 3. CEO Report

- East Center Pool RFP (Request for Proposals) deadline has been extended to October 4, 2021, due to lack of proposals.
- Abrego South Pool, Spa, and Locker Rooms closed Monday, September 20 to resurface the pool deck and scheduled to reopen on Friday, October 8, 2021.
- Canoa Hills Center closed from 8:00am-12:00pm today for backflow repairs.
- Pool Flicks at Desert Hills coming back for the fall with Beetlejuice on Tuesday, September 28 at 6:00pm as the first movie.

#### 4. Consent Agenda

Director Coon asked to remove 4.B. Financial Statements: August 2021, from the Consent Agenda. An error was found and corrected on the August financials, but will need to be approved by the Fiscal Affairs Committee (FAC) at their next meeting. The August financials will come to the Board for approval in October.

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

- **Board of Directors Work Session Minutes: August 25, 2021**
- ~~**Board of Directors Regular Meeting Minutes: August 25, 2021**~~

\*Christine Gallegos joined the meeting.

Discussion. The minutes of the August 25 Board Meeting were also removed from the Consent Agenda, as there was a question regarding Motion 5.B. Staff will review the video from the meeting, and the minutes will be on the October 27 agenda for approval.

**Motion Passed: 11 yes / 1 abstain (Griffin)**

## **5. New Business**

### **A. Corporate Policy Manual (CPM) Amendments: Facility Use**

Director Griffin proposed an amendment to the CPM Section IV. Facility Use, Subsection 1. General Facilities Rules and Regulations, paragraph L. This amendment was reviewed by legal counsel and approved by the Board Affairs Committee (BAC).

**MOTION: Director Griffin moved, seconded 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.**

**Passed: unanimous**

### **B. CPM Amendments: New Operating Cash Policy**

Fiscal Affairs Committee (FAC) Chair Donna Coon gave background information on the proposed new subsection to be added to Section V. Fiscal/Accounting, as Subsection 3. Operating Cash Policy. This policy was approved for inclusion by the BAC; reviewed by legal counsel making several grammatical changes; and re-approved by the FAC and the BAC.

**MOTION: Director Coon moved, seconded to 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. This policy now contains an update to the formula approved at the Board of Directors Meeting on August 25, 2021.**

**Passed: unanimous**

### **C. Quarterly Financial Presentation**

CFO David Webster presented the new Board of Directors Quarterly Financial Report. This report provides a high-level, comprehensive total budget review for

GVR. It continues to use the accrual method of accounting and gives the Board a comparison to budget on a quarterly basis. The report will be posted on the website. Discussion.

## **6. Committee Reports**

- A. Audit – Committee Chair Griffin reported (received and placed on file).
- B. Board Affairs – Committee Chair Campfield reported (received and placed on file).
- C. Fiscal Affairs – Committee Chair Coon reported (received and placed on file).
- D. Investments – Committee Chair Lawless reported (received and placed on file).
- E. Nominations & Elections – Committee Chair McIntosh reported (received and placed on file).
- F. Planning & Evaluation – Committee Chair Boyett reported (received and placed on file).

## **7. Member Comments - 7**

## **8. Adjournment**

**MOTION: Director Crothers moved, seconded to adjourn the meeting at 3:56pm MST.**

**Passed: unanimous**



## MINUTES

### BOARD OF DIRECTORS / FISCAL AFFAIRS COMMITTEE WORK SESSION

Wednesday, October 13, 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, Scott Somers (non-voting)

**Fiscal Affairs Committee (FAC):** Steve Gilbert, Nellie Johnson, Steve Reynolds, Chuck Soukup, Eric Sullwold. Greg Wright was absent.

**Staff Present:** David Jund, (Facilities Director), David Webster (CFO/Director of Accounting), Nanci Moyo (Administrative Supervisor), Dee Schisel, (Human Resources Specialist), Natalie Whitman (Communications Manager), and Kris Zubicki (Recreation Services Director)

**Visitors:** 74 (includes additional staff)

#### 1. Call to Order

The President being in the chair and the Secretary being present the meeting was called to order by Director/FAC Chair Donna Coon at 2:03pm MST. All Directors were in attendance.

FAC Chair Donna Coons said the FAC met on September 27 for budget discussion and offered suggestions for changes to the budget to be brought to this Work Session (in the record). FAC will meet October 19, 2021, for possible approval of the budget. If the budget is approved by the FAC, without a further needed Work Session, it will go to the Board of Directors Meeting on October 27, 2021, for review and possible approval.

#### 2. Proposed Operations and Capital Budget

CFO David Webster presented a PowerPoint on the 2022 proposed budget (in the record).

\*Director McIntosh left the meeting at 2:55 p.m.

Highlights of the discussion included:

- Fee increases based on CPI
- No increase for annual fee for 2022



- Increase fee every year by small increments, instead of every couple of years with larger increases
- Inflation costs have been built into the budget
- Staff was commended for the outstanding budget, the budget process and for the practical budget that does not require an increase in dues
- Staff is working on making processes efficient and having the right number of staff at all levels
- Proposed raise in transfer fees and homebuyer fees.

\*Director Lawless left the meeting at 3:57 p.m.

### **3. Adjournment**

FAC Chair Donna Coon adjourned the meeting at 4:03pm MST.

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## MINUTES

### BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, October 20, 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, Scott Somers (non-voting)

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (Communications Manager)

**Visitors:** 18

#### 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 2:00pm 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. New Business

##### A. Award of Contract for East Center Pool'

**MOTION: Director Howard moved, seconded to authorize the CEO to proceed with negotiations with one or both of the contractors who submitted bid proposals in order to reach an all in total contract amount of less than \$1 million through value engineering or reasonable scope of work changes that will not change the character or the usage of the pool as designed within 30 days.**

Facilities Director David Jund reviewed the history and current contract proposals for the East Center Pool. The Board held a discussion on the East Center Pool.

**MOTION TO AMEND: Director Campfield amended the motion, seconded to ask for value engineering from both bidders and they provide the specific cost for each item and staff would bring back to the Board with its recommendation as to which items should be eliminated and/or kept.**

**Motion to Amend Passed: 8 yes / 4 no (Bachelor, Coon, Crothers, Hillyer)**

Members provided comments on the award of contract for the East Center Pool.

**Amended Motion Passed: 9 yes / 3 no (Bachelor, Crothers, Hillyer)**

#### 4. Member Comments

#### 5. Adjournment

**MOTION: Director Howard moved, seconded to adjourn the meeting at 3:24pm MST.**

**Passed: unanimous**



# 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. 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 (6)	12,292,477 (20)
<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 (7)</b>	<b>17,884,981 (21)</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	3,315,010	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 (8)</b>	<b>30,548,293 (22)</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 <sup>(13)</sup>	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 <sup>(13)</sup>	(457,684)	105,010	146,502	583,370	975,568
Net Assets at, Dec 31, 2020	30,548,293 <sup>(22)</sup>	2,680,306	17,884,981 <sup>(21)</sup>	993,416 <sup>(23)</sup>	7,874,717 <sup>(24)</sup>	1,114,873 <sup>(25)</sup>
<b>Net Assets as at, August 31, 2021</b>	<b>31,901,058 <sup>(8)</sup></b>	<b>2,222,622</b>	<b>17,989,991 <sup>(7)</sup></b>	<b>1,139,917 <sup>(9)</sup></b>	<b>8,458,088 <sup>(10)</sup></b>	<b>2,090,441 <sup>(11)</sup></b>
		20,212,613 <sup>(14)</sup>		11,688,445 <sup>(12)</sup>		

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

**GVR MEMBER PROPERTIES MONTHLY REPORT**

2021	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>NEW MEMBERS</b>	3	5	4	3	5	3	5	5					
<b>Total Members</b>	13,721	13,726	13,730	13,733	13,738	13,741	13,746	13,751	13,751	13,751	13,751	13,751	13,751
<b>Members Last Year</b>	13,658	13,664	13,666	13,669	13,680	13,682	13,686	13,693	13,697	13,702	13,707	13,718	13,718
<b>PACF</b>	76	92	146	139	136	136	116	76					917
<b>Initial Fee</b>	3	2	3	2	3	3	2	4					22
<b>Transfer Fee (new build no Initial fee)</b>	-	-	1	1	2	-	3	1					8
<b>Transfer Fee (new build w/Initial fee)</b>	3	5	3	2	3	3	2	4					25
<b>Transfer Fee (estate planning)</b>	1	1	1	-	-	-	-	-					3
<b>Transfer Fee (resale)</b>	74	88	148	138	138	136	114	76					912
<b>Transfer Fee Non-Resale</b>	8	6	4	3	2	2	1	-					26
<b>Monthly Resales</b>	74	88	148	138	138	136	114	76	-	-	-	-	912
<b>Monthly Resales Last Year</b>	76	91	141	64	92	98	74	107	72	110	72	112	1,109
<b>YTD Resales</b>	74	162	310	448	586	722	836	912	-	-	-	-	4,050
<b>YTD Resales Last Year</b>	76	167	308	372	464	562	636	743	815	925	997	1,109	1,109
<b>Total Sales (new and resale)</b>	77	93	152	141	143	139	119	81	-	-	-	-	945
<b>Total Sales (new and resale) Last Year</b>	84	97	143	67	103	100	78	114	76	115	77	123	1,177
<b>PACF Refund</b>	3	14	14	22	10	14	17	4					98
				Refunds	Refunds	Refunds	Refunds	Refunds	Refunds	Refunds	Refunds	Refunds	
	\$2,716			12	5	13	15	4					
	\$2,616			10	5	1	2	-					
				Invoiced	Invoiced	Invoiced	Invoiced	Invoiced	Invoiced	Invoiced	Invoiced	Invoiced	
	\$2,716			137	136	133	114	71					
	\$2,616			2	-	-	2	1					





# Green Valley Recreation, Inc.

## CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying pages are the Financial Reports for September 30, 2021. The four

### **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. Statement of Financial Position

As of Date: September 30, 2021 and Dec 31, 2020

	September 30, 2021	Dec 31, 2020
	Total	Total
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash/Cash Equivalents	564,135	4,558,345
Accounts Receivable	289,957	244,976
Prepaid Expenses	327,991	267,187
Designated Investments (Charles S./SBH)		
Emergency - Fund	1,105,471 <sup>(1)</sup>	993,416 <sup>(15)</sup>
MRR - Fund	8,191,251 <sup>(2)</sup>	7,874,717 <sup>(16)</sup>
Initiatives - Fund	2,072,906 <sup>(3)</sup>	1,114,873 <sup>(17)</sup>
Total Designated Investments (CS/SBH)	11,369,628 <sup>(4)</sup>	9,983,006 <sup>(18)</sup>
Undesignated Invest. (JP Morgan)	3,821,228 <sup>(5)</sup>	2,309,471 <sup>(19)</sup>
Investments	15,190,857 <sup>(6)</sup>	12,292,477 <sup>(20)</sup>
<b>Total Current Assets</b>	<b>16,372,940</b>	<b>17,362,985</b>
<b>Fixed Assets</b>		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	24,788,607	23,455,093
Sub-Total	42,805,692	41,472,178
Less - Accumulated Depreciation	(24,800,834)	(23,587,197)
<b>Net Fixed Assets</b>	<b>18,004,858 <sup>(7)</sup></b>	<b>17,884,981 <sup>(21)</sup></b>
<b>Total Assets</b>	<b>34,377,797</b>	<b>35,247,966</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	746,830	781,728
Deferred Dues & Fees	1,734,161	3,685,092
Deferred Programs	78,181	43,933
Compensation Liability	168,036	188,920
<b>Total Current Liabilities</b>	<b>2,725,208</b>	<b>4,699,673</b>
<b>TOTAL NET ASSETS</b>	<b>31,652,589 <sup>(8)</sup></b>	<b>30,548,293 <sup>(22)</sup></b>
<b>NET ASSETS</b>		
Temporarily Designated:		
Board Designated:		
Emergency	1,105,471 <sup>(9)</sup>	993,416 <sup>(23)</sup>
Maint - Repair - Replacement	8,191,251 <sup>(10)</sup>	7,874,717 <sup>(24)</sup>
Initiatives	2,072,906 <sup>(11)</sup>	1,114,873 <sup>(25)</sup>
Sub-Total	11,369,628 <sup>(12)</sup>	9,983,006
Unrestricted Net Assets	19,178,665	20,565,287
Net change Year-to-Date	1,104,296 <sup>(13)</sup>	-
Unrestricted Net Assets	20,282,961 <sup>(14)</sup>	20,565,287
<b>TOTAL NET ASSETS</b>	<b>31,652,589</b>	<b>30,548,293</b>



GREEN VALLEY RECREATION, INC.

# Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 9 month period ending September 30, 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	5,061,040	5,203,995	142,955	3%	5,203,995	5,197,586	6,409	0.1%	6,930,115	1,726,120		
LC, Trans., Crd Fees.	470,319	523,031	52,712	11%	523,031	604,965	(81,934)	(14%)	789,835	266,804		
Capital Revenue	1,754,324	2,397,278	642,954	37%	2,397,278	2,228,676	168,602	8%	2,518,147	120,869		
Programs	121,628	10,613	(111,015)	(91%)	10,613	158,195	(147,583)	(93%)	260,953	250,340		
Instructional	215,818	90,694	(125,124)	(58%)	90,694	103,470	(12,776)	(12%)	206,133	115,439		
<b>Recreational Revenue</b>	<b>337,445</b>	<b>101,306</b>	<b>(236,139)</b>	<b>(70%)</b>	<b>101,306</b>	<b>261,665</b>	<b>(160,359)</b>	<b>(61%)</b>	<b>467,086</b>	<b>365,780</b>		
<b>Investment Income</b>	<b>210,455</b>	<b>203,496</b>	<b>(6,959)</b>	<b>(3%)</b>	<b>203,496</b>	<b>188,936</b>	<b>14,559</b>	<b>8%</b>	<b>286,746</b>	<b>83,250</b>		
Advertising Income	94,304	22,705	(71,599)	(76%)	22,705	51,435	(28,730)	(56%)	71,257	48,552		
Cell Tower Lease Inc.	30,717	31,116	400	1%	31,116	25,992	5,125	20%	38,378	7,262		
<b>Comm. Revenue</b>	<b>125,021</b>	<b>53,822</b>	<b>(71,199)</b>	<b>(57%)</b>	<b>53,822</b>	<b>77,427</b>	<b>(23,605)</b>	<b>(30%)</b>	<b>109,635</b>	<b>55,814</b>		
Other Income	46,807	61,099	14,292	31%	61,099	84,368	(23,269)	(28%)	91,433	30,334		
Facility Rent	24,627	2,380	(22,247)	(90%)	2,380	9,800	(7,420)	(76%)	16,000	13,620		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	63,913	-	(63,913)	(100%)	-	-	-	0%	-	-		
<b>Other Revenue</b>	<b>135,347</b>	<b>63,479</b>	<b>(71,868)</b>	<b>(53%)</b>	<b>63,479</b>	<b>94,168</b>	<b>(30,689)</b>	<b>(33%)</b>	<b>107,433</b>	<b>43,954</b>		
<b>Total Revenue</b>	<b>8,093,951</b>	<b>8,546,407</b>	<b>452,455</b>	<b>6%</b>	<b>8,546,407</b>	<b>8,653,423</b>	<b>(107,017)</b>	<b>(1%)</b>	<b>11,208,997</b>	<b>2,662,590</b>		
<b>Expenses</b>												
Major Proj.-Rep. & Maint.	217,039	384,532	(167,493)	(77%)	384,532	521,187	136,655	26%	598,359	213,827		
Facility Maintenance	310,697	167,043	143,654	46%	167,043	202,704	35,660	18%	254,620	87,577		
Fees & Assessments	(1,070)	13,749	(14,818)	1,385%	13,749	40,841	27,092	66%	42,919	29,170		
Utilities	552,143	586,996	(34,853)	(6%)	586,996	679,030	92,035	14%	865,734	278,738		
Depreciation	1,248,996	1,245,111	3,885	0%	1,245,111	1,408,600	163,489	12%	1,810,173	565,062		
Furniture & Equipment	123,945	164,815	(40,870)	(33%)	164,815	151,613	(13,202)	(9%)	189,667	24,852		
Vehicles	42,139	56,287	(14,148)	(34%)	56,287	58,025	1,737	3%	70,112	13,825		
<b>Facilities &amp; Equipment</b>	<b>2,493,889</b>	<b>2,618,532</b>	<b>(124,644)</b>	<b>(5%)</b>	<b>2,618,532</b>	<b>3,061,999</b>	<b>443,467</b>	<b>14%</b>	<b>3,831,584</b>	<b>1,213,051</b>		
Wages	2,397,287	3,004,588	(607,301)	(25%)	3,004,588	3,114,276	109,688	4%	4,153,407	1,148,819		
Payroll Taxes	178,078	240,922	(62,844)	(35%)	240,922	243,848	2,926	1%	325,212	84,290		
Benefits	687,534	725,626	(38,092)	(6%)	725,626	634,061	(91,565)	(14%)	837,771	112,146		
<b>Personnel</b>	<b>3,262,899</b>	<b>3,971,136</b>	<b>(708,236)</b>	<b>(22%)</b>	<b>3,971,136</b>	<b>3,992,184</b>	<b>21,049</b>	<b>0.5%</b>	<b>5,316,390</b>	<b>1,345,255</b>		
Food & Catering	19,162	13,421	5,741	30%	13,421	29,464	16,043	54%	50,621	37,200		
Recreation Contracts	308,903	146,592	162,311	53%	146,592	227,273	80,682	35%	391,912	245,321		
Bank & Credit Card Fees	67,259	41,676	25,583	38%	41,676	74,250	32,574	44%	94,119	52,443		
<b>Program</b>	<b>395,324</b>	<b>201,688</b>	<b>193,635</b>	<b>49%</b>	<b>201,688</b>	<b>330,987</b>	<b>129,298</b>	<b>39%</b>	<b>536,652</b>	<b>334,964</b>		
Communications	81,903	77,461	4,442	5%	77,461	81,050	3,589	4%	107,185	29,724		
Printing	40,170	50,863	(10,693)	(27%)	50,863	62,425	11,562	19%	105,170	54,307		
Advertising	630	-	630	100%	-	-	-	0%	-	-		
<b>Communications</b>	<b>122,703</b>	<b>128,324</b>	<b>(5,621)</b>	<b>(5%)</b>	<b>128,324</b>	<b>143,475</b>	<b>15,151</b>	<b>11%</b>	<b>212,355</b>	<b>84,031</b>		
Supplies	135,740	201,736	(65,996)	(49%)	201,736	202,250	514	0%	264,531	62,795		
Postage	8,664	11,454	(2,790)	(32%)	11,454	11,271	(183)	(2%)	18,258	6,804		
Dues & Subscriptions	6,635	6,542	93	1%	6,542	14,085	7,543	54%	15,558	9,016		
Travel & Entertainment	4,768	1,114	3,654	77%	1,114	11,444	10,329	90%	14,912	13,797		
Other Operating Expense	192,902	90,198	102,704	53%	90,198	158,962	68,764	43%	263,646	173,448		
<b>Operations</b>	<b>348,708</b>	<b>311,044</b>	<b>37,664</b>	<b>11%</b>	<b>311,044</b>	<b>398,011</b>	<b>86,967</b>	<b>22%</b>	<b>576,904</b>	<b>265,860</b>		
Information Technology	54,079	56,180	(2,101)	(4%)	56,180	71,419	15,239	21%	86,509	30,329		
Professional Fees	159,373	220,735	(61,362)	(39%)	220,735	195,084	(25,651)	(13%)	272,286	51,551		
Commercial Insurance	227,747	236,711	(8,964)	(4%)	236,711	216,914	(19,797)	(9%)	287,000	50,289		
Taxes	109	10,157	(10,048)	(9,226%)	10,157	15,489	5,332	34%	20,367	10,210		
Conferences & Training	12,983	8,553	4,430	34%	8,553	36,909	28,356	77%	45,563	37,009		
Employee Recognition	4,527	(5,892)	10,419	230%	(5,892)	8,132	14,023	172%	10,842	16,734		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
<b>Corporate Expenses</b>	<b>458,818</b>	<b>526,444</b>	<b>(67,626)</b>	<b>(15%)</b>	<b>526,444</b>	<b>543,946</b>	<b>17,502</b>	<b>3.2%</b>	<b>722,567</b>	<b>196,123</b>		
<b>Expenses</b>	<b>7,082,341</b>	<b>7,757,169</b>	<b>(674,828)</b>	<b>(10%)</b>	<b>7,757,169</b>	<b>8,470,603</b>	<b>713,434</b>	<b>8%</b>	<b>11,196,452</b>	<b>3,439,284</b>		
Gross surplus(Rev-Exp)	1,011,610	789,238	(222,372)	(22%)	789,238	182,821	606,417	332%	12,544	(776,694)		
Net Gain/Loss on Invest.	231,719	315,059	83,340		315,059	-	315,059		-	(315,059)		
<b>Net from Operations</b>	<b>1,243,329</b>	<b>1,104,297</b>	<b>(139,033)</b>	<b>(11%)</b>	<b>1,104,297</b>	<b>182,821</b>	<b>921,476</b>	<b>504%</b>	<b>12,544</b>	<b>(1,091,752)</b>		



Green Valley Recreation, Inc.  
**Statement of Changes in Net Assets**  
**As of Date: September 30, 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>	1,104,296 <sup>(13)</sup>	1,104,296	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(2,191,494)	-	-	1,048,192	1,143,302
Depreciation	-	1,245,111	(1,245,111)	-	-	-
Disposal of Fixed Assets	-	(31,474)	31,474	-	-	-
Purchase & Contributed Fixed Assets	-	(210,602)	1,333,514	-	(929,777)	(193,135)
Withdrawals	-	133,518	-	-	(131,874)	(1,645)
Allocations of Net Change components:						
Investment income	-	(174,795)	-	9,477	141,465	23,853
Investment Expenses	-	51,763	-	(4,084)	(42,124)	(5,554)
Net Gains (Losses) in Investments	-	(328,527)	-	106,662	230,652	(8,787)
Repairs and replacements	-	-	-	-	-	-
<b>Net Change to September 30, 2021</b>	1,104,296 <sup>(13)</sup>	(402,203)	119,877	112,055	316,534	958,033
Net Assets at, Dec 31, 2020	30,548,293 <sup>(22)</sup>	2,680,306	17,884,981 <sup>(21)</sup>	993,416 <sup>(23)</sup>	7,874,717 <sup>(24)</sup>	1,114,873 <sup>(25)</sup>
<b>Net Assets as at, September 30, 2021</b>	<b>31,652,589 <sup>(8)</sup></b>	<b>2,278,103</b>	<b>18,004,858 <sup>(7)</sup></b>	<b>1,105,471 <sup>(9)</sup></b>	<b>8,191,251 <sup>(10)</sup></b>	<b>2,072,906 <sup>(11)</sup></b>
		20,282,961 <sup>(14)</sup>		11,369,628 <sup>(12)</sup>		

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.  
**Investment Portfolios**  
**Changes and Market Values**  
**Beginning of Year and Curent 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	5,191,494	3,000,000	-	1,048,192	1,143,302
Investment income	200,020	25,226	9,477	141,465	23,853
Withdrawals	(2,756,431)	(1,500,000)	-	(1,061,651)	(194,780)
Investment Expenses	(51,763)	-	(4,084)	(42,124)	(5,554)
<b>Net Change for 9 Months</b>	<b>2,583,321</b>	<b>1,525,226</b>	<b>5,393</b>	<b>85,881</b>	<b>966,821</b>
<b>Balance before Market Change at September 30, 2021</b>	<b>14,875,798</b>	<b>3,834,697</b>	<b>998,809</b>	<b>7,960,599</b>	<b>2,081,694</b>
<b>9 Months Net Change in Investments Gain/(Loss)</b>	<b>315,059</b>	<b>(13,469)</b>	<b>106,662</b>	<b>230,652</b>	<b>(8,787)</b>
<b>Balance at September 30, 2021 (at Market)</b>	<b>\$ 15,190,857 <sup>(6)</sup></b>	<b>3,821,228 <sup>(5)</sup></b>	<b>1,105,470.93 <sup>(1)</sup></b>	<b>8,191,251 <sup>(2)</sup></b>	<b>2,072,906 <sup>(3)</sup></b>

11,369,628 <sup>(12)</sup>

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

## Board of Directors Meeting or Work Session

**Prepared By:** David Webster, CFO

**Meeting Date:** October 27, 2021

**Presented By:** David Webster  
and Donna Coon, FAC Chair

**Consent Agenda:** No

<p><b>Originating Committee / Department:</b> FAC/Finance</p>
<p><b>Action Requested:</b> Approve the Proposed 2022 Operations and Capital Budget, Five-Year Capital Plan, and 2022 Fee Schedule</p>
<p><b>Strategic Plan Goal: Goal 4:</b> Cultivate and maintain a sound financial base that generates good value for our members.</p>
<p><b>Background Justification:</b> GVR staff developed and presented the Initial 2022 Budget Proposal to the Fiscal Affairs Committee (FAC) at an open work session, subsequently, staff issued a written Budget Message and presented the Budget Proposal at the October 13, 2021 Board of Directors (BOD) work session. After another review by the FAC on October 19, 2021, the FAC recommended adjustments to the Proposed 2022 Fees and Budget for consideration by the BOD.</p>
<p><b>Fiscal Impact:</b> The Initial proposed 2022 Budget recommends no dues or fees increases. The FAC recommends a \$100 increase to PACF and Initial Fees and \$50 increase to Transfer Fees. Both of these options are Zero Surplus Budgets and are presented in the Budget report. The differences in fee rates and budget amounts are highlighted in green. The Budget also provides for the funding of MRR, Initiatives, and Non-Reserve Capital projects.</p>
<p><b>Board Options:</b> The BOD may:</p> <ol style="list-style-type: none"> <li>1. Approve the initially Proposed 2022 Operations and Capital Budget and corresponding Fee Schedule.</li> <li>2. Approve the FAC recommended 2022 Budget and corresponding Fee Schedule.</li> <li>3. Recommend an alternate 2022 Budget and Fee Schedule.</li> <li>4. Reject the proposals and provide instructions for developing an alternative Budget and Fee Schedule.</li> </ol>

**Staff Recommendation:** Option 1 or Option 2.

**Recommended Motion:** I move to approve

**1)** the initially Proposed 2022 Operations and Capital Budget, Five-Year Capital Plan, and corresponding Fee Schedule

**OR**

**2)** the FAC Recommended 2022 Operations and Capital Budget, Five-Year Capital Plan, and corresponding Fee Schedule.

**Attachments:**

- 2022 Budget with Initial Proposal and FAC Recommendation
- 2022 Non-Reserve Capital Budget
- 2022 Fee Schedule
- 2022 Five-year Capital Plan
- Maintenance Repair & Replacement Reserve Study Report Summary

GVR Budget Worksheet BOD GVR Sum APPROVAL

ATTACHMENT:  
6.A.

2022 BUDGET FOR BOARD APPROVAL		2021	2022	2022	2023	2024	2025
		2021 BUDGET	INITIAL PROPOSED BUDGET	FAC RECOMMENDED BUDGET	Projected	Projected	Projected
	Full Time Equivalents	99	97	97			
	Head Count	117	116	116			
Revenue	Member Dues	6,930,115	6,946,780	6,946,780	7,114,437	7,279,569	7,444,701
	LC,Trans., Crd Fees.	789,835	725,215	725,215	746,971	769,381	792,462
	Capital Revenue	2,518,147	2,930,270	3,094,570	3,018,178	3,108,723	3,201,985
	Membership Revenue	10,238,097	10,602,265	10,766,565	10,879,586	11,157,673	11,439,148
	Programs	260,953	203,246	203,246	209,343	215,623	222,092
	Instructional	206,133	340,329	340,329	350,539	361,055	371,887
	Recreational Revenue	467,086	543,575	543,575	559,882	576,678	593,979
	Investment Income	286,746	279,432	279,432	279,432	279,432	279,432
	Advertising Income	71,257	-	-	-	-	-
	Cell Tower Lease Inc.	38,378	41,368	41,368	42,609	43,887	45,204
	Comm. Revenue	109,635	41,368	41,368	42,609	43,887	45,204
	Other Income	91,433	55,573	55,573	57,240	58,957	60,726
	Facility Rent/Leases	16,000	6,000	6,000	6,180	6,365	6,556
	Marketing Events	-	-	-	-	-	-
	Other Revenue	107,433	61,573	61,573	63,420	65,323	67,282
	<b>Total Operating Revenue</b>	<b>11,208,997</b>	<b>11,528,213</b>	<b>11,692,513</b>	<b>11,824,930</b>	<b>12,122,994</b>	<b>12,425,045</b>
Expenses	Major Proj.-Rep. & Maint.	598,359	542,035	542,035	558,296	575,045	592,296
	Facility Maintenance	254,620	170,994	170,994	176,124	181,408	186,850
	Fees & Assessments	42,919	38,134	38,134	39,278	40,456	41,670
	Utilities	865,734	871,224	871,224	897,361	924,282	952,010
	Depreciation	1,810,173	1,706,610	1,706,610	1,757,808	1,810,542	1,864,859
	Furniture & Equipment	177,008	248,684	248,684	256,145	263,829	271,744
	Vehicles	70,112	76,620	76,620	78,919	81,286	83,725
	Facilities & Equipment	3,818,925	3,654,301	3,654,301	3,763,930	3,876,848	3,993,153
	Wages	4,153,407	4,210,761	4,210,761	4,337,084	4,467,196	4,601,212
	Payroll Taxes	325,212	337,618	337,618	347,747	358,179	368,925
	Benefits	837,771	993,021	993,021	1,042,672	1,094,805	1,149,545
	Personnel	5,316,390	5,541,400	5,541,400	5,727,502	5,920,181	6,119,682
	Food & Catering	50,621	40,319	40,319	41,529	42,775	44,058
	Recreation Contracts	391,912	422,853	422,853	435,539	448,605	462,063
	Bank & Credit Card Fees	94,119	73,900	73,900	76,117	78,400	80,752
	Program	536,652	537,072	537,072	553,184	569,780	586,873
	Communications	107,185	114,045	114,045	117,466	120,990	124,620
	Printing	105,170	82,200	82,200	84,666	87,206	89,822
	Advertising	-	33,500	33,500	34,505	35,540	36,606
	Communications	212,355	229,745	229,745	236,637	243,736	251,049
	Supplies	264,531	289,808	289,808	298,502	307,457	316,681
	Postage	18,258	15,087	15,087	15,540	16,006	16,486
	Dues & Subscriptions	15,558	12,045	12,045	12,406	12,779	13,162
	Travel & Entertainment	26,610	16,000	16,000	16,480	16,974	17,484
	Other Operating Expense	251,948	148,264	148,264	152,712	157,293	162,012
	Operations	576,904	481,204	481,204	495,640	510,509	525,825
	Information Technology	86,509	123,798	123,798	127,512	131,337	135,277
	Professional Fees	284,946	304,200	304,200	313,326	322,726	332,408
	Commercial Insurance	287,000	329,075	329,075	348,819	369,749	391,933
	Taxes	20,367	18,566	18,566	19,123	19,697	20,288
	Conferences & Training	45,563	43,100	43,100	44,393	45,725	47,097
	Employee Recognition	10,842	20,000	20,000	20,600	21,218	21,855
Provision for Bad Debt	-	-	-	-	-	-	
Corporate Expenses	735,227	838,739	838,739	873,773	910,451	948,857	
	<b>Total Operating Expenses</b>	<b>11,196,454</b>	<b>11,282,460</b>	<b>11,282,460</b>	<b>11,650,667</b>	<b>12,031,505</b>	<b>12,425,439</b>
Net	Gross surplus(Rev-Exp)/ Net Cash Flow	12,543	245,753	245,753	174,263	91,489	(393)
	Unrea. Gain/Loss on Invest.	-	-	-	-	-	-
	Accrual Basis Net from Operations	12,543	245,753	245,753	174,263	91,489	(393)
Adj. to Zero Surplus	<b>Subtract:</b>						
	Non-Reserve Capital Projcs	(205,000)	(218,000)	(218,000)			
	Income From Reserve Funds	(234,480)	(243,051)	(243,051)			
	Reserved Funding/Initiatives	(507,317)	(589,977)	(611,752)			
	MRR B (Pools & Spas)	(169,553)	(127,947)	(270,472)			
	Reserved Funding/MRR	(1,048,192)	(1,132,047)	(1,132,047)			
	Cash Basis Changed in Net Assets Net of Re	(2,151,999)	(2,065,270)	(2,229,570)			
	<b>Add Back:</b>						
	MRR Operating Expenses.	259,034	269,920	269,920			
	Depreciation	1,810,173	1,706,610	1,706,610			
Expenses from Reserve Funds	82,792	88,740	88,740				
	<b>Cash Basis Net Surplus (Deficit)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>			





## 2022 Non-Reserve Capital Projects

	<b>Amount</b>
Clear Comfort Systems (ABN & ABS pool and spa)	\$ 27,000
Accessibility initiatives	\$ 80,000
Proximity readers	\$ 35,000
Mini Skid Steer w/attachment	\$ 45,000
Fence and gates for PBC	\$ 11,000
Social spaces - furniture & amenities	\$ 20,000
<b>Total</b>	<b>\$ 218,000</b>

**GVR  
2022 BUDGET  
FEE SCHEDULE**

	2022 STAFF		2022 FAC
	2021 RATE	PROPOSED RATE	RECOMMENDED RATE
Annual Dues per Household	\$ 505	\$ 505	\$ 505
Annual Life Care Member Dues	\$ 505	\$ 505	\$ 505
Transfer Fee	\$ 400	\$ 400	\$ 450
Guest Card Fees	\$ 70	\$ 70	\$ 70
Tenant Fees:			
1-7 Days	\$ 20	\$ 20	\$ 20
2 Weeks	\$ 30	\$ 30	\$ 30
1 Month	\$ 40	\$ 40	\$ 40
2 Months	\$ 75	\$ 75	\$ 75
3 Months	\$ 115	\$ 115	\$ 115
4-12 Months	\$ 150	\$ 150	\$ 150
Card Replacement	\$ 15	\$ 15	\$ 15
Additional Card Fees	\$ 100	\$ 100	\$ 100
Property Acquisition Capital Fee	\$ 2,716	\$ 2,716	\$ 2,816
Initial Fee	\$ 2,543	\$ 2,543	\$ 2,643
Late Fees	\$ 20	\$ 20	\$ 20
Transfer Fee - Estate	\$ 100	\$ 100	*
Lien Prep Fee	\$ 120	\$ 120	*
Dues Payment Plan Setup Fee	\$ 25	\$ 25	*
Dues Payment Plan Processing Fee	\$ 22	\$ 22	*
Check NSF Fee	\$ 45	\$ 45	*
Collections Prep Processing Fee	\$ 75	\$ 75	*

\* Additional Fees that CPM does not require BOD approval

**GVR**  
**Long Term Capital Project Plan**  
**Funding Projections**

All Amounts Are Projections

	2021	2022	2023	2024	2025	2026
<b>Initiatives</b>						
Beginning Balance	\$ 1,114,873	\$ 2,282,272	\$ 1,022,770	\$ 602,573	\$ 1,157,704	\$ 1,409,507
Funding From Operations Revenue	\$ 757,958	\$ 589,977	\$ 534,316	\$ 555,820	\$ 585,869	\$ 604,788
Additional GVR Funding (Estimate)	\$ 737,620					
Additional Funding						
Loan Payments						
Net Investment Earnings	\$ 66,200	\$ 100,503	\$ 46,070	\$ 49,894	\$ 72,767	\$ 97,077
<b>Projects:</b>						
Clay Studio Expansion	\$ (98,976)					
Canoa Hills Club House & Pk Lot	\$ (16,941)	\$ (961,000)	\$ (961,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
<b>East Center Pool Replacement</b>	<b>\$ (261,137)</b>	<b>\$ (768,982)</b>				
PBC Shade Structure	\$ (17,325)					
Abrego So. Field House & Shuffle Repurpos		\$ (125,000)				
Social Gathering Place		\$ (95,000)				
Desert Hills Fitness Expansion			\$ (39,583)	\$ (39,583)	\$ (395,833)	
EC Art Classroom expansion						\$ (35,000)
Expand Art Classroom						\$ (35,000)
Expand Ceramics						\$ (15,000)
LC Ph2 Classroom parking tennis						
<b>Potential Projects</b>						
GVR Dog Park		\$ -	\$ -			
LC - Fitness Room Expansion					\$ -	
Woodshop Expansion					\$ -	
<b>Ending Balance</b>	<b>\$ 2,282,272</b>	<b>\$ 1,022,770</b>	<b>\$ 602,573</b>	<b>\$ 1,157,704</b>	<b>\$ 1,409,507</b>	<b>\$ 2,015,372</b>

\$147,735 spent thru 9/30/21 plus Max of \$1,000,000 less \$117,616 from MRR

**GVR**  
**Long Term Capital Project Plan**  
**Funding Projections**

All Amounts Are Projections

	2021	2022	2023	2024	2025	2026
<b>Emergency</b>						
Beginning Balance	\$ 993,416	\$ 1,144,705	\$ 1,222,099	\$ 1,304,725	\$ 1,392,937	\$ 1,462,937
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Funding						
Net Investment Earnings	\$ 151,289	\$ 77,394	\$ 82,626	\$ 88,212	\$ 70,000	\$ 73,000
Projects:						
East Center (2019)						
Ending Balance	\$ 1,144,705	\$ 1,222,099	\$ 1,304,725	\$ 1,392,937	\$ 1,462,937	\$ 1,535,937
<b>Maintenance Repair &amp; Replacement</b>						
Beginning Balance	\$ 7,874,716	\$ 7,618,444	\$ 7,179,928	\$ 7,051,676	\$ 7,555,547	\$ 8,559,522
Annual Funding (per Reserve Study)	\$ 1,048,192	\$ 1,132,047	\$ 1,222,611	\$ 1,320,420	\$ 1,426,054	\$ 1,540,138
Additional Funding						
Net Investment Earnings (actual IPS rate)	\$ 578,740	\$ 670,484	\$ 633,608	\$ 596,919	\$ 610,889	\$ 724,611
Projects:						
Per Reserve Study	\$ (1,883,204)	\$ (2,241,047)	\$ (1,984,470)	\$ (1,413,469)	\$ (1,032,967)	\$ (1,779,204)
Ending Balance	\$ 7,618,444	\$ 7,179,928	\$ 7,051,676	\$ 7,555,547	\$ 8,559,522	\$ 9,045,067
<b>MRR Part B - Pools and Spas</b>						
Beginning Balance	\$ -	\$ 1,331,146	\$ 1,544,221	\$ 1,957,044	\$ 2,402,021	\$ 2,881,229
Funding	\$ 169,553	\$ 127,947	\$ 304,938	\$ 312,561	\$ 320,375	\$ 328,384
Net Investment Earnings	\$ 820	\$ 85,128	\$ 107,885	\$ 132,416	\$ 158,833	\$ 187,258
Projects: (1st pool CP 1 2033)						
Ending Balance	\$ 1,331,146	\$ 1,544,221	\$ 1,957,044	\$ 2,402,021	\$ 2,881,229	\$ 3,396,871
<b>Total Board Designated Funds</b>	<b>\$ 12,376,567</b>	<b>\$ 10,969,018</b>	<b>\$ 10,916,018</b>	<b>\$ 12,508,209</b>	<b>\$ 14,313,195</b>	<b>\$ 15,993,247</b>



## Reserve Study Transmittal Letter

Date: August 12, 2021  
To: Melanie Stephenson, Green Valley Recreation Inc  
From: Browning Reserve Group (BRG)

**Re: Green Valley Recreation Inc; Update w/o Site Visit Review**

Attached, please find the reserve study for Green Valley Recreation Inc. To assist in your understanding of the study, and to highlight key information you may need quickly, we have listed below some of the important information contained in the study. At BRG our goal is to bring clarity from complexity, so should you have any questions, please do not hesitate to contact us anytime.

1. Where do I find the recommended reserve contribution for next year's budget?

This is found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* **\$1,132,047** is the annual amount. Directly under the annual amount is the amount per ownership interest, per month, or other period, as applicable. **\$83.18 Household/yr @ 13,610.** For any other funding related issues, if any, see *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."*

2. Where do I find the status of the reserve fund, based on the Percent Funded calculation?

This is found for the 30-year term of the study in *Section IV, "30 Year Reserve Funding Plan, Including Fully Funded Balance and % Funded."* For the year for which the study was prepared, 2022, the Project is **73.8%** funded.

Based on the 30 year cash flow projection, GVR's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that GVR's reserves are inadequately funded.

The funding goal set by the CPM is a minimum threshold. 85% of full funding.

3. Where do I find the assumptions for interest and inflation factors?

While this information is in various places in the study, it can always be found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* For this study the assumption is **2.25%** for the interest rate and **2.50%** for the inflation factor. Please be advised these rates estimate the values that will stand the test of time over the 30-year term of the study, not simply only next year.



Green Valley Recreation, Inc.

## Amend CPM: Section II.3 and 4 Board of Directors Meeting

Prepared By: Nina Campfield

Meeting Date: October 27, 2021

Presented by: Nina Campfield

Consent Agenda: No

**Background:** Legal counsel has several concerns regarding the discussion of membership fees in Section II – Membership, Subsections 3 and 4 of the CPM.

**Motion:** Amend Section II – Membership of the Corporate Policy Manual per the attached.

**Strategic Plan Focus Area:** Goal 5 – Good Governance

**Discussion**

1) Section II Subsection 3A of the current CPM requires the Board of Directors to annually set all fees, including delinquency charges. Most fees are set through the budgeting process, but delinquency charges are an exception. This year, the Board forgot to set a specific amount for delinquency charges and as a result all late fees had to be returned to members. After the change, the fees will remain until changed by the Board of Directors.

2) Subsection 4, which covers nonpayment of dues, was moved into Subsection 3 as 3D. This improves the organization of the CPM.

3) Subsection 3D is now 3E and revised to cover why the Initial fee is due and not how it is paid.

4) In Subsection 3E, now 3F, the name “Property Acquisition Capital Fee” is changed to “New Owner Fee”. The Nonprofit Corporation Act only allows GVR to establish 4 kinds of member charges: dues, assessments, admission fees and transfer fees. The previous New Member and Initial Fees clearly fell under the “admission fees” category, but “Property Acquisition Capital Fee” does not.

**Attachments:**

- 1) Amend CPM Section II.3 and 4 Redlined Version

**SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated 9/25/2018)**

**A. General**

~~All Fees, Annual Dues, Service Fees and Delinquency charges and fees~~ shall be established each year by the approval of a majority of Directors in office, provided that should the Board fail to establish the amount of a particular fee, it shall remain unchanged from the previous year. ~~Special assessments for any purpose shall require approval of a majority of Directors in office, and a vote of at least a majority of the Members voting.~~

**B. Annual Dues**

1. The Board shall establish membership dues for each fiscal year on or before December 10. In establishing annual dues, the Fiscal Affairs Committee and the Board of Directors shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increase/decrease for the current year. To the extent permitted by law, the Committee and Board may deviate from this formula in establishing the dues after taking into consideration all relevant factors including, but not limited to, projected operating costs, maintenance projects, and appropriate reserves. These dues are payable on or before January 1 of that same fiscal year.
2. Upon the initial purchase of a property in a deed-restricted subdivision, the annual dues shall be prorated as of the date of closing. When an owner of property in a subdivision which is not master deed restricted subjects his property to a GVR deed restriction, the annual dues shall be prorated as of the date the property is made subject to the voluntary deed restriction.
3. Commercial Residential/Care Facility (CRCF) membership properties shall pay annual dues in an amount equal to the then-current annual dues multiplied by the number of units in the facility, regardless of whether or not such units are occupied.

**C. Annual Dues Installment Payment Plan**

1. Payment plans are available to Members who prefer to pay annual dues in monthly installments rather than in one lump sum, subject to the limitation in (3) below.
2. The fees for setup and administrative costs associated with a payment plan will be established by the Board.
3. A GVR property must be owner-occupied in order to qualify for a payment plan.

4. The past and current month's payments will be charged and must be paid at the time the plan is set up.
5. If a member requests a payment plan, his/her account may be subject to all applicable finance charges.
6. Members will only be able to use the payment plan with an Automatic Clearing House (ACH) Debit.
7. At the time of the request, future finance charges will stop unless the member defaults on payments. If the account is defaulted, all past applicable finance charges that would have been charged will become due.
8. Members may continue to use GVR facilities and attend programs if they are current with their payments.

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#### **D. Due Date and Effect of Nonpayment of Annual Dues.**

1. Annual dues are due and payable on or before January 1st.
2. Any dues, fees, or assessments that are not paid in full ten (10) days after their due dates shall be deemed delinquent and subject to a late fee as determined by the Board.
3. If a member's account remains delinquent as of May 1, the account will be referred to counsel for collection, including, but not limited to, the recording of a notice of lien against the member's property and the initiation of legal proceedings against the delinquent member and/or his property. Collection costs, including, but not limited to, attorney's fees and court costs, shall be the responsibility of the delinquent members.
4. A member who has entered into an approved payment plan with GVR and is in compliance with the terms thereof shall not be considered delinquent.

#### **ED. Initial Fees**

1. The Initial Fee may be adjusted annually by the Board based on the Department of Labor CPI (Consumer Price Index), "all items, Western Urban Region," rounded to the nearest dollar amount.
2. The initial fee ~~applies upon the sale of a deed-restricted GVR property from a developer to a third party or is due at the time of the closing of escrow on a deed-restricted membership property or upon an owner at the time an owner elects~~ electing to voluntarily deed-restrict property for GVR membership.
3. An owner paying an Initial Fee shall be exempt from paying the ~~Property Acquisition Capital~~ New Owner Fee on that property.
- 3.4. ~~A portion of the revenue from Property Acquisition~~ Initial Fees is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.

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**E. ~~F. Property Acquisition Capital~~ New Owner Fee (updated 8/28/2019)**

1. Upon transfer of title to a GVR membership property, the new owner shall pay a ~~Property Acquisition Capital~~New Owner Fee.
- ~~1.2. The New Owner Fee shall be refunded if the new owner was a GVR member within 365 days prior to the transfer of title and owns no other GVR property.~~
- ~~2. The GVR Member is entitled to a refund of the Property Acquisition Capital Fee if the titleholder(s) own a single GVR membership property, and held title to a single GVR membership property within 365 days prior.~~
- ~~3. When acquiring one or more additional GVR membership properties, the new the new owner shall pay the Property Acquisition Capital Fee for each such additional property, except for transfer of title, as described in #2 of this section E.~~
3. Revenue from the Property Acquisition Capital New Owner Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs. A portion of the revenue from New Owner fees is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.
4. The New Owner Fee does not apply to the transfer of title for estate purposes (e.g., into a trust).

**F. Other Fees (updated 12/17/2015)**

A fee for service is payment for the work involved in an operation that benefits individual members, as distinct from the entire membership.

1. The Board has established fees for services:
  - a) **Transfer Fees:** There shall be a charge for the processing of the transfer of a membership upon the transfer of title to a membership property.
  - b) **Tenant Fees:** Upon application, tenant cards shall be issued to a person leasing GVR membership property. There will be a charge for a tenant card.
2. The authority to establish and modify operational fees is delegated to GVR Administration as part of the ongoing day-to-day management of the organization. Such fees fall in the following broad categories.
  - a) **Programmatic Fees:** These fees are established to provide cost recovery of direct expenses related to entertainment, participation, and instructional programs.
  - b) **Facility Fees:** These fees are established to provide cost recovery related exclusively to the use of facility space and/or equipment by outside groups and member usage beyond the basic services of GVR. Such fees include, but are not limited to,

reservation fees, time incremental facility usage fees, equipment fees, custodial and technician fees, catering. Damage deposits are required.

- c) **Administrative Fees:** These fees are established to provide cost recovery for miscellaneous services provided to members and outside parties. Such fees include but are not limited to, photocopying, facsimile, computer, facility keys, card replacement and publications.
- d) **Processing Fees:** These fees are established to provide cost recovery for labor and overhead generated through business transaction to members and outside parties. Such fees will be attached to all transactional business including, but not limited to, member dues, programs, instructional courses, and rentals.

#### **SUBSECTION 4. DELINQUENCY AND PENALTIES**

##### **A. General**

~~The Board shall ensure the establishment of:~~

- ~~1. Payment due dates for initial fees, annual membership dues, fees for services and assessments.~~
- ~~2. Penalties for late payments.~~

##### **B. Effect of Non-Payment**

- ~~1. Annual dues are due and payable on or before January 1st.~~
- ~~2. Any dues, fees, or assessments that are not paid in full ten (10) days after their due dates shall be deemed delinquent and subject to a late fee as determined by the Board.~~
- ~~3. If a member's account remains delinquent as of May 1, the account will be referred to counsel for collection, including, but not limited to, the recording of a notice of lien against the member's property and the initiation of legal proceedings against the delinquent member and/or his property. Collection costs, including, but not limited to, attorney's fees and court costs, shall be the responsibility of the delinquent members.~~
- ~~4. A member who has entered into an approved payment plan with GVR and is in compliance with the terms thereof shall not be considered delinquent.~~



Green Valley Recreation, Inc.  
**BOARD OF DIRECTORS**  
**REGULAR MEETING**

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

**Meeting Date:** Oct 27, 2021

**Presented By:** David Webster, CFO and Donna Coon, FAC Chair **Consent Agenda:** No

<p><b>Originating Committee / Department:</b> FAC/Finance</p>
<p><b>Action Requested:</b>                  Approve the CPM changes to Section V, subsection 2 – Reserve Policy to include information for the new Maintenance, Repair and Replace – Part B (MRR-B).                   Also approve a new section in the CPM: Appendix I – Board Policies, Subsection 7 – GVR Reserve Study 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>                  At the Aug 25,2021, Board of Directors meeting the board approved establishing a new reserve account to be used for replacement of pools and spas. After discussion, the FAC determined the best option would be to create a Part B to the existing Maintenance, Repair and Replace reserve (MRR-B).                   The CPM, Section V, subsection 2 – Reserve Policy, has now been updated to include policies concerning the funding and use of this new reserve. As part of this change all information concerning the Reserve Study Policy was consolidated and moved to Appendix I.                   The attached changes were approved by the FAC at their Oct 19, 2021, meeting. They were approved by the BAC at their Oct 21, 2021, meeting. All changes have also been reviewed by the corporate attorney.                   See attachments for details.</p>
<p><b>Fiscal Impact:</b>                  Provide clarity of the fiscal policy concerning MRR-B, the new reserve for pools and spas.</p>

**Board Options:**

1. Approve the recommended motion as presented.
2. Approve the recommended motion with changes.
3. Table the discussion and any decision at this time.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

Approve the CPM changes attached to amend Section V, Subsection 2 and to create a new CPM section in Appendix I, Subsection 7 – Reserve Study Policy.

**Attachments:**

1. CHANGES to – SECTION V subsection 2 Reserve Policy
2. FINAL – SECTION V subsection 2 Reserve Policy
3. FINAL – Appendix I - Subsection 7 Reserve Study Policy

Note – The objective of the changes shown below is:

- 1) Add a new reserve - Maintenance, Repair and Replacement Fund (MRR-B) which will be used for pool and spa replacement.
- 2) Remove information related to the reserve study and annual reserve study. This information is all being moved to Appendix I, Subsection 7, Reserve Study Policy

## SECTION V – FISCAL/ACCOUNTING

### SUBSECTION 2 - RESERVE POLICY

#### A. Overview

Green Valley Recreation, Inc. (GVR) maintains three (3) financial reserve funds **that are Board-designated** to ensure its long term solvency and sustainability as part of the Corporation’s Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board of Directors may elect to revise these factors over time, as needs of the Corporation evolve and as opportunities and investment markets may suggest.

#### ~~B. Reserve Study Policy~~

Note - All crossed out text below is being moved to Appendix I – Board Policies, Subsection 7. GVR Reserve Study Policy

~~To be fiscally responsible, GVR has to answer these basic but critical questions:~~

- ~~1. What will the cost be to maintain, repair and replace its equipment, facilities, and infrastructure to meet member expectations and high standards?~~
- ~~2. When and to what extent will these costs be incurred?~~
- ~~3. Will GVR have sufficient money on hand to meet these costs?~~

~~A reserve study is a planning and budgeting tool which answers these questions by analyzing, quantifying and projecting costs of specific items called Components, in the aggregate called a Component Inventory, over a 30 year period and formulating a Reserve Contribution amount to pay these costs.~~

~~There are three (3) types of Reserve Studies:~~

- ~~1. Full Reserve Study—Baseline, vendor evaluates all facilities, equipment and infrastructure~~

- ~~2. Reserve Study with no onsite visit (NOV) — GVR updates Component Inventory with changes~~
- ~~3. Reserve Study with an onsite visit (WOV) — Vendor reevaluates Component Inventory & updates~~

~~During the third quarter of the current budget year GVR staff and the Fiscal Affairs Committee shall recommend and the Board shall approve a reserve study provider and the type of reserve study to be performed during the first quarter of the next budget year.~~

~~During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR's annual budget.~~

~~GVR shall annually make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.~~

~~The Component Inventory of a Reserve Study is the fundamental data driving Reserve Study results. To maintain Component Inventory integrity, it is imperative that GVR record all maintenance, repairs and replacements to Components as they occur or new Components are added and notify the Reserve Study provider. This is especially true when Reserve Study with no onsite visit is done.~~

~~Each Component meets these four (4) criteria:~~

- ~~1. GVR must have a duty to maintain, repair and replace it~~
- ~~2. Limited useful life~~
- ~~3. Predictable remaining useful life~~
- ~~4. Exceeds a minimum dollar threshold.~~

~~By planning, budgeting and funding GVR maintenance, repair and replacement expenses, GVR achieves these three (3) goals:~~

- ~~1. Sufficient cash to meet its Reserve Study Component Inventory expenses~~
- ~~2. Achieves a stable Reserve Contribution amount~~
- ~~3. Evenly distributes the cost to current and future members~~

## **B. Maintenance of GVR Financial Reserve System**

### **1. Definitions:**

Defined terms are capitalized in **Bold** typeface.

~~**Annual Reserve Study** is the Reserve Study referred to in Section B. —Reserve Study Policy~~

**Annual Reserve Study** is the Reserve Study referred to in Appendix I, Subsection 7(C). This Reserve Study is used to determine the required funding for the MRR-A reserve account.

A **reserve account**(s) is a checking, savings, investment or any other type of account in which reserve monies are deposited.

~~**Board-restricted** means the Board of Directors controls the Reserve Accounts and authorizes expenditures from such accounts.~~

## 2. **Reserve Contributions and the Annual Budget:**

Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Fund (**MRR-A**) called for in the Annual Reserve Study.

**Contributions to the MRR-B fund shall be, if any, recommended by the CEO to the Fiscal Affairs Committee for consideration and approval then forwarded to the Board for approval.**

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Property Acquisition Capital Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.

Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval.

## 3. **Calculation of Operating Surplus or Deficit**

At the end of the fiscal year, the Board of Directors shall determine the amount, if any, to contribute from operational surpluses. Operating surplus or deficit is calculated as follows:

- a. Begin with the Change in Net Assets from the Audited Financial Statements.
- b. Deduct gain/losses on operating accounts

- c. Deduct net investment income on reserve accounts/investments
- d. Add depreciation expense
- e. Deduct current year purchases of Capital Assets (cost basis, before accumulated depreciation)
- f. Add reserve cash amounts that were used to purchase Capital Assets
- g. Add expenses that were paid using reserve cash (i.e. repairs and maintenance expenses paid for using MMR funds)
- h. Deduct funding cash transfers to reserve funds during the year (i.e. required MRR funding)
- i. Add or deduct any other non-cash items (i.e. in-kind capital donations)

The intent of the calculation is to determine if there is a surplus of operating revenue over operating expenses each year that can be transferred to a reserve fund. The calculation is to remove non-cash items such as depreciation and unrealized gains/losses. Additionally, adjustments are to be made to take into consideration operating cash used for Capital Asset purchases. Reserve fund cash used to pay for Capital Asset purchases and operating expenses should not be included in the operating cash surplus.

**4. Paying from reserve accounts or reimbursing operating cash account for reserve expenditures:**

Within sixty (60) days after adoption of this policy by the Board of Directors GVR shall establish a written accounting and internal control policy and procedure based on Generally Accepted Accounting Policies (GAAP) to track and document all withdrawals by check or electronic means and Board approved transfers, electronic or otherwise, between Reserve Funds, pay Board authorized reserve expenditures or transfers to reimburse operating cash for such expenditures. Such policy and procedure shall require written instructions and supporting documentation signed by the Chief Financial officer (CFO) and approved by the Chief Executive officer (CEO) or, in the CEO's absence, the Chief Operating officer (COO).

**5. Priority of making contributions to Reserve Accounts:**

GVR shall make contributions to Reserve Accounts in this order of priority:

- a. Maintenance, Repair and Replacement Reserve Fund (Part A and part B)
- b. Initiatives Reserve Fund



c. Emergency Reserve Fund.

## 6. **Rebalancing Reserve Accounts:**

A Reserve Account(s) may have a balance greater than the Board's target minimum balance due to a number of factors including returns on investments. The Board may consider rebalancing a Reserve Account(s) by: (1) transferring money between Reserve Accounts, (2) reducing Reserve Contributions or (3) transferring money from a Reserve Account(s) to operating cash.

All rebalancing actions shall be authorized by Board resolution(s).

## **C. Maintenance, Repair & Replacement Reserve Fund (MRR-A) (previously the Capital Reserve Fund)**

### 1. **Purpose:**

This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.

### 2. **Target Balance:**

This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study.

### 3. **Funding Source:**

a. Annually, GVR shall transfer the full year's annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MR&R funding should be transferred by the end of February).

b. Reimbursement Policy:

- Projects paid directly from MRR – no reimbursement necessary.

- Projects paid from the Operating Reserve – Quarterly (or monthly if necessary), after review by the Fiscal Affairs Committee and approval of the board, the MR&R Reserve Fund will reimburse operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completed date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.

#### 4. **Authorization:**

The Chief Executive officer (CEO) and, in the absence of the CEO, the Chief Operating officer (COO) or Chief Financial officer (CFO) are authorized to commit up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required before committing more than 110%.

#### 5. **Investment Parameters:**

Monies contributed to this reserve shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

#### 6. **Definitions** # 6 is being moved to Appendix I – Board Policies, Subsection 7, GVR Reserve Study Policy

##### **Annual Reserve Study**

~~See GVR's Reserve Study Policy in Section V, Subsection 2B of GVR's Corporate Policy Manual.~~

~~Component: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (4) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, (5) as required by local codes.~~

~~Financial Analysis: This portion of a Reserve Study determines the current status of the Reserves (measured as cash or Percent Funded) and recommends Reserve Contribution rate (Reserve Funding Plan) and the projected Reserve Income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.~~

~~Fully Funded Balance (FFB): An indicator against which Actual (or Projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each Component then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.~~

~~FFB = Current Cost X Effective Age / Useful Life~~

~~Or~~

~~FFB = (Current Cost x Effective Age / Useful Life) +  
[(Current Cost X Effective Age / Useful Life) / (1 + Interest Rate) ^  
Remaining Useful Life]~~

~~{(Current Cost X Effective Age / Useful Life) / (1 + Inflation Rate) ^ Remaining Useful Life}~~

~~Percent Funded: The ratio, at particular point in time (typically the beginning of the Fiscal Year), of the *actual* (or projected) Reserve Balance divided by the Fully Funded Balance is expressed as a percentage.~~

~~Reserve Study: A budget and planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: (1) the Physical Analysis and (2) the Financial Analysis.~~

#### **D. Maintenance, Repair and Replacement Fund (MRR-B)**

1. Purpose: The fund shall be used to fund the replacement of pools and spas.
2. Target Balance: This component of the MRR shall be of sufficient size as determined by the Board of Directors to fund replacements of GVR pools and spas. The targeted balance shall be based on GVR's staff estimate of the useful life of the pool and spas and a reasonable timetable for replacement of such items.
3. Funding Source: The Board of Directors may make contributions to MRR-B from the annual net surplus or budget a specific amount of funds of the annual budget process.
4. Authorization: The Board of Directors shall authorize any monies spent from this fund.
5. Investment Parameters: Monies contributed to MRR-B shall be invested in accordance with GVR's Investment Statement – See appendix I Board Policies, Subsection 3 – GVR Investment Policy.

#### **E. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) (updated 2/26/2019)**

1. **Purpose:**  
The fund shall be used to support new initiatives that contribute to meeting GVR Ends.
2. **Target Balance:**

This fund reserve shall be of sufficient size as determined by the Board of Directors to make value added investments in real property, facilities and infrastructure.

**3. Funding Source:**

Within 10 business after the end of each month GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (PACF) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00. At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

**4. Authorization:**

The Board of Directors shall authorize any monies spent from this fund.

**5. Investment Parameters:**

Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement.

**F. Emergency Reserve Fund (previously the Operating Reserve Fund)**

**1. Definitions:**

**Major Event(s)** is an event causing damage to a facility and/or infrastructure or an emergency safety event costing \$25,000 or more in repairs, renovations or replacements.

**2. Purpose:**

The Emergency Reserve Fund serves these purposes:

- a. An emergency fund to pay for major, unanticipated repairs to, renovation of or replacement of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events**.
- b. An emergency safety-net should a severe economic downturn or unanticipated event threaten GVR's financial well-being.

**3. Target Balance:**

This fund shall be of sufficient size as determined by the Board of Directors to protect GVR from the following:

- a. Long-term or permanent loss of use of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events** due to GVR's inability to pay for repairs, renovations or replacement of damaged facility or facilities or infrastructure.

b. Guarantee payment of the legal obligations of the Corporation for one year.

4. **Authorization:**

The Chief Executive Officer (CEO) is authorized to access this fund to address critical needs as they arise with written notification within ten (10) business days to the President of the Board of Directors with a copy to the Board. Email is an acceptable form of written communication to the President.

5. **Withdrawals:**

Withdrawals from this reserve shall be repaid from operations as determined by the Board of Directors but not to exceed five (5) fiscal years.

6. **Investment Parameters:** Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

# SECTION V – FISCAL/ACCOUNTING

## SUBSECTION 2 - RESERVE POLICY

### A. Overview

Green Valley Recreation, Inc. (GVR) maintains three (3) financial reserve funds that are Board-designated to ensure its long term solvency and sustainability as part of the Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board of Directors may elect to revise these factors over time, as needs of the Corporation evolve and as opportunities and investment markets may suggest.

### B. Maintenance of GVR Financial Reserve System

#### 1. Definitions:

Defined terms are capitalized in **Bold** typeface.

**Annual Reserve Study** is the Reserve Study referred to in Appendix I, Subsection 7(C). This Reserve Study is used to determine the required funding for the MRR-A reserve account.

A **reserve account**(s) is a checking, savings, investment or any other type of account in which reserve monies are deposited.

#### 2. Reserve Contributions and the Annual Budget:

Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Fund (MRR-A) called for in the Annual Reserve Study.

Contributions to the MRR-B fund shall be, if any, recommended by the CEO to the Fiscal Affairs Committee for consideration and approval then forwarded to the Board for approval.

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Property Acquisition Capital Fee and/or from the

Initial Fee based on the applicable fee when a GVR member property is sold.

Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval.

### **3. Calculation of Operating Surplus or Deficit**

At the end of the fiscal year, the Board of Directors shall determine the amount, if any, to contribute from operational surpluses. Operating surplus or deficit is calculated as follows:

- a. Begin with the Change in Net Assets from the Audited Financial Statements.
- b. Deduct gain/losses on operating accounts
- c. Deduct net investment income on reserve accounts/investments
- d. Add depreciation expense
- e. Deduct current year purchases of Capital Assets (cost basis, before accumulated depreciation)
- f. Add reserve cash amounts that were used to purchase Capital Assets
- g. Add expenses that were paid using reserve cash (i.e. repairs and maintenance expenses paid for using MMR funds)
- h. Deduct funding cash transfers to reserve funds during the year (i.e. required MRR funding)
- i. Add or deduct any other non-cash items (i.e. in-kind capital donations)

The intent of the calculation is to determine if there is a surplus of operating revenue over operating expenses each year that can be transferred to a reserve fund. The calculation is to remove non-cash items such as depreciation and unrealized gains/losses. Additionally, adjustments are to be made to take into consideration operating cash used for Capital Asset purchases. Reserve fund cash used to pay for Capital Asset purchases and operating expenses should not be included in the operating cash surplus.

### **4. Paying from reserve accounts or reimbursing operating cash account for reserve expenditures:**

Within sixty (60) days after adoption of this policy by the Board of Directors GVR shall establish a written accounting and internal control policy and procedure based on Generally Accepted Accounting Policies (GAAP) to track and document all withdrawals by check or electronic means and Board approved transfers, electronic or otherwise, between Reserve Funds, pay Board authorized reserve expenditures or transfers to reimburse operating cash for such expenditures. Such policy and procedure shall require written instructions and supporting documentation signed by the Chief Financial officer (CFO) and approved by the Chief Executive officer (CEO) or, in the CEO's absence, the Chief Operating officer (COO).

**5. Priority of making contributions to Reserve Accounts:**

GVR shall make contributions to Reserve Accounts in this order of priority:

- a. Maintenance, Repair and Replacement Reserve Fund (Part A and part B)
- b. Initiatives Reserve Fund
- c. Emergency Reserve Fund.

**6. Rebalancing Reserve Accounts:**

A Reserve Account(s) may have a balance greater than the Board's target minimum balance due to a number of factors including returns on investments. The Board may consider rebalancing a Reserve Account(s) by: (1) transferring money between Reserve Accounts, (2) reducing Reserve Contributions or (3) transferring money from a Reserve Account(s) to operating cash.

All rebalancing actions shall be authorized by Board resolution(s).

**C. Maintenance, Repair & Replacement Reserve Fund (MRR-A)  
(previously the Capital Reserve Fund)**

**1. Purpose:**

This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.

**2. Target Balance:**

This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study.

**3. Funding Source:**



- a. Annually, GVR shall transfer the full year's annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MR&R funding should be transferred by the end of February).
- b. Reimbursement Policy:
  - Projects paid directly from MRR – no reimbursement necessary.
  - Projects paid from the Operating Reserve – Quarterly (or monthly if necessary), after review by the Fiscal Affairs Committee and approval of the board, the MR&R Reserve Fund will reimburse operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completed date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.

**4. Authorization:**

The Chief Executive officer (CEO) and, in the absence of the CEO, the Chief Operating officer (COO) or Chief Financial officer (CFO) are authorized to commit up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required before committing more than 110%.

**5. Investment Parameters:**

Monies contributed to this reserve shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

**D. Maintenance, Repair and Replacement Fund (MRR-B)**

1. Purpose: The fund shall be used to fund the replacement of pools and spas.
2. Target Balance: This component of the MRR shall be of sufficient size as determined by the Board of Directors to fund replacements of GVR pools and spas. The targeted balance shall be based on GVR's staff estimate of the useful life of the pool and spas and a reasonable timetable for replacement of such items.
3. Funding Source: The Board of Directors may make contributions to MRR-B from the annual net surplus or budget a specific amount of funds of the annual budget process.

4. Authorization: The Board of Directors shall authorize any monies spent from this fund.

5. Investment Parameters: Monies contributed to MRR-B shall be invested in accordance with GVR's Investment Statement – See appendix I Board Policies, Subsection 3 – GVR Investment Policy.

## **E. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) (updated 2/26/2019)**

1. **Purpose:**

The fund shall be used to support new initiatives that contribute to meeting GVR Ends.

2. **Target Balance:**

This fund reserve shall be of sufficient size as determined by the Board of Directors to make value added investments in real property, facilities and infrastructure.

3. **Funding Source:**

Within 10 business after the end of each month GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (PACF) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00. At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

4. **Authorization:**

The Board of Directors shall authorize any monies spent from this fund.

1. **Investment Parameters:**

Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement.

## **F. Emergency Reserve Fund (previously the Operating Reserve Fund)**

1. **Definitions:**

**Major Event(s)** is an event causing damage to a facility and/or infrastructure or an emergency safety event costing \$25,000 or more in repairs, renovations or replacements.

**2. Purpose:**

The Emergency Reserve Fund serves these purposes:

- a. An emergency fund to pay for major, unanticipated repairs to, renovation of or replacement of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events**.
- b. An emergency safety-net should a severe economic downturn or unanticipated event threaten GVR's financial well-being.

**3. Target Balance:**

This fund shall be of sufficient size as determined by the Board of Directors to protect GVR from the following:

- a. Long-term or permanent loss of use of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events** due to GVR's inability to pay for repairs, renovations or replacement of damaged facility or facilities or infrastructure.
- b. Guarantee payment of the legal obligations of the Corporation for one year.

**4. Authorization:**

The Chief Executive Officer (CEO) is authorized to access this fund to address critical needs as they arise with written notification within ten (10) business days to the President of the Board of Directors with a copy to the Board. Email is an acceptable form of written communication to the President.

**5. Withdrawals:**

Withdrawals from this reserve shall be repaid from operations as determined by the Board of Directors but not to exceed five (5) fiscal years.

- 6. Investment Parameters:** Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

# APPENDIX I – BOARD POLICIES

## SUBSECTION 7. GVR RESERVE STUDY POLICY

### A. Overview

A reserve study is a planning and budgeting tool that enables GVR to plan for the maintenance, repair and replacement of its equipment, facilities, and infrastructure to meet member expectations and high standards. The study accomplishes this by analyzing, quantifying and projecting costs of specific items called Components, in the aggregate called a Component Inventory, over a 30 year period and formulating a Reserve Contribution amount to pay these costs.

The reserve study verifies the current status of the Reserve fund and calculates a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: (1) the Physical Analysis and (2) the Financial Analysis

### B. Reserve Study

To be fiscally responsible, GVR has to answer these basic but critical questions:

1. What will the cost be to maintain, repair and replace its equipment, facilities, and infrastructure to meet member expectations and high standards?
2. When and to what extent will these costs be incurred?
3. Will GVR have sufficient money on-hand to meet these costs?

There are three (3) types of Reserve Studies:

1. Full Reserve Study – Baseline, vendor evaluates all facilities, equipment and infrastructure
2. Reserve Study with no onsite visit (NOV) – GVR updates Component Inventory with changes
3. Reserve Study with an onsite visit (WOV) – Vendor reevaluates Component Inventory & updates

The Component Inventory of a Reserve Study is the fundamental data driving Reserve Study results. To maintain Component Inventory integrity, it is imperative that GVR record all maintenance, repairs and replacements to Components as they occur or new Components are added and notify the

Reserve Study provider. This is especially true when Reserve Study with no onsite visit is done.

Each Component must meet these four (4) criteria:

1. GVR must have a duty to maintain, repair and replace it
2. Limited useful life
3. Predictable remaining useful life
4. Exceeds a minimum dollar threshold.

By planning, budgeting and funding GVR maintenance, repair and replacement expenses, GVR achieves these three (3) goals:

1. Sufficient cash to meet its Reserve Study Component Inventory expenses
2. Achieves a stable Reserve Contribution amount
3. Evenly distributes the cost to current and future members

Financial Analysis: This portion of a Reserve Study determines the current status of the Reserves (measured as cash or Percent Funded) and recommends Reserve Contribution rate (Reserve Funding Plan) and the projected Reserve Income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded Balance (FFB): An indicator against which Actual (or Projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each Component then summed together for GVR total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

Or

$FFB = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) +$   
 $[(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Useful Life}] -$   
 $[(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Useful Life}]$

Percent Funded: The ratio, at particular point in time (typically the beginning of the Fiscal Year), of the *actual* (or projected) Reserve Balance divided by the Fully Funded Balance is expressed as a percentage.

### **C. Annual Reserve Study**

During the third quarter of the current budget year GVR staff and the Fiscal Affairs Committee shall recommend and the Board shall approve a reserve study provider and the type of reserve study to be performed during the first quarter of the next budget year.

During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR's annual budget.

GVR shall annually make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.



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

**Prepared By:** Nanci Moyo,  
 Administrative Supervisor

**Meeting Date:** October 27, 2021

**Presented By:** Mark McIntosh,  
 N&E Committee Chair

**Consent Agenda:** No

<b>Originating Committee / Department:</b> Nominations and Elections
<p><b>Action Requested:</b>                  Approve adding Telephone Voting to the Vote-Now contract at no extra charge. Currently Vote-Now provides GVR with Paper Ballots and Email Voting.</p>
<p><b>Strategic Plan Goal:</b>                  Goal #3 – Promote increased involvement of members in GVR</p>
<p><b>Background Justification:</b>                  GVR wants to have easy access to voting for the members. By adding the Telephone voting option, members who prefer the telephone can use this option. GVR will continue to provide paper ballots and email voting for those who prefer one of these methods. Only valid voters (with voter code) can use <i>ONE</i> of the voting methods and all methods are secure.</p>
<p><b>Fiscal Impact:</b> No fiscal impact.</p>
<p><b>Board Options:</b></p> <ol style="list-style-type: none"> <li>1. Approve adding Telephone Voting to the Vote-Now contract (which was always part of the contract, but not utilized).</li> <li>2. Keep last year’s voting methods of providing Paper Ballots and Email Voting only.</li> </ol>
<p><b>Staff Recommendation:</b>                  Option #1.</p>
<p><b>Recommended Motion:</b>                  To approve Telephone Voting for GVR Members in the Vote-Now contract along with Paper Ballots and Email Voting.</p>
<p><b>Attachments:</b> None</p>



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

Prepared By: David Webster, CFO

Meeting Date: October 27, 2021

Presented By: Scott Somers, CEO

Consent Agenda: No

<p><b>Originating Committee / Department:</b> Finance</p>
<p><b>Action Requested:</b>                  Approve submitting a grant request to GVR Foundation (GVRF) in the amount of \$25,000 each year for the next three (3) years for the Member Assistance Program (MAP).</p>
<p><b>Strategic Plan Goal:</b> Cultivate and maintain a sound financial base that generates good value for our members.</p>
<p><b>Background Justification:</b>                  The Member Assistance Program, established in 1995, provides financial assistance to qualifying GVR members experiencing financial hardship and unable to pay GVR annual dues. GVR Foundation solicits funding for MAP from grants, fundraisers, and local community organizations.</p>
<p><b>Fiscal Impact:</b> Assist qualifying GVR members experiencing financial hardship to pay their GVR annual dues through monies raised by the GVR Foundation.</p>
<p><b>Board Options:</b></p> <ol style="list-style-type: none"> <li>1. Approve submitting a grant request for \$25,000 each year for the next three (3) years.</li> <li>2. Do not approve submitting the grant request to GVR Foundation.</li> <li>3. Direct staff on how to best support MAP.</li> </ol>
<p><b>Staff Recommendation:</b> Option 1.</p>
<p><b>Recommended Motion:</b>                  Approve to submit a grant request to GVR Foundation in the amount of \$25,000 each year for the next three (3) years for the Member Assistance Program (MAP).</p>
<p><b>Attachments:</b></p> <ol style="list-style-type: none"> <li>1. GVR MAP Request for Funding Grant Application to GVR Foundation</li> </ol>





### REQUEST FOR FUNDING FROM GVR FOUNDATION

*Instructions to Applicant: Please answer each section below as thoroughly as possible. Use additional pages as needed, but please keep the total narrative to no more than five typed pages.*

*Your proposed budget should itemize the use of funds requested, when you expect to need these funds, and a total requested amount.*

*The grant funds will be expended in accordance with the attached itemized budget as funds become available and as grantee submits written requests for reimbursement with copies of invoices paid by the grantee or written requests for advance payment with supporting documentation and explanation for why advance payment is necessary.*

Grant Applicant Organization Name:

Address: City: State: Zip:

Telephone: Fax:

Email Contact: Website:

Date Organization Formed: Tax ID #

Reason for the Request (to choose more than one, hold ctrl key and choose all that apply):

Total Grant Amount Requested: \$ **each year for the next 3 years**

Explain the Project in detail, including expected duration with proposed start and end dates, identity and qualifications of personnel involved, other sources of funding, and any other relevant information specific to your needs.

Explain how this project will benefit the community.

Explain your previous experience allowing you to complete the project.

Indicate your willingness to assist the Foundation with the marketing of a capital campaign.

Attach an itemized budget. If the project is to be done in various steps, like a construction project, indicate the proposed timeframe for each and the proposed financial needs at each stage. **The budget is for GVR Members granted assistance with their GVR dues, in the approximate amount of \$25,000.00, payable in the Spring of 2022.**

Additional information about Applicant’s history and activities related to this project may also be attached.

I will be happy to provide you with further information on any aspect of this request.

NAME SIGNATURE

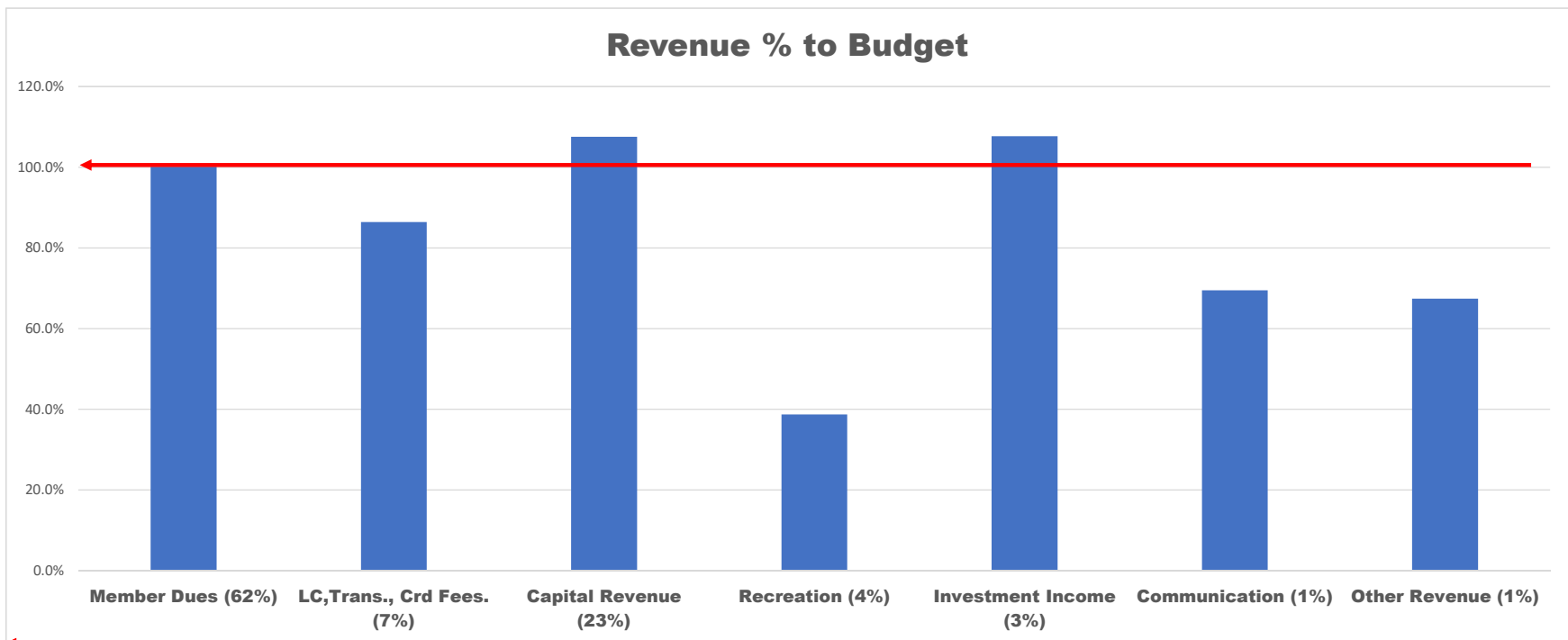
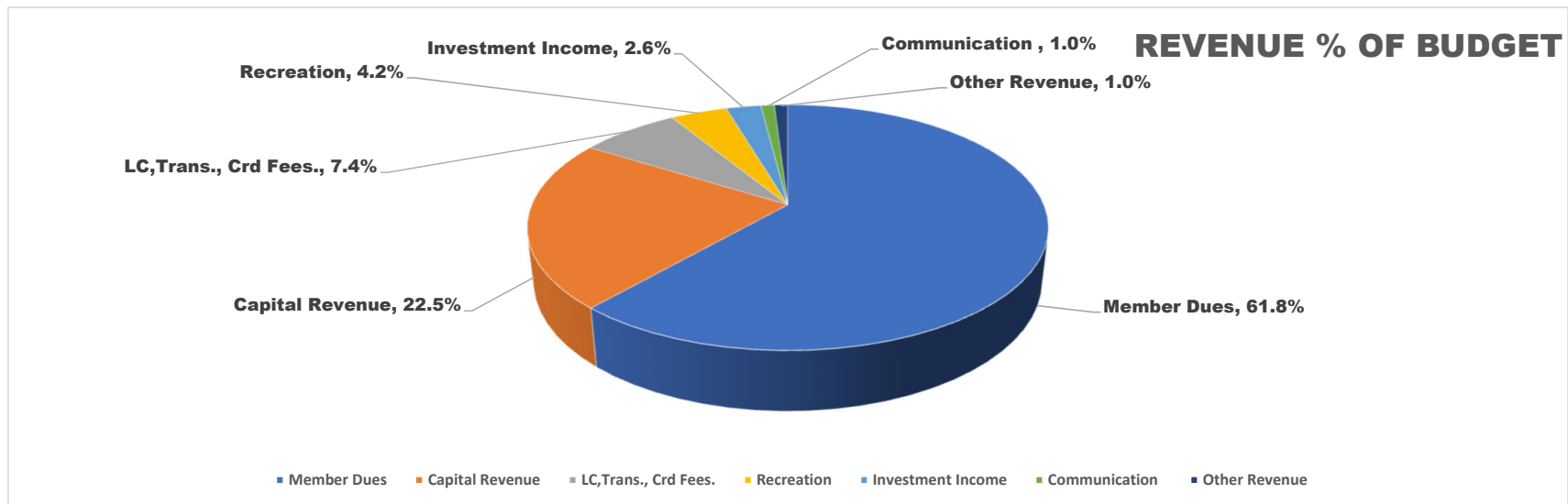
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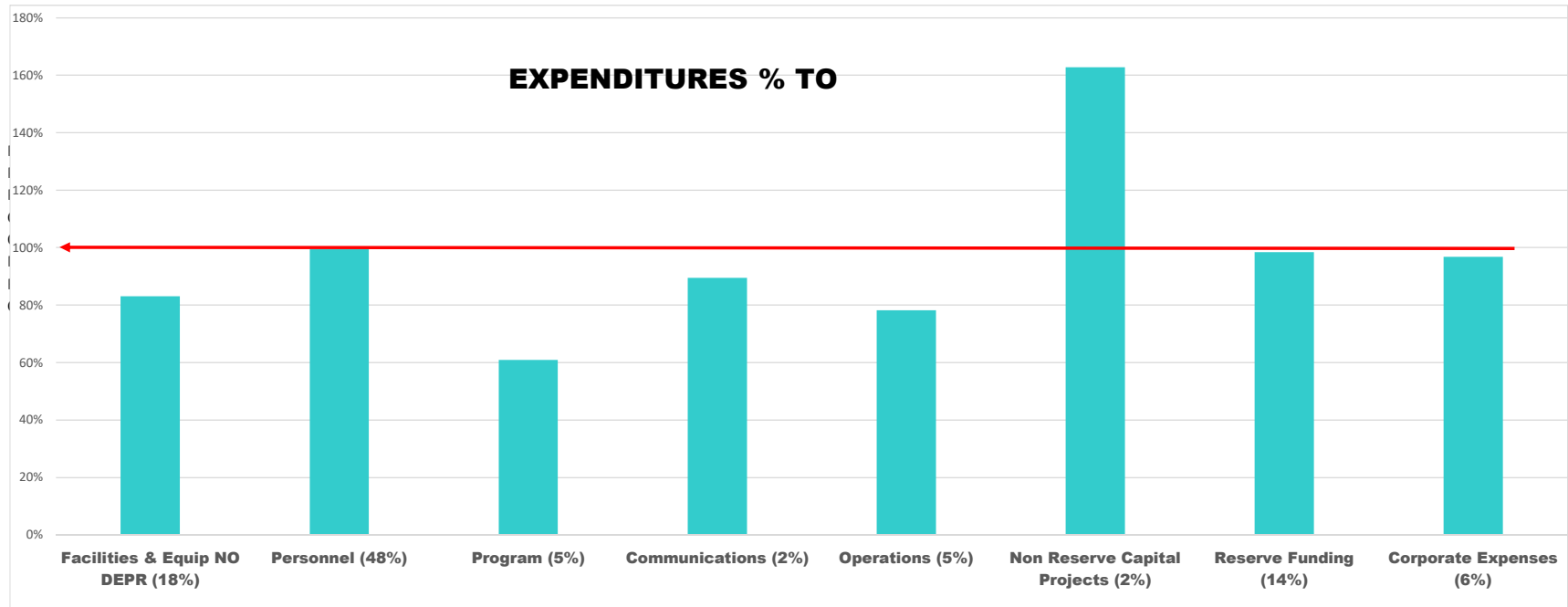
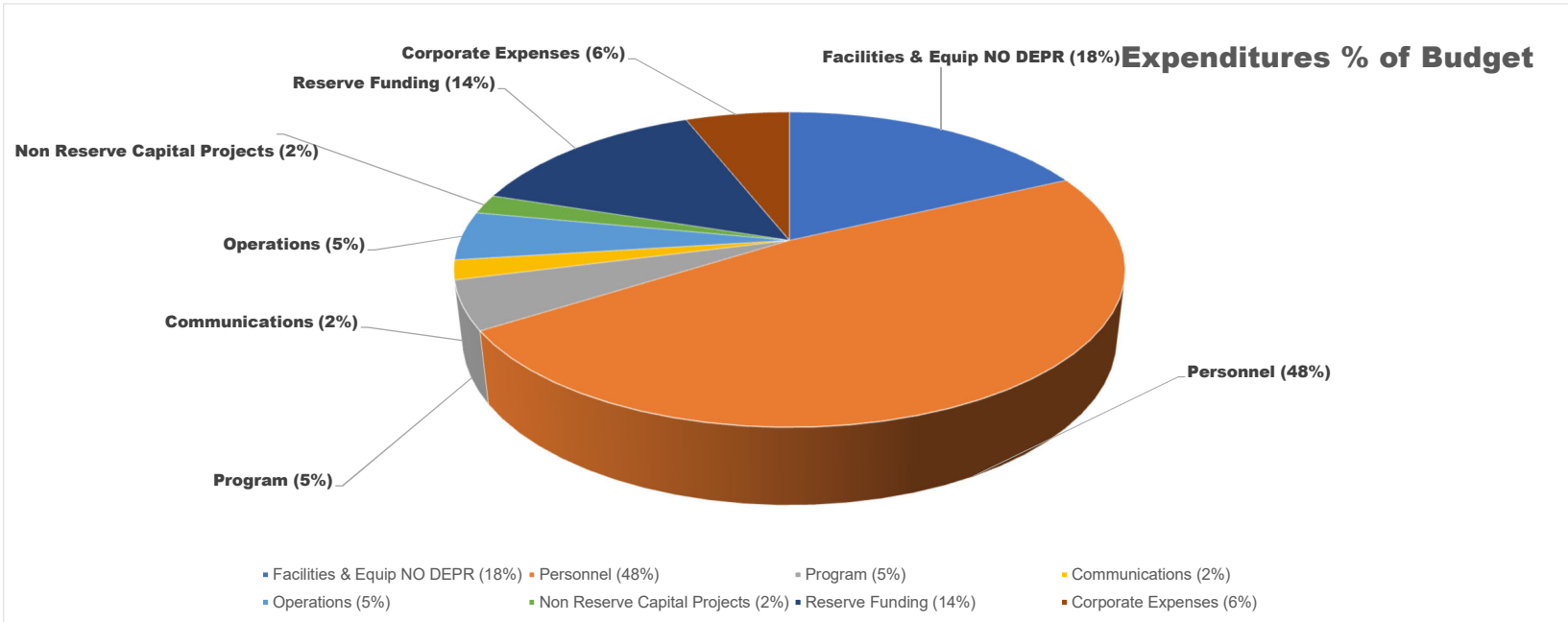
**Green Valley Recreation, Inc**  
**Summary of Revenue & Expenditures - Budget to Actual**  
**For Fiscal Year Ending Dec 31, 2021**

**Quarterly Board Report January - September 2021**

	2021 Annual Budget	January - September 2021			Prior Year		
		YTD Budget	Actual YTD	3Q % of Variance	FY 2020 3Q YTD	Var. from Prior Year %	Prior Year \$
<b>Revenue:</b>							
Member Dues	\$ 6,930,115	\$ 5,197,586	\$ 5,203,995	0.1%	\$ 5,061,040	2.7%	\$ 142,955
LC, Trans., Crd Fees.	789,835	604,965	523,031	(13.5%)	470,319	11.2%	52,712
Capital Revenue	2,518,147	2,228,676	2,397,278	7.6%	1,754,324	36.6%	642,954
Recreation	467,086	261,665	101,306	(61.3%)	337,445	(70.0%)	(236,139)
Investment Income	286,746	188,936	203,496	7.7%	210,455	(3.3%)	(6,959)
Communication	109,635	77,427	53,822	(30.5%)	125,021	(56.9%)	(71,199)
Other Revenue	107,433	94,168	63,479	(32.6%)	135,347	(53.1%)	(71,868)
<b>Total Revenue</b>	<b>11,208,997</b>	<b>8,653,423</b>	<b>8,546,407</b>	<b>(1.2%)</b>	<b>\$ 8,093,951</b>	<b>5.6%</b>	<b>\$ 452,455</b>
<b>Expenditures:</b>							
Facilities & Equip. NO DEPRECIATION	\$ 2,021,411	\$ 1,653,400	\$ 1,373,421	14.5%	\$ 1,244,893	(10.3%)	\$ (128,528)
Personnel	5,316,390	3,992,184	3,971,136	0.5%	3,262,899	(21.7%)	\$ (708,236)
Program	536,652	330,987	201,688	39.1%	395,324	49.0%	\$ 193,635
Communications	212,355	143,475	128,324	10.6%	122,703	(4.6%)	\$ (5,621)
Operations	576,904	398,011	311,044	21.9%	348,708	10.8%	\$ 37,664
Corporate Expenses	722,567	543,946	526,444	3.2%	458,818	(14.7%)	\$ (67,626)
<b>Total Expenditures</b>	<b>9,386,279</b>	<b>7,062,003</b>	<b>6,512,058</b>	<b>8.4%</b>	<b>5,833,346</b>	<b>(11.6%)</b>	<b>\$ (678,712)</b>
<b>Excess Revenues Over Exp.</b>	<b>\$ 1,822,717</b>	<b>\$ 1,591,420</b>	<b>\$ 2,034,349</b>		<b>\$ 2,260,606</b>		<b>\$ (226,257)</b>
<b>Transfers and Adjustments:</b>							
Non Reserve Capital Projects	(205,000)	(205,000)	(333,622)				
Remove Income From Reserves	(234,482)	(175,862)	(174,795)				
Reserve Funding Initiatives	(676,868)	(507,653)	(482,756)				
Reserve Funding MRR	(1,048,192)	(1,048,192)	(1,048,192)				
MRR Expenses paid by Reserve	259,034	194,276	152,430				
Add Back Reserve Investment Exp.	82,792	62,094	51,763				
<b>Modified Accrual Basis Surplus</b>	<b>0</b>	<b>(88,916)</b>	<b>199,177</b>				

This report is not a GAAP compliant statement. Non cash adjustments such as Depreciation of Fixed Assets have been removed to establish a Modified Accrual report. The purpose of this report is to give a high level summary of GVRs performance for comparison to the Zero Surplus Budget goal for the fiscal







**Green Valley Recreation, Inc**  
**Statement of Financial Position**  
**September 30, 2021**

	Current September 30, 2021	Prior Year September 30, 2020	Increase (Decrease)	
<b>Assets</b>				
Total Operating Cash	4,385,363	4,290,201	95,163	2%
Accounts Receivable	289,957	298,148	(8,191)	(3%)
Designated Investments	11,369,628	10,298,090	1,071,538	10%
Prepaid Expenses	327,991	353,976	(25,985)	(7%)
<b>Total Current Assets</b>	<b>16,372,940</b>	<b>15,240,415</b>	<b>1,132,525</b>	<b>7%</b>
<b>Fixed Assets</b>				
Net Fixed Assets	18,004,858	17,482,841	522,017	3%
<b>Total Assets</b>	<b>34,377,797</b>	<b>32,723,256</b>	<b>1,654,541</b>	<b>5%</b>
<b>Liabilities</b>				
Accounts Payables	746,830	435,423	311,407	72%
Deffered Dues & Fees	1,812,342	1,733,870	78,473	5%
Compensation Liability	166,036	188,920	(22,884)	(12%)
<b>Total Liabilities</b>	<b>2,725,208</b>	<b>2,358,212</b>	<b>366,996</b>	<b>16%</b>
<b>Total Net Assets</b>	<b>31,652,589</b>	<b>30,365,044</b>	<b>1,287,545</b>	<b>4%</b>
<b>Net Assets</b>				
Board Designated Net Assets	11,369,628	10,298,090	1,071,538	10%
Unrestricted Net Assetes	19,178,665	19,012,544	166,121	1%
Net Change Year-To-Date	1,104,296	1,243,329	(139,033)	(11%)
<b>Total Net Assets</b>	<b>31,652,589</b>	<b>30,553,963</b>	<b>1,098,626</b>	<b>4%</b>

BOD Quarterly Report

**Green Valley Recreation, Inc.  
Investments Performance  
30-Sep-21**

Fund	January 1, 2021	September 30, 2021	RETURN ON INVESTMENT			
			Year To Date		One Year (12 months)	
			Actual	Benchmark *	Actual	Benchmark *
Maintenance Repair & Replacement (SBH)	\$ 7,874,717	\$ 8,191,251	3.7%	2.5%	8.2%	6.7%
Initiatives (SBH)	\$ 1,114,873	\$ 2,072,906	0.6%	0.4%	1.9%	2.4%
Emergency (SBH)	<u>\$ 993,416</u>	<u>\$ 1,105,471</u>	11.3%	9.0%	24.0%	20.7%
Total Designated Reserves	<u><u>\$ 9,983,006</u></u>	<u><u>\$ 11,369,628</u></u>				
Operating Investment Fund - JP Morgan	\$ 2,309,471	\$ 3,821,228	0.5%	0.2%	0.6%	0.2%

\* Benchmarks = standards established by the Investments Committee in the Investment Policy Statement to compare the performance of a GVR Fund to a blend of Investment Indexes that match the risk tolerance and investment horizon of each fund. These benchmarks can be found in Subsection 3. GVR Investment Policy Statement in the Appendix of the CPM.