



MINUTES
FISCAL AFFAIRS COMMITTEE REGULAR MEETING

Tuesday, November 27, 2018
10:30 am MST – Annex

GVR Mission Statement: *"To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives."*

Attendees: R. Myers, Chair; N. Campfield, Associate Chair; V. Mournian; B. Nisson, T. Sadowski; K. Skytta, and C. Crothers (ex-officio)

Remote Attendees: None

Absent: S. Tagg

Guests: 6

Staff Liaison: C. Moose, Chief Financial Officer (not in attendance)

Additional Staff: K. Blumenthal, Chief Executive Officer (by telephone conference); D. Webster, Accounting Supervisor; and T. Demma, Meeting Scribe

1.) CALL TO ORDER

Chair Myers called the meeting to order at 10:35am

2.) ROLL CALL / ESTABLISH QUORUM

Chair Myers took the roll. Quorum established

3.) APPROVE MINUTES – October 16, 2018 and October 25, 2018

Mournian / Seconded. Approve October 16, 2018 and October 25, 2018 minutes.

Passed: unanimous

4.) COMMITTEE CHAIR COMMENTS

5.) NEW BUSINESS

Review October 2018 Financial Statements

D. Webster reviewed the pre-circulated package of information that together form the Financial Statements as of October 31, 2018.

The elements of the financial statements reviewed are: Statement of Financial Position; Statement of Activities; Summary Statement of Activities; Statement of Changes in Net Assets; Investment Portfolios; Variance Report; and New Member Capital Fund and GVR Growth by Month and Year;

MOTION: Sadowski / Seconded. October 2018 Financial Statement be approved.

Passed: unanimous

Review/Approve Disposition of 2017 Surplus of \$283,285

The pre-circulated meeting document titled *Required Transfer to Initiatives for Balance of 2017 Unrestricted Net Assets*, including the supporting information and recommendation, was reviewed.

Motion: Myers / Seconded

The Fiscal Affairs Committee recommends that the \$283,285 be distributed from the Operating Cash Account to the Initiatives Fund.

Passed: 4 Yes 3 No [Sadowski, Skytta and Crothers]

Review/Approve MRR Reserve Reimbursement Request

The pre-circulated meeting document titled *Required Transfer to Operating Fund for Maintenance, Repair and Replace Projects Closed during the Period July 1, 2018 – September 30, 2018*, including supporting information and recommendation, was reviewed.

Motion: Campfield / Seconded

The Fiscal Affairs Committee recommends that the Investment Committee authorizes and executes a transfer from the Maintenance, Repair and Replace Fund to the Operating Fund for the costs of the completed projects (\$183,868) for the third quarter of 2018.

Passed: unanimous

Review/Approve Initiatives Reserve Reimbursement Request

The pre-circulated meeting document titled *Required Transfer to Operating Fund for Initiatives Projects Closed during the Period of January 1, 2018 – September 30, 2018*, including supporting documents and recommendation, was reviewed.

Motion: Nisson / Seconded

The Fiscal Affairs Committee recommends that the Investment Committee authorizes and executes a transfer from the Initiatives Fund to the Operating Fund for the costs of the completed projects (\$52,386) through the third quarter of 2018.

Passed: unanimous

Review/Approve Emergency Reserve Reimbursement Request

The pre-circulated meeting document titled *Required Transfer to Operating Fund for Emergency Reserve Projects Closed during the Period of January 1, 2018 – September 30, 2018*, including supporting documents and recommendation, was reviewed.

Motion: Mournian / Seconded

The Fiscal Affairs Committee recommends that the Investment Committee authorizes and executes a transfer from the Emergency Fund to the Operating Fund for the costs of the completed Emergency projects (\$55,717) through the third quarter of 2018.

Passed: unanimous

6.) OTHER BUSINESS

Correcting June, July, August and September 2018 Financial Statements

The Chair invited C. Sieck, who is a GVR Board member and attending the meeting as a guest, to address to committee regarding an error discovered in the June 2018 financial statements and because remained uncorrected it was repeated in the July, August and September 2019 financial statements earlier approved by the committee. T. Sadowski informed that the error has regard to purchased fixed assets; the June, July, August and September financial statements currently set out in the GVR web site have been corrected and are correct in all respects; and it is incumbent upon the committee to revisit and formally approve corrected financial statements for June, July, August and September 2018.

MOTION: Nisson / Seconded

For formal approval of them accounting staff is to bring to the next regular committee meeting corrected June, July, August and September 2018 financial statements

Passed: unanimous

7.) **MEMBERS COMMENTS** - None

8.) **NEXT MEETING**

The next regular meeting of the committee is scheduled for 10:30 am Tuesday, December 18, 2018. The meeting venue is Las Campanas Agave Room.

9.) **ADJOURNMENT**

MOTION: Nisson / Seconded. Adjourn the meeting at 12:07 pm.

Passed: Unanimous

2019 Scheduled Regular Meetings

January 15 10:30 AM Las Campanas Agave Room

February 19 10:30 AM Las Campanas Agave Room

Note: Meeting Dates, Times and Venues Subject to Change

The accompanying pages are the Financial Reports for November 30, 2018. 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: November 30, 2018 and December 31, 2017



	November 30, 2018	December 31, 2017
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 733,866	4,539,157
Accounts Receivable	107,391	123,604
Edward Jones Investments (@ Market)	10,952,017	10,274,921
Prepaid Expenses	140,705	173,447
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	19,137,747	17,939,723
Sub-Total	<u>36,731,532</u>	<u>35,533,507</u>
Less - Accumulated Depreciation	<u>(20,282,834)</u>	<u>(18,846,580)</u>
Property and Equipment - net	<u>16,448,697</u>	<u>16,686,927</u>
Total Assets	<u>28,382,677</u>	<u>31,798,057</u>
LIABILITIES		
Accounts Payable	151,842	409,923
Deferred Dues & Fees	550,963	4,230,453
Deferred Programs	140,533	329,352
Total Liabilities	<u>843,338</u>	<u>4,969,728</u>
TOTAL NET ASSETS	<u>\$27,539,339</u>	<u>26,828,329</u>
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 906,151	930,342
Maint - Repair - Replacement	6,001,458	6,264,272
Initiatives	2,030,326	1,531,549
Sub-Total	<u>8,937,934</u>	<u>8,726,163</u>
Unrestricted Net Assets	<u>18,601,405</u>	<u>18,102,166</u>
TOTAL NET ASSETS	<u>\$27,539,339</u>	<u>26,828,329</u>

Green Valley Recreation, Inc.
Summary Statement of Activities

11 month period ending November 30, 2018

	<u>Actual</u>	<u>Annual Budget</u>	<u>%</u>
REVENUES:			
Member Dues	\$ 6,070,860	6,672,756	91.0%
Life Care, Transfer, Tenant & Add'l Card Fees	666,638	696,017	95.8%
New Member Capital/Initial Fees	2,197,068	2,378,383	92.4%
Recreation Income	676,158	822,599	82.2%
Communication Income	144,218	132,000	109.3%
Investment Income/Realized Gains	271,034	280,000	96.8%
Other Income	45,223	49,100	92.1%
Total Revenues	<u>10,071,199</u>	<u>11,030,855</u>	<u>91.3%</u>
EXPENSES:			
Facilities & Equipment	3,258,699	3,611,734	90.2%
Personnel	4,221,646	4,912,808	85.9%
Program	667,114	799,636	83.4%
Communications	154,516	172,120	89.8%
Operations	282,273	578,607	48.8%
Corporate Expenses	597,030	661,950	90.2%
Total Expenses	<u>9,181,278</u>	<u>10,736,855</u>	<u>85.5%</u>
Net Change in Net Assets from Operations	889,920		
From Investment Activity:			
Net Unrealized Market Value Change	<u>(178,910)</u>		
Net Excess (Deficiency) GVR (All Reserves)	\$ 711,010		
MRR Funding	(861,669)		
Restricted Investment Earnings	<u>(161,528)</u>		
Net Surplus (Deficit)	<u>(312,187)</u>		

Statement of Activities
Current Year - January to November 30, 2018

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	6,070,860	6,116,693	(45,833)	6,672,756	601,896
Life Care, Transfer, Tenant & Add'l Card Fees	666,638	638,018	28,621	696,017	29,379
Capital Revenue	2,197,068	2,180,184	16,884	2,378,383	181,315
Programs	327,661	358,554	(30,893)	391,149	63,488
Instructional	348,498	395,497	(46,999)	431,450	82,952
Recreation Income	676,158	754,050	(77,892)	822,599	146,441
Advertising Income	104,219	68,750	35,469	75,000	(29,219)
Communication	39,999	52,250	(12,251)	57,000	17,001
Communication Income	144,218	121,000	23,218	132,000	(12,218)
Investment Income	271,034	256,666	14,368	280,000	8,966
Other Income	21,401	18,425	2,976	20,100	(1,301)
Facility Rent	23,822	21,084	2,738	23,000	(822)
Marketing Events	-	5,500	(5,500)	6,000	6,000
Other Income	45,223	45,009	214	49,100	3,877
Total Revenue	10,071,199	10,111,620	(40,421)	11,030,855	959,656
Expenses					
Major Projects-Repair & Maintenance	454,316	267,955	(186,361)	292,315	(162,001)
Facility Maintenance	232,788	471,506	238,718	514,370	281,582
Fees & Assessments	13,918	81,675	67,757	89,100	75,182
Utilities	844,076	1,052,444	208,368	1,148,121	304,045
Depreciation	1,442,233	1,142,167	(300,067)	1,246,000	(196,233)
Furniture & Equipment	216,863	221,672	4,809	241,824	24,961
Vehicles	54,505	73,337	18,832	80,004	25,499
Facilities & Equipment	3,258,699	3,310,756	52,057	3,611,734	353,035
Wages, Benefits, Payroll Expenses	4,170,225	4,423,657	253,433	4,825,808	655,583
Conferences & Training	51,421	79,750	28,329	87,000	35,579
Personnel	4,221,646	4,503,407	281,762	4,912,808	691,163
Food & Catering	37,247	46,842	9,594	51,100	13,852
Recreation Contracts	561,585	589,908	28,323	643,536	81,951
Bank & Credit Card Fees	68,282	96,250	27,969	105,000	36,719
Program	667,114	733,000	65,886	799,636	132,522
Communications	85,750	89,632	3,882	97,780	12,030
Printing	65,032	54,395	(10,637)	59,340	(5,692)
Advertising	3,734	13,750	10,016	15,000	11,266
Communications	154,516	157,777	3,260	172,120	17,604
Supplies	227,277	416,387	189,110	454,240	226,963
Postage	12,305	29,095	16,790	31,740	19,435
Dues & Subscriptions	10,361	5,592	(4,769)	6,100	(4,261)
Travel & Entertainment	5,164	17,820	12,656	19,440	14,276
Other Operating Expense	27,167	61,496	34,330	67,087	39,920
Operations	282,273	530,390	248,117	578,607	296,334
Information Technology	136,948	105,188	(25,474)	114,750	(22,198)
Professional Fees	205,517	278,208	72,691	303,500	97,983
Commercial Insurance	205,727	187,917	(17,811)	205,000	(727)
Taxes	20,750	13,475	(7,275)	14,700	(6,050)
Provision for Bad Debt	28,088	22,000	(6,088)	24,000	(4,088)
Corporate Expenses	597,030	606,788	16,044	661,950	64,920
Expenses	9,181,278	9,842,117	667,125	10,736,855	1,555,577
Net surplus (Deficit)	889,920	269,502	626,705	294,000	(595,921)
Unrealized Gain/Loss on Investment	(178,910)	-	(178,910)	-	(178,910)
Net change in Net Assets-GVR	711,010	269,502	447,795	294,000	(417,011)



GREEN VALLEY RECREATION, INC.

GREEN VALLEY RECREATION, INC. STATEMENT OF CHANGES IN NET ASSETS

As of Date: November 30, 2018 and December 31, 2017

	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
	Unrestricted	Fixed Assets			
Totals					
\$	711,010				
Net change in Net Assets-GVR					
Transfers between unrestricted and reserves:					
Reserve Study Allocation	(861,669)			861,669	
Principal Transfers	388,626			(1,129,620)	500,000
Depreciation	1,442,233	(1,442,233)			
Purchase of Fixed Assets	(1,204,003)	1,204,003			
Transfer For Fixed Asset Purchase	240,994				-
Allocations of Net Change components:					
Investment income	(161,528)		15,181	111,966	34,382
Investment Expenses	7,446		(7,097)	(349)	-
Unrealized Gains (Losses) on Market Repairs and replacements	174,360		(32,274)	(106,480)	(35,606)
	-				
Net change to November 30, 2018	737,469	(238,230)	(24,190)	(262,814)	498,776
NET ASSETS, December 31, 2017	1,415,239	16,686,927	930,341	6,264,272	1,531,550
Net Assets as at November 30, 2018	2,152,708	16,448,697	906,151	6,001,458	2,030,325



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

	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Totals				
\$ 10,274,921	1,548,758	930,342	6,264,272	1,531,550
661,669	(700,000)	-	861,669	500,000
-	-	-	-	-
201,783	40,255	15,181	111,966	34,382
-	1,129,620	-	(1,129,620)	-
(7,446)	-	(7,097)	(349)	-
856,006	469,875	8,084	(156,334)	534,382
11,130,927	2,018,633	938,425	6,107,938	2,065,932
(178,910)	(4,550)	(32,274)	(106,480)	(35,606)
\$ 10,952,017	2,014,082	906,151	6,001,458	2,030,326

Balance December 31, 2017 (at Market)

Changes since January 1, 2018

- Principal additions
- Rebalance Transactions
- Investment income
- Withdrawals
- Investment Expenses
- Net Change for 11 Months**

Balance before Market Change at November 30, 2018

11 month Change in Unrealized Gain (Loss)

Balance at November 30, 2018 (at Market)

Cheryl Moose

From: Tina Edwards
Sent: Tuesday, December 04, 2018 11:10 AM
To: Cheryl Moose
Cc: Tina Edwards; Emily Bagley
Subject: Fees Collected - November
Attachments: GROWTH BY MONTH AND YEAR.XLS

Total Fees Collected

2018 - November

NMCF - \$2,474.00	51	\$126,174.00
Transfer Fee Solo - \$350.00	28	\$9,800.00
Transfer Fee - \$350.00	51	\$17,850.00
Transfer Fee - \$100.00	1	\$100.00
New Member Capital Fee Non-Resale - \$2,474.00	3	\$7,422.00
Transfer Fee Non-Resale - \$350.00	11	\$3,850.00
Initial Fee - 2017 Rate - \$2,335.00	0	\$0.00
Initial Fee - 2018 Rate - \$2,372.00	2	\$4,744.00

YTD

NMCF - \$2,474.00	854	\$2,112,796.00
Transfer Fee Solo - \$350.00	271	\$94,850.00
Transfer Fee - \$350.00	854	\$298,900.00
Transfer Fee - \$100.00	18	\$1,800.00
New Member Capital Fee Non-Resale - \$2,474.00	14	\$34,636.00
Transfer Fee Non-Resale - \$350.00	86	\$30,100.00
Initial Fee - 2017 - \$2,335.00	2	\$4,670.00
Initial Fee - 2018 - \$2,372.00	20	\$47,440.00

November Resale Closings	79
November New Home Closings	1
November New Voluntary Homes	2
Total GVR properties as of 11.30.2018	13582

Tina M. Edwards
Membership – Accounting Specialist

Ranked #1 by TopRetirements.com as 2017 Best Place to Retire

GVR GROWTH BY MONTH AND YEAR

	2018												YTD	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
Canoa Ranch - Estates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Canoa Ranch - Villas	0	0	0	0	1	1	0	0	0	0	0	0	0	2
**Canoa Ranch - Meritage	0	0	0	0	0	0	0	0	0	1	2	0	0	3
**Las Campanas	0	0	0	1	3	1	0	0	1	0	1	0	1	7
**Estates @ Alamos	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DR Horton	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Restrictions	6	2	1	1	2	1	2	1	0	0	3	2	2	21
Total New	6	2	1	2	6	3	2	1	2	5	3	3	0	33
Total Members	13555	13557	13558	13560	13566	13569	13571	13572	13574	13579	13582	13582	13582	13582
MBRs Last Year	13507	13512	13516	13519	13520	13523	13526	13529	13536	13539	13545	13549	13549	13549
NMCF - \$2,474.00	58	82	118	117	108	87	78	54	40	61	51	51	854	854
Transfer Fee Solo - \$350.00	19	27	18	36	34	23	18	25	14	29	28	28	271	271
Transfer Fee - \$350.00	58	82	118	117	108	87	78	54	40	61	51	51	854	854
Transfer Fee - \$100.00	3	1	1	1	2	1	1	3	1	3	1	1	18	18
New Member Capital Fee Non-Resale - \$2,474.00	3	0	0	0	1	4	1	1	0	1	3	3	14	14
Transfer Fee Non-Resale - \$350.00	11	7	4	5	8	11	5	2	11	11	11	11	86	86
Total Resales	77	109	136	153	142	110	96	79	54	90	79	0	1125	1125
YTD Resales	77	186	322	475	617	727	823	902	956	1046	1125	1125	1125	1125
Monthly Resales Last Year	77	92	149	140	113	103	100	98	77	74	104	95	1222	1222
Total Resales Last Year	77	169	318	458	571	674	774	872	949	1023	1127	1222	1222	1222

**Initial Fee Already Paid - ONLY Pro-rated Dues collected at COE

Green Valley Recreation, Inc.
Variance Report
Monthly Report: 11/1/2018-11/30/2018

var vs budget

Revenue	Year-to-Date	Budget	Variance	% Variance	
Transfer Fees	425,300	384,604	40,696	10.58%	More property transactions than budgeted
Tenant Fees	131,380	160,417	(29,037)	-18.10%	Seasonal tenant fees
Concerts	180,040	275,000	(94,960)	-34.53%	Seasonal
Tours	101,104	54,037	47,067	87.10%	More tours and more participation
Instructional	348,498	395,497	(46,999)	-11.88%	Seasonal
Advertising Income	104,219	68,750	35,469	51.59%	GVR Now! Advertising income
New Member Capital Fees	2,144,958	2,111,434	33,524	1.59%	More home sales closed than budgeted
Investment Income	84,551	73,333	11,218	15.30%	More dues late fees than budgeted
Expense	Actual	Budget	Variance	% Variance	
Wages	2,941,135	3,442,748	501,613	15%	More open positions than budgeted
Insurance-Medical	415,682	401,175	(14,507)	-4%	Higher Medical insurance usage
Conferences & Training	44,131	51,150	7,019	14%	Fewer staff attending conferences due to workload.
Recreation Contracts	561,585	589,908	28,323	5%	Seasonal
Supplies	227,277	416,387	189,110	45%	Computer Hardware for Perfect Mind
Professional Fees	205,517	278,208	72,691	26%	Higher than budgeted legal/professional fees
Bank & Credit Card Fees	68,282	96,250	27,968	29%	Higher Credit Card Fees than budgeted
Utilities	844,076	1,052,444	208,368	20%	Electric, Gas & Water less than budgeted
Fees & Assessments	13,918	81,675	67,757	83%	Fewer permit fees than budgeted
Facility Maintenance	232,788	471,506	238,718	51%	Repair & Maint. Facilities below budget
Major Projects	454,316	267,955	(186,361)	-70%	Contract labor less than budgeted.