



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for July 31, 2019. The four statements are:

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.

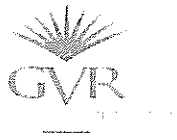


Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: July 31, 2019 and Dec 31, 2018

	July 31, 2019	Dec 31, 2018
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	1,097,598	1,099,888
Accounts Receivable	223,103	97,020
Prepaid Expenses	234,973	207,872
Other Investments Charles Schwab/SBH	9,841,585	-
Investments	3,510,181	10,995,715
Total Current Assets	14,907,439	12,400,495
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	20,199,537	19,354,268
Sub-Total	37,793,322	36,948,053
Less - Accumulated Depreciation	(21,265,063)	(20,315,542)
Net Fixed Assets	16,528,259	16,632,511
Total Assets	31,435,698	29,033,006
LIABILITIES		
Current Liabilities		
Accounts Payable	263,374	342,959
Deferred Dues & Fees	2,722,597	1,106,509
Deferred Programs	68,391	260,046
Total Current Liabilities	3,054,363	1,709,514
TOTAL NET ASSETS	28,381,335	27,323,492
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	819,329	804,646
Maint - Repair - Replacement	6,688,532	5,881,453
Initiatives	2,333,724	1,996,087
Sub-Total	9,841,585	8,682,185
Unrestricted Net Assets	17,481,908	18,641,307
Net change Year-to-Date	1,057,843	-
Unrestricted Net Assets	18,539,751	18,641,307
TOTAL NET ASSETS	28,381,335	27,323,492



Green Valley Recreation, Inc.
Summary Statement of Activities

7 month period ending July 31, 2019

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 3,917,089	\$ 3,909,120	0.2%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	520,341	439,040	18.5%
New Member Capital/Initial Fees	1,471,405	1,571,005	(6.3%)
Recreation Income	459,169	500,763	(8.3%)
Cell Tower Lease / Advertising Income	82,991	77,000	7.8%
Investment Income/Realized Gains	161,023	125,417	28.4%
Other Income	129,488	73,792	75.5%
Total Revenues	6,741,505	6,696,136	0.7%
EXPENSES:			
Facilities & Equipment	2,297,331	1,824,521	(25.9%)
Personnel	2,680,560	2,952,852	9.2%
Program	488,621	497,193	1.7%
Communications	102,157	124,398	17.9%
Operations	180,147	335,572	46.3%
Corporate Expenses	393,828	400,313	1.6%
Total Expenses	6,142,644	6,134,848	(0.1%)
Net Change in Net Assets from Operations	598,861	561,288	
From Investment Activity:			
Net Unrealized Market Value Change	458,982	(10,500)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 1,057,843	550,788	



Green Valley Recreation, Inc.

Summary Statement of Activities

Current Year - January to July 31, 2019

	BUDGET COMPARISON			Fiscal Year Budget	Remaining FY Budget
	YTD Actual	YTD Budget	YTD Variance		
Revenue					
Member Dues	3,917,089	3,909,120	7,969	6,701,349	2,784,260
Life Care, Transfer, Tenant & Add'l Card Fees	520,341	439,040	81,301	752,640	232,299
Capital Revenue	1,471,405	1,571,005	(99,600)	2,693,151	1,221,746
Programs	178,679	249,083	(70,404)	427,000	248,321
Instructional	280,489	251,679	28,810	431,450	150,961
Recreational Revenue	459,169	500,763	(41,594)	858,450	399,281
Investment Income	161,023	125,417	35,606	215,000	53,977
Advertising Income	63,805	43,750	20,055	75,000	11,195
Cell Tower Lease Income	19,186	33,250	(14,064)	57,000	37,814
Communications Revenue	82,991	77,000	5,991	132,000	49,009
Other Income	79,236	58,625	20,611	100,500	21,264
Facility Rent	50,252	13,417	36,836	23,000	(27,252)
Marketing Events	-	1,750	(1,750)	3,000	3,000
Other Revenue	129,488	73,792	55,696	126,500	(2,988)
Total Revenue	6,741,505	6,696,136	45,369	11,479,090	4,737,585
Expenses					
Major Projects-Repair & Maintenance	446,899	138,384	(308,515)	237,229	(209,670)
Facility Maintenance	99,148	282,023	182,875	483,468	384,320
Fees & Assessments	16,499	20,183	3,684	34,600	18,101
Utilities	550,845	438,529	(112,315)	751,765	200,920
Depreciation	949,521	763,647	(185,874)	1,309,109	359,588
Furniture & Equipment	194,182	134,735	(59,447)	230,975	36,793
Vehicles	40,237	47,019	6,782	80,604	40,367
Facilities & Equipment	2,297,331	1,824,521	(472,810)	3,127,750	830,419
Wages, Benefits, Payroll Expenses	2,650,947	2,919,018	268,072	5,004,031	2,353,085
Conferences & Training	29,613	33,833	4,220	58,000	28,387
Personnel	2,680,560	2,952,852	272,292	5,062,031	2,381,471
Food & Catering	20,779	30,100	9,321	51,600	30,821
Recreation Contracts	396,067	408,760	12,693	700,731	304,664
Bank & Credit Card Fees	71,776	58,333	(13,442)	100,000	28,224
Program	488,621	497,193	8,572	852,331	363,710
Communications	57,079	59,780	2,701	102,480	45,401
Printing	45,077	55,868	10,790	96,353	51,276
Advertising	-	8,750	8,750	15,000	15,000
Communications	102,157	124,398	22,241	213,833	111,676
Supplies	161,574	260,122	98,547	445,923	284,349
Postage	8,831	21,723	12,893	37,240	28,409
Dues & Subscriptions	4,889	3,821	(1,068)	6,550	1,661
Travel & Entertainment	7,395	13,650	6,255	23,400	16,005
Other Operating Expense	(2,542)	36,257	38,798	62,154	64,696
Operations	180,147	335,572	155,425	575,267	395,120
Information Technology	46,708	82,338	35,630	141,150	94,442
Professional Fees	169,869	169,983	114	291,400	121,531
Commercial Insurance	159,794	125,417	(34,377)	215,000	55,206
Taxes	-	8,575	8,575	14,700	14,700
Provision for Bad Debt	17,457	14,000	(3,457)	24,000	6,543
Corporate Expenses	393,828	400,313	6,485	686,250	292,422
Expenses	6,142,644	6,134,848	(7,796)	10,517,462	4,374,818
Gross surplus(Rev-Exp)	598,861	561,288	37,573	961,628	362,767
Unrealized Gain/Loss on Investment	458,982	(10,500)	469,482	(18,000)	(476,982)
Net from Operations	1,057,843	550,788	507,055	943,628	(114,215)



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 7 month period ending July 31, 2019

FY Budget Period: Jan 1, 2019 - Dec 31, 2019

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2018 YTD Actual	2019 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	3,865,692	3,917,089	51,397	1%	3,917,089	3,909,120	7,969	0%	6,701,349	2,784,260
LC, Trans., Crd Fees.	511,523	520,341	8,818	2%	520,341	439,040	81,301	19%	752,640	232,299
Capital Revenue	1,660,822	1,471,405	(189,417)	(11%)	1,471,405	1,571,005	(99,600)	(6%)	2,693,151	1,221,746
Programs	272,198	178,679	(93,519)	(34%)	178,679	249,083	(70,404)	(28%)	427,000	248,321
Instructional	252,155	280,489	28,335	11%	280,489	251,679	28,810	11%	431,450	150,961
Recreational Revenue	524,353	459,169	(65,184)	(12%)	459,169	500,763	(41,594)	(8%)	858,450	399,281
Investment Income	99,066	161,023	61,957	63%	161,023	125,417	35,606	28%	215,000	53,977
Advertising Income	51,010	63,805	12,795	25%	63,805	43,750	20,055	46%	75,000	11,195
Cell Tower Lease Inc.	26,559	19,186	(7,374)	(28%)	19,186	33,250	(14,064)	(42%)	57,000	37,814
Comm. Revenue	77,570	82,991	5,421	7%	82,991	77,000	5,991	8%	132,000	49,009
Other Income	90,642	79,236	(11,406)	(13%)	79,236	58,625	20,611	35%	100,500	21,264
Facility Rent	11,644	50,252	38,608	332%	50,252	13,417	36,836	275%	23,000	(27,252)
Marketing Events	-	-	-	-	-	1,750	(1,750)	(100%)	3,000	3,000
Other Revenue	102,286	129,488	27,202	27%	129,488	73,792	55,696	75%	126,500	(2,988)
Total Revenue	6,841,311	6,741,505	(99,806)	(1%)	6,741,505	6,696,136	45,369	1%	11,479,090	4,737,585
Expenses										
Major Proj.-Rep. & Maint.	262,441	446,899	(184,458)	(70%)	446,899	138,384	(308,515)	(223%)	237,229	(209,670)
Facility Maintenance	123,941	99,148	24,793	20%	99,148	282,023	182,875	65%	483,468	384,320
Fees & Assessments	7,183	16,499	(9,316)	(130%)	16,499	20,183	3,684	18%	34,600	18,101
Utilities	591,485	550,845	40,641	7%	550,845	438,529	(112,315)	(26%)	751,765	200,920
Depreciation	816,977	949,521	(132,545)	(16%)	949,521	763,647	(185,874)	(24%)	1,309,109	359,588
Furniture & Equipment	146,918	194,182	(47,265)	(32%)	194,182	134,735	(59,447)	(44%)	230,975	36,793
Vehicles	30,595	40,237	(9,642)	(32%)	40,237	47,019	6,782	14%	80,604	40,367
Facilities & Equipment	1,979,540	2,297,331	(317,791)	(16%)	2,297,331	1,824,521	(472,810)	(26%)	3,127,750	830,419
Wages, Benfts., PR Exp.	2,653,207	2,650,947	2,261	0%	2,650,947	2,919,018	268,072	9%	5,004,031	2,353,085
Conferences & Training	29,595	29,613	(18)	(0%)	29,613	33,833	4,220	12%	58,000	28,387
Personnel	2,682,802	2,680,560	2,242	0%	2,680,560	2,952,852	272,292	9%	5,062,031	2,381,471
Food & Catering	24,490	20,779	3,711	15%	20,779	30,100	9,321	31%	51,600	30,821
Recreation Contracts	411,135	396,067	15,069	4%	396,067	408,760	12,693	3%	700,731	304,664
Bank & Credit Card Fees	61,194	71,776	(10,581)	(17%)	71,776	58,333	(13,442)	(23%)	100,000	28,224
Program	496,820	488,621	8,199	2%	488,621	497,193	8,572	2%	852,331	363,710
Communications	56,659	57,079	(420)	(1%)	57,079	59,780	2,701	5%	102,480	45,401
Printing	46,137	45,077	1,059	2%	45,077	55,868	10,790	19%	96,353	51,276
Advertising	3,734	-	3,734	100%	-	8,750	8,750	100%	15,000	15,000
Communications	106,529	102,157	4,373	4%	102,157	124,398	22,241	18%	213,833	111,676
Supplies	184,292	161,574	22,717	12%	161,574	260,122	98,547	38%	445,923	284,349
Postage	8,211	8,831	(620)	(8%)	8,831	21,723	12,893	59%	37,240	28,409
Dues & Subscriptions	6,779	4,889	1,889	28%	4,889	3,821	(1,068)	(28%)	6,550	1,661
Travel & Entertainment	1,015	7,395	(6,380)	(629%)	7,395	13,650	6,255	46%	23,400	16,005
Other Operating Expense	22,474	(2,542)	25,016	111%	(2,542)	36,257	38,798	107%	62,154	64,696
Operations	222,770	180,147	42,622	19%	180,147	335,572	155,425	46%	575,267	395,120
Information Technology	33,887	46,708	(12,821)	(38%)	46,708	82,338	35,630	43%	141,150	94,442
Professional Fees	130,254	169,869	(39,615)	(30%)	169,869	169,983	114	0%	291,400	121,531
Commercial Insurance	125,531	159,794	(34,263)	(27%)	159,794	125,417	(34,377)	(27%)	215,000	55,206
Taxes	54	-	54	100%	-	8,575	8,575	100%	14,700	14,700
Provision for Bad Debt	17,109	17,457	(348)	(2%)	17,457	14,000	(3,457)	(25%)	24,000	6,543
Corporate Expenses	306,835	393,828	(86,993)	(28%)	393,828	400,313	6,485	2%	686,250	292,422
Expenses	5,795,296	6,142,644	(347,348)	(6%)	6,142,644	6,134,848	(7,796)	(0%)	10,517,462	4,374,818
Gross surplus(Rev-Exp)	1,046,015	598,861	(447,154)		598,861	561,288	37,573		961,628	362,767
Unrea. Gain/Loss on Invest.	(130,687)	458,982	589,668		458,982	(10,500)	469,482		(18,000)	(476,982)
Net from Operations	915,329	1,057,843	142,515		1,057,843	550,788	507,055		943,628	(114,215)



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
\$ 10,995,715	2,313,529	804,646	5,881,453	1,996,087
5,504,098	4,065,784	-	1,046,850	391,464
161,023	40,721	8,452	83,704	28,146
(3,764,310)	(2,913,648)	(84,541)	(618,152)	(147,969)
(3,742)	(157)	(3,325)	(165)	(95)
1,897,069	1,192,700	(79,414)	512,236	271,546
12,892,784	3,506,229	725,232	6,393,690	2,267,633
458,982	3,952	94,097	294,843	66,091
\$ 13,351,766	3,510,181	819,329	6,688,532	2,333,724

Balance Dec 31, 2018 (at Market)

Changes since Jan 1, 2018:

- Principal additions
- Investment income
- Withdrawals
- Investment Expenses

Net Change for 7 Months

Balance before Market Change at July 31, 2019

7 months Change in Unrealized Gain/(Loss)

Balance at July 31, 2019 (at Market)



Green Valley Recreation, Inc.

Statement of Changes in Net Assets

As of Date: July 31, 2019 and Dec 31, 2018

	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
	Unrestricted	Fixed Assets			
Totals					
\$	1,057,843	-	-	-	-
	(1,046,850)	-	-	1,046,850	-
	(103,065)	-	-	(288,400)	391,464
	949,521	(949,521)	-	-	-
	(845,269)	845,269	-	-	-
	562,262	-	(84,541)	(329,753)	(147,969)
	(120,302)	-	8,452	83,704	28,146
	3,585	-	(3,325)	(165)	(95)
	(455,030)	-	94,097	294,843	66,091
	2,696	(104,252)	14,683	807,079	337,637
	2,008,795	16,632,511	804,646	5,881,453	1,996,087
	2,011,492	16,528,259	819,329	6,688,532	2,333,724

Net change in net assets-GVR

Transfers between unrestricted and reserves:

Reserve Study Allocation
Principal Transfers

Depreciation
Purchase of Fixed Assets
Withdrawals

Allocations of Net Change components:
Investment income
Investment Expenses

Unrealized Gains (Losses) on Market
Repairs and replacements

Net Change to July 31, 2019

Net Assets at, Dec 31, 2018

Net Assets as at, July 31, 2019



Green Valley Recreation, Inc. Variance Report

Monthly Report: Jan 1, 2019 - July 31, 2019

Revenue	Year-to-Date	Budget	Variance	% Variance	
Capital Revenue	1,471,405	1,571,005	(99,600)	(6%)	1._ Total NMCF and Initial Fees are 99K under budget. Total property sales are 101 fewer transactions than previous year to date.
Recreational Revenue	459,169	500,763	(41,594)	(8%)	1._ Program Income 28% under budget during the first quarter. Recreation Services Coordinator position recently filled. The first quarter is one of the two high season in the year. 2._ There is less participation in Tours year to date. 3._ The Instructional income is higher by \$29K compared to Budget.
Other Revenue	129,488	73,792	55,696	75%	1._ Other income is up by \$20K mainly due to Dues Late Fees. 2._ Facility Rent is also over by \$37K due to Spot RX.
Total Revenue	6,741,505	6,696,136	45,369	1%	Total Revenue is right on target slightly above Budget by \$45K or 1%. Current projections estimate that GVR will be 1% under budget by year end.
Expense	Year-to-Date	Budget	Variance	% Variance	
Facilities & Equipment	2,297,331	1,824,521	(472,810)	(26%)	1._ The Facilities Maintenance & Major Projects expenses are anticipated to be \$300K more than the original Budget for 2019. 2._ Utilities are \$112K over budget. Partially due to late start of Solar Gain savings and Utilities that were underbudgeted. 3._ Furniture and Equipment: 3.1._ \$48K pools repairs (water heaters, pumps, filters etc.), \$11K on new chair lift in CR 3.2._ \$16K Preventive Maint. on fitness equipment changed to a better provider previous one had on average 161 Work Orders (WO) were open and the new provider has reduced this down to 4 WO open. 3.3._ Repairs and new Fitness Equipment: 3.3.1._ \$14K in CH 3.3.2._ \$4K in LC 3.3.3._ \$7K in SRS 3.3.4._ \$4K in CR 3.3.5._ \$3K in DH
Operations	180,147	335,572	155,425	46%	1._ Supplies shows a current savings of \$99K, seasonal expense is increase expected in the second half of the year. 2._ Postage shows a savings of \$13K, seasonal expense is increase expected in the second half of the year.
Total Expenses	6,142,644	6,134,848	(7,796)	(0%)	Total Expenses are right on target to date, slightly higher than Budget by \$8K or 0%. Current projections estimate that GVR will be 3% over budget by year end.

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From: Tina Edwards
Sent: Friday, August 2, 2019 9:54 AM
To: Cheryl Moose <cheryl@gvrec.org>
Cc: Emily Bagley <EmilyB@gvrec.org>; Tina Edwards <tina@gvrec.org>
Subject: Fees Collected - July

Total Fees Collected

2019 - July

NMCF - \$2,616.00	59	\$154,344.00
NMCF - \$2,474.00	0	\$0.00
Transfer Fee Solo - \$350.00	21	\$7,350.00
Transfer Fee - \$350.00	59	\$20,650.00
Transfer Fee - \$100.00	0	\$0.00
New Member Capital Fee Non-Resale - \$2,616.00	0	\$0.00
New Member Capital Fee Non-Resale - \$2,474.00	0	\$0.00
New Member Capital Fee Non-Resale - \$2,425.00	0	\$0.00
Transfer Fee Non-Resale - \$350.00	7	\$2,450.00
Initial Fee - 2018 Rate - \$2,372.00	0	\$0.00
Initial Fee - 2019 Rate - \$2,427.00	2	\$4,854.00

YTD

NMCF - \$2,616.00	516	\$1,349,856.00
NMCF - \$2,474.00	17	\$42,058.00
Transfer Fee Solo - \$350.00	189	\$66,150.00
Transfer Fee - \$350.00	533	\$186,550.00
Transfer Fee - \$100.00	5	\$500.00
New Member Capital Fee Non-Resale - \$2,616.00	8	\$20,928.00
New Member Capital Fee Non-Resale - \$2,474.00	8	\$19,792.00
New Member Capital Fee Non-Resale - \$2,425.00	3	\$7,275.00
Transfer Fee Non-Resale - \$350.00	76	\$26,600.00
Initial Fee - 2018 Rate - \$2,372.00	1	\$2,372.00
Initial Fee - 2019 Rate - \$2,427.00	11	\$26,697.00

July Resale Closings	80
July New Home Closings	2
July New Voluntary Homes	2
Total GVR properties as of 07.31.2019	13613

GVR GROWTH BY MONTH AND YEAR

	2019	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Canoa Ranch - Estates		0	1	0	0	0	0	0						1
Canoa Ranch - Villas		0	0	0	0	0	0	0						0
**Canoa Ranch - Meritage		0	1	2	0	2	2	0						7
**Las Campanas		0	1	2	1	0	2	2						8
**Estates @ Alamos		0	0	0	0	0	0	0						0
DR Horton		0	0	0	0	0	0	0						0
Other Restrictions		4	3	1	1	0	1	2						12
Total New		4	6	5	2	2	5	4	0	0	0	0	0	28
Total Members														
MBRS Last Year														
NMCF - \$2,616.00		44	44	89	99	92	89	59						516
NMCF - \$2,474.00		14	2	0	0	0	1	0						17
Transfer Fee Solo - \$350.00		23	22	29	32	34	28	21						189
Transfer Fee - \$350.00		58	46	89	99	92	90	59						533
Transfer Fee - \$100.00		0	0	2	1	1	1	0						5
NMCF Non-Resale - \$2,616.00		0	2	0	3	0	3	0						8
NMCF Non-Resale - \$2,474.00		2	0	1	0	1	4	0						8
NMCF Non-Resale - \$2,425.00		1	0	0	0	0	2	0						3
Transfer Fee Non-Resale - \$350.00		19	8	9	9	5	19	7						76
Total Resales		81	68	118	131	126	118	80	0	0	0	0	0	722
YTD Resales		81	149	267	398	524	642	722	722	722	722	722	722	722
Monthly Resales Last Year		77	109	136	153	142	110	96	79	54	90	79	79	1204
Total Resales Last Year		77	186	322	475	617	727	823	902	956	1046	1125	1204	1204

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



Fiscal Affairs Committee

Required transfer to Operating Fund for Maintenance Repair and Replace Projects closed during the period of April 1, 2019 – June 30, 2019

Overview

GVR Inc. has completed several projects that are included in the Maintenance Repair and Replace Reserve Study for the 2019 Fiscal year. These projects were finalized during the second quarter of 2019 and are included in the enclosed MRR Reserve Projects 2019 report. All costs relating to these projects were paid for out of GVR Operating funds.

The costs of these completed projects total can be found on the enclosed report and equal \$332,080 for the second quarter of 2019.

Recommendation

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 for the second quarter of 2019. The calculation of this reimbursement is as follows:

2 nd Quarter 2019 completed MRR Projects	<u>\$332,080</u>
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Total Amount to be reimbursed to the Operating Fund \$332,080

Approved by Fiscal Affairs Committee

Carol Crothers, Chairperson

Date



Fiscal Affairs Committee

Required transfer to Operating Fund for Initiatives Projects closed during the period of April 1, 2019 - June 30, 2019

Overview

GVR Inc. has completed a project that were authorized by the Board of Directors to be funded from the Initiatives Reserves. This project was finalized during the second quarter of 2019 and is included in the attached Reserve Projects 2019 report. All costs relating to this project were paid for out of GVR Operating funds.

The costs of this completed project can be found on page 5 of the attached Reserves report and equal \$66,379 for the second quarter of 2019. This Project was authorized by the GVR Board of Directors on September 25, 2018.

Recommendation

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 for the second quarter of 2019. The calculation for this reimbursement can be found on the attached report and is summarized as follows:

Actual Cost for the 2 nd Quarter 2019 for completed Initiatives Projects	\$ 66,379
Adjustments	<u>\$ 0</u>
Net Amount to be reimbursed from Initiatives Fund to the Operating Fund	\$ 66,379

Approved by Fiscal Affairs Committee

Carol Crothers, Chairperson

Date



Fiscal Affairs Committee

Required transfer to Operating Fund for Emergency Reserve Projects closed during the period of April 1, 2019 - June 30, 2019

Overview

GVR Inc. has completed a project that was authorized by the Board of Directors to be funded from the Emergency Reserves. This project was finalized during the second quarter of 2019 and is included on page 10 of in the attached Reserve Projects 2019 report. All costs relating to this project were paid for out of GVR Operating funds.

The costs of this completed project total can be found on page 6 of the attached Reserves report and equals \$15,000 through the second quarter of 2019. This Project was authorized by the GVR Board of Directors on September 25, 2018.

Recommendation

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 through the second quarter of 2019. The calculation for this reimbursement can be found on page 10 of the attached report and is summarized as follows:

Actual Cost through 2 nd Quarter 2019 for completed Emergency Project	\$ 15,000
Adjustments	\$ 0
Net Amount to be reimbursed from Emergency Fund to the Operating Fund	\$ 15,000

Approved by Fiscal Affairs Committee

Carol Crothers, Chairperson

Date

GVR
31-Dec-19
MAINTENANCE REPAIR & REPLACEMENT, NON RESERVE, CLUB, INITIATIVES,
AND EMERGENCY PROJECTS

	BUDGET	YTD ACTUAL	Projected for Fiscal Year 2019				Total Projected for 2019
			Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter	Projected 4th Quarter	
TOTAL MAINTENANCE REPAIR AND REPLACEMENT RESERVE PURCHASES	\$ 1,817,094	\$ 618,934	\$ 286,855	\$ 332,080	\$ 403,194	\$ 319,161	\$ 1,341,289
TOTAL NON RESERVE CAPITAL PURCHASES	\$ 513,926	\$ 261,009	\$ 8,549	\$ 252,460	\$ 178,847	\$ 74,000	\$ 513,856
TOTAL CLUB PURCHASES	\$ 80,000	\$ 36,920	\$ 454	\$ 36,466	\$ 27,300	\$ 15,000	\$ 79,220
TOTAL INITIATIVES PURCHASES	\$ -	\$ 66,379	\$ -	\$ 66,379	\$ 604,250	\$ 468,750	\$ 1,139,379
TOTAL EMERGENCY PURCHASES	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
TOTAL	\$ 2,411,020	\$ 998,242	\$ 295,857	\$ 702,385	\$ 1,213,591	\$ 876,911	\$ 3,088,743

Includes Pickleball Complex

GVR
Maintenance, Repair & Replacement
FY 2019

Projected for Fiscal Year 2019

Reserve Component Number	Description	2019 Expense Forecast				Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter	Projected 4th Quarter	Total Projected for 2019	Projected Cost Over or (Under) Forecast	Notes
		Expense Forecast	Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter							
00010.22000.200	Computers, IT Servers, Misc.	\$ 12,300	\$ -	\$ -	\$ -	\$ -	\$ 12,300	\$ -	\$ 12,300	\$ -		
00010.22000.240	Computers: Office Computer Work Stations	\$ 18,963	\$ 15,220	\$ 3,018	\$ -	\$ 362	\$ -	\$ 362	\$ 18,963	\$ -		
TOTAL												
00020.05000.306	Roofing: vinyl low slope 339 Squares	\$ 91,266	\$ 22,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,922	\$ (68,344)		
00020.05000.900	Miscellaneous: 339 Squares - Roof Recoating	\$ 14,603	\$ 14,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,603	\$ -		
00020.12000.700	Equipment: Replacement Pool & Spa Equipment (50%)	\$ 20,500	\$ -	\$ 393	\$ 20,107	\$ -	\$ -	\$ -	\$ 20,500	\$ -		
00020.12000.800	4,000 Sq. Ft. Pool Cover	\$ 7,107	\$ -	\$ -	\$ 7,107	\$ -	\$ -	\$ -	\$ 7,107	\$ -		
00020.12000.900	Pool Area Furniture	\$ 11,846	\$ -	\$ -	\$ 11,846	\$ -	\$ -	\$ -	\$ 11,846	\$ -		
00020.17500.200	Seal and Striping 12 Shuffleboard Courts (3,744 sq ft)	\$ 15,990	\$ -	\$ 16,800	\$ -	\$ -	\$ -	\$ -	\$ 16,800	\$ 810		
00020.23000.324	HVAC Rooftop Carrier Unit #10	\$ 13,325	\$ -	\$ -	\$ 13,325	\$ -	\$ -	\$ -	\$ 13,325	\$ -		
00020.24000.500	Auditorium Tables and Chairs	\$ 79,950	\$ -	\$ -	\$ 79,950	\$ -	\$ -	\$ -	\$ 79,950	\$ -		
00020.24500.600	Stage Curtains	\$ 9,207	\$ 3,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,459	\$ (5,748)		
TOTAL West Social Center												
00030.01000.118	Asphalt Sealing: 79,662 Sq. Ft. Parking Lot	\$ 17,157	\$ -	\$ -	\$ -	\$ 17,157	\$ -	\$ -	\$ 17,157	\$ -		
00030.01000.218	Asphalt Ongoing Repairs 79,662 Sq. Ft. Parking Lot	\$ 5,576	\$ -	\$ -	\$ -	\$ 5,576	\$ -	\$ -	\$ 5,576	\$ -		
00030.02000.406	Pool Deck 5,661 Sq. Ft. Pool Area Concrete	\$ 7,316	\$ -	\$ 5,022	\$ -	\$ -	\$ -	\$ -	\$ 5,022	\$ (2,294)		
00030.03000.112	Painting Exterior: 13,905 Sq. Ft. Building Exterior Painting	\$ 14,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,974)		
00030.05000.906	207 Squares Roof Recoating	\$ 8,917	\$ 4,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,250	\$ (4,667)		
00030.12000.906	Pool Area Furnishings	\$ 7,538	\$ -	\$ -	\$ 7,538	\$ -	\$ -	\$ -	\$ 7,538	\$ -		
00030.14000.200	Exercises: Cardio Equipment 17 Fitness Room Cardio Machines [2C]	\$ 20,863	\$ -	\$ -	\$ 20,863	\$ -	\$ -	\$ -	\$ 20,863	\$ -		
00030.14000.300	Exercises: Strength Equipment 13 Fitness Room Strength Machine	\$ 5,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,125)		
00030.17000.110	14,400 Sq Ft (2) Tennis Courts	\$ 13,957	\$ 9,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,800	\$ (4,157)		
00030.17000.700	Pickleball wind screen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
00030.17500.210	Seal & Striping 15,330 Sq. Ft. [7] Pickleball Courts	\$ 14,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,858)		
00030.17500.430	Overlay 3 Pickleball Courts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
00030.19000.130	Chain link fence - Pickleball courts	\$ -	\$ 16,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,891	\$ -		
00030.23000.288	HVAC 4 Rooftop Carrier Units - 2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
00030.23000.424	HVAC 2 Rooftop Carrier Units - 2002	\$ -	\$ 38,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,357	\$ -		
TOTAL East Social Center												
00040.02000.412	Pool Deck 4,731 Sq. Ft. Pool Area Concrete	\$ 7,642	\$ 6,446	\$ 6,446	\$ -	\$ -	\$ -	\$ -	\$ 12,892	\$ (5,250)		
00040.05000.912	Roof Recoating 198 Squares	\$ 8,529	\$ 6,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,672	\$ (1,857)		
00040.08000.318	2 Racquetball Court Restrooms	\$ 13,192	\$ -	\$ -	\$ 13,192	\$ -	\$ -	\$ -	\$ 13,192	\$ -		
00040.12000.712	Pool & Spa Equipment Replacement	\$ 20,500	\$ -	\$ 316	\$ 20,184	\$ -	\$ -	\$ -	\$ 20,500	\$ -		
00040.12000.806	4,400 Sq. Ft. Pool Cover	\$ 7,818	\$ -	\$ -	\$ 7,818	\$ -	\$ -	\$ -	\$ 7,818	\$ -		
00040.12000.912	Pool Area Furniture	\$ 8,168	\$ -	\$ 1,184	\$ 6,984	\$ -	\$ -	\$ -	\$ 8,168	\$ -		
00040.14000.210	Exercise Cardio Equipment 19 Fitness Center Cardio Machines-[2]	\$ 27,999	\$ -	\$ -	\$ 27,999	\$ -	\$ -	\$ -	\$ 27,999	\$ -		
00040.14000.310	Exercise: Strength 17 Fitness Center Strength Machines (10%)	\$ 7,323	\$ -	\$ 3,627	\$ 3,696	\$ -	\$ -	\$ -	\$ 7,323	\$ (13,569)		
00040.17000.120	Reseal 14,000 Sq. Ft. (2) Tennis Courts	\$ 13,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,569)		
00040.19000.210	Wrought: Iron 5' Fence	\$ 1,150	\$ 6,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,908	\$ -		
00040.24500.800	Stage Risers 4 Ocotillo Room- new	\$ 22,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,804)		
00040.24500.900	Sound System and Induction Loop Ocotillo Room	\$ 16,001	\$ 5,502	\$ 10,373	\$ -	\$ -	\$ -	\$ -	\$ 15,876	\$ (125)		
00040.03000.118	Stucco 18,180 Sq. Ft. Exterior Building Surface	\$ 6,002	\$ 8,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,512	\$ -		
TOTAL Las Campanas												
00050.01000.130	Asphalt: Sealing 104,016 Sq Ft Drives & Parking	\$ 11,488	\$ -	\$ 12,450	\$ -	\$ -	\$ -	\$ -	\$ 11,488	\$ (7,000)		
00050.04500.200	Decking / Balconies: 1,778 Sq. Ft. Second Floor Deck Resurface	\$ 37,691	\$ -	\$ -	\$ 11,488	\$ -	\$ -	\$ -	\$ 11,488	\$ (26,203)		
00050.08000.718	Locker Room Bathroom Rehabilitation [2]	\$ 23,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (23,132)		
00050.12000.718	Equipment Replacement Pool & Spa Equipment (50%)	\$ 6,876	\$ -	\$ -	\$ 23,132	\$ -	\$ -	\$ -	\$ 23,132	\$ -		
00050.12000.812	3,870 Sq. Ft. Pool Cover	\$ 6,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,876)		
00050.12000.918	Pool Area Furniture	\$ 11,307	\$ -	\$ -	\$ 11,307	\$ -	\$ -	\$ -	\$ 11,307	\$ -		

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GVR
Maintenance, Repair & Replacement
FY 2019

Projected for Fiscal Year 2019

Reserve Component Number	Description	Expense Forecast	Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter	Projected 4th Quarter	Total Projected for 2019	Projected Cost Over or (Under) Forecast	Notes
00050.14000.220	Exercise: Cardio Equipment 13 Fitness Center Cardio Machines	\$ 16,799	\$ 5,913	\$ -	\$ 10,886	\$ -	\$ 16,799	\$ (0)	
00050.17000.530	Resurface 28,800 Sq Ft. (4) Tennis Courts	\$ 2,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,101)	completed in 2018
00050.17000.700	Screen Tennis Wind Screens	\$ 4,716	\$ -	\$ 4,716	\$ -	\$ -	\$ 4,716	\$ 4,716	
00050.23000.412	HVAC Roofing Carrier Unit 2004	\$ 5,384	\$ -	\$ -	\$ 5,384	\$ -	\$ 5,384	\$ -	
00050.24500.900	Miscellaneous Stage- Electric Screen	\$ 8,608	\$ -	\$ -	\$ 8,600	\$ -	\$ 8,600	\$ (8)	
00050.25000.240	970 Sq. Yds. Clubhouse Carpet	\$ 33,427	\$ -	\$ -	\$ 33,427	\$ -	\$ 33,427	\$ -	
TOTAL	Desert Hills								
00060.01000.136	Asphalt: Sealant 67,354 Sq. Ft. Parking Lot Sealing	\$ 14,507	\$ -	\$ 10,999	\$ -	\$ -	\$ 10,999	\$ (3,508)	
00060.05000.330	Roof Low Slope Vinyl	\$ -	\$ 14,627	\$ -	\$ -	\$ -	\$ 14,627	\$ 14,627	
00060.05000.924	Roof Coating	\$ -	\$ 7,823	\$ -	\$ -	\$ -	\$ 7,823	\$ 7,823	
00060.08000.430	2 Locker Room Bathrooms Rehabilitation	\$ 87,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,767)	delay to 2020
00060.08000.330	2 Clubhouse Restrooms Rehabilitation	\$ 44,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (44,153)	delay to 2020
00060.12000.818	Pool Cover 4,800 Sq. Ft. Pool Cover	\$ 8,529	\$ -	\$ 8,529	\$ -	\$ -	\$ 8,529	\$ -	pending decision to cover pools in winter
00060.12000.724	Pool and Spa Equipment	\$ 14,086	\$ -	\$ 919	\$ -	\$ -	\$ 919	\$ -	
00060.12000.924	Furniture: Misc Pool Area Furniture	\$ 11,307	\$ -	\$ 11,307	\$ -	\$ -	\$ 11,307	\$ -	
00060.14000.230	Exercise: Cardio Equipment 16 Fitness Center Cardio Mach.	\$ 20,676	\$ 5,924	\$ 17,658	\$ -	\$ -	\$ 23,582	\$ 2,906	
00060.14000.330	Exercise Strength Equipment 19 Fitness Center Strength Machine	\$ 8,184	\$ -	\$ 4,914	\$ 3,270	\$ -	\$ 8,184	\$ -	
00060.24500.300	PA System: Sound Rack - Sound System	\$ 16,781	\$ -	\$ 5,656	\$ -	\$ -	\$ 5,656	\$ 5,656	
00060.24500.900	Audio Visual Saguaro Room Electric Screen	\$ -	\$ -	\$ 16,780	\$ -	\$ -	\$ 16,780	\$ -	
00060.24600.230	Fire Alarm System	\$ 6,150	\$ -	\$ -	\$ 6,150	\$ -	\$ 6,150	\$ (1)	
TOTAL	Canoa Hills								
00070.01000.142	Asphalt: Sealing 80,636 Sq. Ft. Parking Lots	\$ -	\$ -	\$ 4,675	\$ -	\$ -	\$ 4,675	\$ 4,675	
00070.01000.336	Asphalt: Overlay with Interlayer 58,386 Sq. Ft. North and East Par	\$ 100,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,601)	Moved out several years
00070.04000.430	Pool Deck 5,975 Sq. Ft. Concrete	\$ 7,721	\$ 4,916	\$ 4,916	\$ -	\$ -	\$ 9,832	\$ 2,111	50% DEPOSIT
00070.04500.206	Decking: 12,664 Sq. Ft. Elastomeric Deck Resurfacing	\$ 105,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (105,011)	Moved out to 2023
00070.05000.336	Roof Coating and Repair	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	leak found 50% DEPOSIT
00070.05000.606	Roof Tiles	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ 38,500	\$ 38,500	
00070.04500.300	Deck Repairs 12,664 Sq. Ft. Elastomeric Deck Seal / Repair	\$ 24,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,548)	Moved out to 2023
00070.08000.336	Rehabilitation 5 Restrooms	\$ 49,914	\$ -	\$ -	\$ 49,914	\$ -	\$ 49,914	\$ -	
00070.08000.472	Rehabilitation 2 Art. & Clay Counters and Cabinets	\$ 18,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,576)	
00070.12000.400	Pool ADA Chair Lift	\$ 4,623	\$ -	\$ 3,313	\$ -	\$ -	\$ 3,313	\$ (1,310)	
00070.12000.630	Pool Deck Re-Surface 5,975 Sq. Ft. Pool Deck Area	\$ 48,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (48,258)	
00070.12000.730	Equipment: Replacement Pool & Spa Equipment (50%)	\$ -	\$ -	\$ 1,409	\$ -	\$ -	\$ 1,409	\$ 1,409	not doing full resurface in 2019
00070.12000.824	Pool Cover 4,800 Sq. Ft. Pool Cover	\$ 6,397	\$ -	\$ -	\$ 6,397	\$ -	\$ 6,397	\$ -	pending decision to cover pools in winter
00070.12000.930	Pool Area Furniture	\$ 7,538	\$ -	\$ 7,538	\$ -	\$ -	\$ 7,538	\$ -	
00070.14000.240	Exercise: 11 Fitness Center Cardio Machines	\$ 12,300	\$ 5,924	\$ 11,975	\$ -	\$ -	\$ 17,900	\$ 5,600	
00070.14000.340	Exercise: 18 Fitness Center Strength Machines	\$ 6,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,150)	
00070.23000.344	HVAC 2 Carrier Units - 2004	\$ 12,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
00070.23500.200	Elevator: Modernize Overhaul Anza Building Elevator	\$ 90,200	\$ -	\$ 90,200	\$ 12,923	\$ -	\$ 103,123	\$ -	
00070.23500.300	Elevator: Anza Elevator Cab Rehabilitation	\$ 10,250	\$ -	\$ -	\$ 10,250	\$ -	\$ 10,250	\$ -	
TOTAL	Santa Rita Springs								
00080.01000.248	Asphalt: Ongoing Repairs 64,068 Sq Ft Drives & Parking (5%)	\$ 5,606	\$ -	\$ -	\$ 2,803	\$ -	\$ 2,803	\$ (2,803)	completed in 2018
00080.01000.254	Asphalt: Sealing 64,068 Sq Ft Drives & Parking	\$ 7,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,074)	completed in 2018
00080.12000.412	ADA Chair Lift 2 Pool & Spa ADA Chairs	\$ -	\$ -	\$ 10,870	\$ -	\$ -	\$ 10,870	\$ 10,870	
00080.14000.250	Exercise Cardio Equipment 13 Fitness Center Cardio Mach.	\$ 15,375	\$ -	\$ 21,997	\$ -	\$ -	\$ 21,997	\$ 6,622	
00080.14000.350	Exercise Strength Equipment 19 Fitness Center Strength Mach.	\$ 6,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,150)	
00080.17000.708	Pickleball Court Windscreens	\$ 2,101	\$ -	\$ -	\$ 2,101	\$ -	\$ 2,101	\$ -	
00080.17500.220	Seal & Stripping 11,204 Sq Ft Pickleball & Basketball Courts	\$ 10,859	\$ 3,400	\$ -	\$ -	\$ -	\$ 3,400	\$ (7,459)	
TOTAL	Canoa Ranch								

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GVR
Maintenance, Repair & Replacement
FY 2019

Projected for Fiscal Year 2019

Reserve Component Number	Description	2019 Expense Forecast				Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter	Projected 4th Quarter	Total Projected for 2019	Projected Cost Over or (Under) Forecast	Notes
		Expense Forecast	Expense Forecast	Expense Forecast	Expense Forecast							
00090.02000.442	5,565 Sq. Ft. Pool Area Concrete	\$ 5,993	4	\$ 9,532	\$ -	\$ -	\$ -	\$ -	\$ 9,532	\$ 3,539		
00090.12000.742	Pool & Spa Equipment: Replacement	\$ 15,378	1	\$ -	\$ -	\$ 15,378	\$ -	\$ -	\$ 15,378	\$ -		
00090.12000.936	Pool Area Furnishings	\$ 7,000	1	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ 7,000	\$ -		
TOTAL Abrego South												
00100.12000.748	Equipment: Replacement Pool & Spa Equipment (50%)	\$ 16,347	3	\$ -	\$ 4,348	\$ 11,999	\$ -	\$ -	\$ 16,347	\$ -		
00100.12000.942	Furniture: Misc Pool Area Furniture	\$ 3	3	\$ -	\$ 1,424	\$ -	\$ -	\$ -	\$ 1,424	\$ 1,424		
00100.23000.244	HVAC Rooftop Carrier Units - 2013	\$ 6,246	1	\$ -	\$ -	\$ -	\$ 6,246	\$ -	\$ 6,246	\$ -		
TOTAL Continental Vistas												
00110.12000.754	Pool & Spa Equipment: Replacement	\$ 11,824	4	\$ 5,835	\$ -	\$ 5,989	\$ -	\$ -	\$ 11,824	\$ -		
00110.12000.948	Pool Area Furnishings	\$ 7,000	1	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ 7,000	\$ -		
00110.19000.170	Chain Link: 10' 360 Lin. Ft. Tennis Court Fence (windscreen)	\$ 3	3	\$ -	\$ 1,639	\$ -	\$ -	\$ -	\$ 1,639	\$ 1,639		
00110.17000.540	Tennis Court 7,200 Sq. Ft. Tennis Court Resurfacing	\$ 21,322	4	\$ 21,322	\$ -	\$ -	\$ -	\$ -	\$ 21,322	\$ -		
TOTAL Madera Vista												
00120.02000.460	Pool Deck: 6,128 Sq. Ft. Pool Area Concrete	\$ 7,919	3	\$ 5,460	\$ 5,460	\$ -	\$ -	\$ -	\$ 10,919	\$ 3,000		
00120.05000.348	Low Slope: Vinyl 61 Squares- Pool Building Roofs	\$ 32,845	3	\$ -	\$ 13,830	\$ -	\$ -	\$ -	\$ 13,830	\$ (19,015)		
00120.08000.254	2 Locker Room Bathroom Rehabilitation	\$ 38,950	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (38,950)		
00120.08000.256	2 Clubhouse Restroom Rehabilitation	\$ 16,400	1	\$ -	\$ -	\$ 8,200	\$ -	\$ -	\$ 8,200	\$ (8,200)		
00120.12000.954	Pool Area Furniture	\$ 7,000	3	\$ -	\$ 780	\$ -	\$ 6,220	\$ -	\$ 7,000	\$ (0)		
00120.12000.760	Equipment: Replacement Pool & Spa Equipment (50%)	\$ 15,701	3	\$ 6,152	\$ 7,176	\$ -	\$ -	\$ -	\$ 13,329	\$ (2,372)		
TOTAL Casa Paloma I												
00130.12000.766	Equipment: Replacement Pool & Spa Equipment (50%)	\$ 16,347	3	\$ -	\$ 8,319	\$ -	\$ 8,028	\$ -	\$ 16,347	\$ -		
00130.12000.960	Pool Area Furniture	\$ 7,000	1	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ 7,000	\$ -		
TOTAL Casa Paloma II												
TOTAL Abrego North												
00144.01000.120	Asphalt: State Spec. Slurry Parking Area	\$ 10,506	1	\$ -	\$ -	\$ 10,500	\$ -	\$ -	\$ 10,500	\$ (6)		
TOTAL Facility Maintenance Shop												
00150.30000.820	Vehicle: 2019 Ford Transit Van repl. Veh. 17 2009 Ford F150 Van	\$ 29,614	4	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ 34,000	\$ 4,386		
00150.30000.840	Vehicle: Ford F250 Supercab repl. Veh 25 2005 Chevy Silverado 2500	\$ 37,691	4	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 2,309		
TOTAL General												
MRR GRAND TOTAL												
Adjustment		\$ 1,817,094		\$ 286,855	\$ 332,080	\$ 403,194	\$ 319,161	\$ 1,341,289	\$ 1,341,289	\$ (475,805)		
Net Transfer From MRR Reserve Required		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Net Transfer From MRR Reserve Required		\$ 286,855		\$ 286,855	\$ 332,080	\$ 403,194	\$ 319,161	\$ 1,341,289	\$ 1,341,289	\$ -		
1 Reserve Component included in Reserve Study										\$ 787,441	Capital	
2 Reserve Component Completed										\$ 553,848	Expense	
3 Reimbursement Requested										\$ -		
4 Reimbursement Completed										\$ 1,341,289		

Replacing tennis court including Non Reserve Capital Budget

50% deposit

Moved to 2020

Moved to 2020

GVR
INITIATIVES
FY 2019

Line Item	INITIATIVE ACTIVITY	BUDGET	Projected for Fiscal Year 2019				Total Projected for 2019	Notes
			Completed Projects	Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter		
1	Pickleball Center	\$ -	\$ -	\$ -	\$ 468,750	\$ 468,750	\$ 937,500	Capital Projected \$1,250,000 not included in 2019 budget
2	Pickleball Center plan documents	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	24 Approved 1/6/2019
3	Metal Working Crafts Club	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8 closed in 2018 Budget
4	Glass Artists Club	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9 closed in 2018 Budget
5	East Center Pickleball courts & lights	\$ -	\$ 66,379	\$ 66,379	\$ -	\$ -	\$ 66,379	1 \$15,000 Emer., \$16,891 MRR, \$66,379 Initl. From 2018
6	Pickleball Center Architect Fees	\$ -	\$ -	\$ -	\$ 133,000	\$ 133,000	\$ 133,000	3 Pickleball Center Architect Fees from 2018
7	Property Acquisition Pickleball Cntr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10 Property Acquisition - Pickleball Center closed in 2018
TOTAL INITIATIVES RESERVES		\$ -	\$ 66,379	\$ 66,379	\$ 604,250	\$ 468,750	\$ 1,139,379	

GVR
EMERGENCY
FY 2019

Projected for Fiscal Year 2019

EMERGENCY ACTIVITY	BUDGET	Completed Projects	Actual 1st Quarter	Actual 2nd Quarter	Projected 3rd Quarter	Projected 4th Quarter	Total Projected for 2019	Notes
East Center Pickleball courts and fighting	\$ -	\$ 15,000	\$ -	\$ 15,000	-	-	\$ 15,000	\$15,000 Emcr., \$16,891 MRA, \$66,379 Init. From 2018
TOTAL EMERGENCY RESERVES	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000	

GVR Cash Requirements Report
FY 2019

PROJECTED	FY 2019												Projected Jan-20	Projected TOTAL	
	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Projected Aug-19	Projected Sep-19	Projected Oct-19	Projected Nov-19	Projected Dec-19			
Operating Cash in Bank	1,099,888	5,012,823	5,010,049	1,170,941	1,867,628	2,019,050	1,695,971	1,097,598	1,060,785	1,168,861	939,200	1,545,774	1,139,046	5,313,688	(3,500,000)
Beginning of Month Balance				1,000,000	1,000,000	563,688		750,000	750,000	750,000	500,000				
Transfer In	3,912,935	(2,774)	(339,108)	(303,313)	(848,578)	(886,767)	(598,373)	(786,813)	(641,923)	(979,661)	106,574	(406,728)	554,477	(5,946,933)	(1,220,054)
Transfer Out	5,012,823	5,010,049	1,170,941	1,867,628	2,019,050	1,695,971	1,097,598	1,060,785	1,168,861	939,200	1,545,774	1,139,046	1,693,522		
Net Operating Cash Flow	2,313,529	2,314,729	2,034,563	6,112,926	5,292,699	4,139,170	3,584,420	3,510,181	3,087,738	2,342,884	1,596,789	1,539,318	1,541,883	280,276	5,390,915
Beginning of Month Balance			4,062,214	(1,108,379)	(1,161,054)	(563,688)	(80,527)	(750,000)	(750,000)	(750,000)	(500,000)				
Transfer In	1,200	3,119	16,149	1,297	7,524	8,938	6,288	5,850	5,146	3,905	2,661	2,566	2,570	2,570	5,390,915
Transfer Out	2,314,729	2,034,563	6,112,926	5,292,699	4,139,170	3,584,420	3,510,181	3,087,738	2,342,884	1,596,789	1,539,318	1,541,883	1,824,729	67,214	67,214
MMR Reserve															
Beginning of Month Balance	5,881,453	6,023,945	6,197,879	6,015,821	5,873,279	5,875,924	6,583,363	6,688,532	6,378,923	6,391,043	6,403,186	5,974,648	5,986,000	1,046,851	1,046,851
Transfer In MRR Funding	80,527	80,527	80,527	80,527	80,527	80,527	80,527	80,527							
Transfer Out	61,965	93,407	(329,705)	(395,234)	(90,131)	143,750	24,642	12,097	12,120	12,143	(439,868)	11,352	(280,276)	(1,856,920)	(1,856,920)
Earned Income on Investments	6,023,945	6,197,879	6,015,821	5,873,279	5,875,924	6,583,363	6,688,532	6,378,923	6,391,043	6,403,186	5,974,648	5,986,000	5,705,724	634,340	634,340
Ending of Month Balance	1,996,087	2,011,474	2,315,172	2,191,881	2,302,385	2,300,319	2,327,570	2,333,723	2,430,507	2,435,125	2,439,752	1,944,585	1,948,279	441,579	441,579
Initiatives Reserve															
Beginning of Month Balance															
Transfer In				108,379				158,428							
Transfer In - Pickleball Center Contributions															
Prior Year Surplus	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285	283,285
Earned Income on Investments	15,387	20,413	24,678	2,125	(2,066)	27,251	6,154	4,735	4,618	4,627	4,834	3,695	3,836	120,285	120,285
Transfer Out	2,011,474	2,315,172	(147,969)	2,302,385	2,300,319	2,327,570	2,333,723	(66,379)	2,430,507	2,439,752	1,944,585	1,948,279	(781,250)	(1,599,848)	(1,599,848)
Ending of Month Balance	804,646	841,826	870,213	791,102	808,434	767,832	811,727	819,329	805,857	807,389	808,923	810,460	811,999		
Emergency Reserve															
Beginning of Month Balance															
Transfer In															
Transfer Out															
Earned Income on Investments	37,180	28,387	5,429	17,332	(40,602)	43,895	7,602	1,528	1,531	1,534	1,537	1,540	1,543	(99,540)	(99,540)
Ending of Month Balance	841,826	870,213	791,102	808,434	767,832	811,727	819,329	805,857	807,389	808,923	810,460	811,999	813,542	108,436	108,436
Total Reserve Accounts	8,877,245	9,383,265	8,998,805	8,984,099	8,944,075	9,722,659	9,841,585	9,615,288	9,633,557	9,651,861	8,729,692	8,746,279	7,760,655		
Total Operating Cash	7,327,552	7,044,613	7,283,868	7,160,328	6,158,220	5,280,391	4,607,779	4,148,523	3,511,745	2,535,989	3,085,092	2,680,929	3,518,251		
Grand Total Cash & Investments	16,204,797	16,427,877	16,282,672	16,144,426	15,102,295	15,003,050	14,449,364	13,763,810	13,145,302	12,187,849	11,814,784	11,427,208	11,278,906		

Dec. 31, 2019 Projected End. Balance:		
Total Reserve Accounts	8,746,279	
Total Operating Cash	2,680,929	
Grand Total Cash & Investments	11,427,208	

Invested Total	11,191,974	11,417,828	15,111,731	14,276,798	13,083,245	13,307,079	13,351,766	12,703,025	11,976,441	11,248,649	10,269,010	10,288,162	9,585,384		
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Jan. 1, 2019 Beg. Balance:	8,682,186	
Total Reserve Accounts	3,413,417	
Total Operating Cash	12,095,603	
Grand Total Cash & Investment	24,191,206	



FY2020 Budget Highlights

REVENUE

1. 4000-4204 No change in fee rates in the proposed 2020 Fee Schedule.
 - A. Member Dues budget is based on dues for 13,625 properties at the 2019 rate of \$493/per member household.
 - B. New Member Capital Fees budget is decreased 15% and declined projected property transactions currently being experienced.
 - There is no rate change for New Member Capital Fees.
 - The budget is based on estimated property transactions with no change in current policy that exempts GVR member property owners from New Member Capital Fees.
 - C. There is no rate change for Initial Fees. The budget is based on anticipated property transactions.
 - D. Expense increase of \$2.18 expense to \$73.91 per member property (\$29,703 aggregate additional expense) for 2020 Reserve Study contribution furnished by Browning Reserve Group over 2019 contribution rate.
 - E. Loss of \$44,000 in revenue from financial impact of Board policy issuing free Annual Guest Cards (AGC) and Additional Cardholder Cards (ACC) to single-person GVR households. The FY2020 budget does not account for potential fraud and misuse of the free cards.
2. 4005- There is no rate change in Transfer Fees.
 - A. The budget includes a projected 850 properties at the current rate of \$350 per transfer.
 - B. Approximately \$776,952 of potential new revenue is available in 2020 if the Board adds GVR policy to allow charging GVR homeowners who buy additional GVR properties (297 properties X \$2,616). [NOTE: 297 is the number of GVR properties purchased by GVR members in 2018]
3. 4007-The Guest Card Fees budget is based on the new Board policy of issuing free AGC and ACC cards.
4. 4009 - No rate change for Tenant Fees; total budgeted income for 2020 budget reflects a \$47,790 reduction due to the Board directed free AGC and ACC cards policy.
5. 4015- Facility Rent Fees includes 'prime time' vs 'non-prime' rates and the SpotRx facility leases.
6. 4091-The Advertising Income includes GVR Now!, eBlast, Spot Rx and other opportunities.
7. 4100-Program Income is \$91,000 less than 2019 Budget; includes Concerts, Tours, Movies and Special Events:
 - A. Projected number of attendees of Performing Arts events is 12,800, a decrease from prior years based on actuals.
 - B. The projected number of class registrations is 9,121, a decrease from prior years based on actuals.
 - C. No 3-day special event planned for 2020.
 - D. Reduced member participation in Tours events.
8. 4102- Card Replacements budget for 2020 is reduced by \$2,000 due to the Board directed free AGC and ACC cards policy.
9. 4202-The Communication Income (cell tower/antennas) includes Sprint and Verizon leases.
10. 4205-Investment Income is budgeted for an increase to improved performance of new Funds Investment Advisor and larger invested fund balances.

Total Revenue decrease from 2019 Budget: \$(309,865) or 2.7% to \$11,169,225.

EXPENSES

1. 5001/5018-Decrease of \$528,223 in the Total Wages & Benefits budget:
 - A. Reduced number of FTEs; FTE head count was 97.03 FTEs in 2018 and 90.86 FTEs in 2020.
 - B. Medical insurance increase of 10%.
2. 5020-Aggregate insurance coverage expenses (e.g., general liability, auto, D&O liability, property insurance, and umbrella) are increased 40% to \$280,000 in FY2020.
3. 5029-Conferences and Training, includes:
 - A. Cintas safety program (safety manuals and training).
 - B. Facilities training & IT training.
 - C. Increased \$20,000 expense for Board-directed policy governance training.
4. 5058-Credit card fees budget is decreased in 2020 by \$5,000.
 - A. Assumes no change in credit card usage policy.
 - B. In 2019, the actual expenses for Credit cards were higher than expected due to delay in adopting annual budget and sending 2019 dues invoices in late December.
5. The Facilities & Equipment budget for 2020 reflects \$896,693 (29%) increase.
 - A. Facilities Maintenance increase includes \$279,550 of 2020 MRR expenses.
 - B. Utilities reflect 2020 savings of \$140,266 that includes full-year activation of solar panel installations.
 - C. The Depreciation budget increases by \$436,497 for 2020 to \$1,745,606. This includes the significant investment in infrastructure over the past several years.
6. 5063- Professional & Legal Fees are increased:
 - A. Increased annual audit fees.
 - B. Increase Board legal expenses (additional attorney for governance matters).
7. 9025-The Operations group budget decreased 27%.
 - A. Other Operating Expenses decreased due to less signage cost than projected for 2019.
 - B. Budgeted IT Maintenance costs are reduced from 2019.
 - C. The 'Provision for Doubtful Account' of \$24,000 (per auditor recommendation) brings the total 'Provision for Doubtful Accounts' to \$224,000. As of July 31, 2019, the Gross total Accounts Receivable is \$413,227
8. Capital Budget
 - A. Maintenance, Repair, and Replacement (MRR) Capital Budget is \$768,142.
 - B. A list of potential Non-Reserve Capital (NRC) activities is prepared but not included in the FY2020 budget. Potential NRC expenses (\$410,400) have no previous 'actual expense' (Bylaws) to be compared to as required; it is discretionary and needs to be decided upon by the Board.
 - C. GVR Clubs Non-Reserve Capital Budget reduced to \$6,000 from 2019 (\$80,000)
 - 1) Two club related projects are included in the GVR Clubs Budget, as recommended by P&E Committee (Bocce courts and Pickleball shade structures).
 - 2) Board committee-driven ADA related accessibility upgrades and/or Compliance Audit is not included in this budget; requires Board determination.
9. Maintenance Repair & Replacement Reserve (MRR) funding is budgeted at \$1,005,942 as presented by the Browning Reserve Group, \$39,619 more than 2019.
 - A. Browning Reserve Group 2020 Reserve Study report has reduced MRR reserve funding level to 68.5%.
 - B. To bring the funding level up to 85% (minimum required by Board policy), additional \$1,361,020 of funding is required. This would increase the 2020 contribution per member household from \$73.91 to \$173.91.

Total Expenditures increase from 2019 Budget: \$160,065 or 1.5% to \$10,677,527 for Operating Expenses



2020 Budget Highlights

REVENUE

Additional information

If current COLA and CPI-W indexes were to be used, the annual dues amount would increase by 2.6%. Therefore, dues would increase from \$493.00 to \$505.82 per household resulting in an increase in 2020 dues income of \$174,673.



GREEN VALLEY RECREATION, INC.

FY 2020

**Difference
2018-2019**

ANNUAL DUES	\$493	(+\$0)
Annual assessment		
LIFE CARE MEMBER Annual Fee	\$493	(+\$0)
Annual assessment for former GVR members residing in a residential care facility in the greater Green Valley area.		
INITIAL FEE	\$2,427	(+\$0)
Charged when a voluntary GVR deed restriction is placed on a property or when a developer sells a property in a mandatory GVR deed-restricted subdivision.		
NEW MEMBER CAPITAL FEE (NMCF)	\$2,616	(+\$0)
Charged when there is a change in title of a GVR property. If after the change in title, more than 50% of the new owners are currently or have been GVR members in the last 365 days, the New Member Capital Fee will not apply.		
TRANSFER FEES		
Charged whenever title to a GVR property is changed in addition to the Initial Fee or the NMCF.		
• With NMCF or Initial Fee	\$350	(+\$ 0)
• Estate Planning	\$100	(+\$ 0)
TENANT FEES (per person)		
Charged when an individual leases and pays rent to a GVR member for use of a GVR property.		
• 1-7 day tenant card	\$20	(+\$0)
• 2 week tenant card	\$30	(+\$0)
• 1 month tenant card	\$40	(+\$0)
• 2 month tenant card	\$75	(+\$0)
• 3 month tenant card	\$115	(+\$0)
• 4-12 month tenant card	\$150	(+\$0)

GUEST FEES (under 18 years old no card required)

Charged for temporary visitors of a member, assigned member, Continuing Residential Care Facility member or tenant, who lives more than 20 miles outside GVR's corporate jurisdiction. Tenants may only purchase the daily guest pass.

- Annual card for the year with unlimited guests and unlimited visits \$65 (+\$0)
- Guest card-unlimited guests per day \$10 (+\$0)

ADDITIONAL CARDHOLDER CARD \$100 (+\$0)

Charged to an individual who shares a common household with a GVR member to have the right to use GVR's facilities. Proof of residency is required.

GVR Budget Worksheet Summary III



2020 Budget

	2018 Actuals	2019 Projected	2019 Budget	2019 Proj. vs 2019 Bud.	2020 Budget	2020 Bud. Vs 2019 Bud	Notes
Revenue							
Member Dues	6,690,385	6,715,010	6,701,349		6,717,125		13,625 Properties * 493
LC,Trans., Crd Fees.	746,853	803,623	752,640		583,000		
Capital Revenue	2,345,508	2,522,409	2,693,151		2,273,600		Based on anticipated property transactions.
Membership Revenue	9,782,747	10,041,041	10,147,140	(1%)	9,573,725	(573,415) (5.7%)	Board's new policy
Programs							
Programs	360,835	306,308	427,000		336,000		\$30K Reduct. due to 3-day event not sched. in 2020.
Instructional	375,673	460,839	431,450		460,000		Reduced Tour participation.
Recreational Revenue	736,508	767,147	858,450	(12%)	796,000	(62,450) (7.3%)	
Investment Income							
Investment Income	239,173	247,561	215,000	13%	450,000	235,000 109.3%	Increased returns on Investment due to New Advisor
Advertising Income	108,861	105,396	75,000		110,000		Including MedAvail
Cell Tower Lease Inc.	43,358	32,890	57,000		36,000		
Comm. Revenue	152,220	138,286	132,000	5%	146,000	14,000 10.6%	
Other Revenue							
Other Income	106,351	102,267	100,500		100,500		
Facility Rent/Leases	25,543	86,147	23,000		100,000		
Marketing Events	-	-	3,000		3,000		
Other Revenue	131,894	188,414	126,500	33%	203,500	77,000 60.9%	
Total Revenue	11,042,542	11,382,448	11,479,090	(1%)	11,169,225	(309,865) (2.7%)	
Expenses							
Major Proj.-Rep. & Maint.	500,790	740,369	237,229		265,148		
Facility Maintenance	260,507	169,178	483,468		704,554		Includes \$279,550 from Reserve Study
Fees & Assessments	13,710	17,099	34,600		78,716		
Utilities	933,502	927,542	751,765		892,031		Includes Solar Savings
Depreciation	1,474,941	1,675,405	1,309,109		1,745,606		Includes Deprec. of Cap. Purch. per MRR, Clubs
Furniture & Equipment	239,916	313,719	230,975		264,764		Fitness and IT Equip. includes \$18,472 from MRR
Vehicles	59,869	68,977	80,604		73,624		
Facilities & Equipment	3,483,235	3,912,290	3,127,750	(20%)	4,024,443	(896,693) (28.7%)	
Wages, Benfts., PR Exp.	4,601,298	4,821,381	5,004,031		4,475,809		Medical Insurance when up by 10%
Conferences & Training	58,098	50,788	58,000		88,000		
Personnel	4,659,396	4,872,169	5,062,031	4%	4,563,809	498,223 9.84%	
Food & Catering	44,018	39,657	51,600		45,031		
Recreation Contracts	622,585	678,971	700,731		632,750		
Bank & Credit Card Fees	70,539	121,471	100,000		96,146		
Program	737,143	840,100	852,331	1%	773,927	78,404 9.2%	
Communications	93,552	93,927	102,480		104,149		
Printing	93,288	73,235	96,353		94,497		
Advertising	3,734	-	15,000		5,000		
Communications	190,575	167,161	213,833	28%	203,646	10,187 4.8%	
Supplies	260,274	276,847	445,923		344,127		
Postage	19,120	15,094	37,240		18,500		
Dues & Subscriptions	11,084	7,990	6,550		8,102		
Travel & Entertainment	5,220	11,259	23,400		16,580		
Other Operating Expense	31,981	48,297	62,154		35,745		
Operations	327,679	359,487	575,267	(60%)	423,054	152,213 26.5%	
Information Technology	360,325	78,321	141,150		114,900		
Professional Fees	225,219	267,190	291,400		251,749		
Commercial Insurance	196,848	256,270	215,000		280,000		Based on actual quote
Taxes	20,750	18,400	14,700		18,000		
Provision for Bad Debt	80,744	29,927	24,000		24,000		
Corporate Expenses	883,887	650,107	686,250	6%	688,649	(2,399) (0.3%)	
Expenses	10,281,914	10,801,314	10,517,462	(3%)	10,677,527	(160,065) (1.5%)	
Gross surplus(Rev-Exp)	760,628	581,135	961,628		491,698		
Unrea. Gain/Loss on Invest.	265,464	430,908	(18,000)		-		
Net from Operations	1,026,092	1,012,042	943,628		491,698		
Reserved Funding-Initiatives			(542,488)		(457,220)		20% of NMCF + 25% of Initial Fees
Unrealized Gain/Losses			(150,000)				
Club Cap. Purchases			(80,000)		(6,000)		P&E
Reserved Funding/MRR			(966,323)		(1,005,942)		Per Browning Reserved Study.
Changed in Net Assets Net of Reserved			(795,183)		(977,464)		
Add Back Depreciation			1,309,109		1,745,606		
Deduct New Purchase			(513,926)		(768,142)		New Purchases including in MRR Study,
Net Surplus (Deficit)			(0)		0		Non Reserved Capital and Clubs



Reserve Study Transmittal Letter

Date: August 06, 2019
To: Melanie Stephenson, Green Valley Recreation Inc
From: Browning Reserve Group (BRG)

Re: Green Valley Recreation Inc; Update w/ 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."* **\$1,005,942** is the annual amount. Directly under the annual amount is the amount per ownership interest, per month, or other period, as applicable. **\$73.91 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, 2020, the Project is **68.5%** 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.

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 **2.50%** 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.

Please read the two helpful sections entitled "Glossary" and "Notes to the Auditor." The glossary explains common reserve study terms as well as BRG specific terminology. The Notes to the Auditor while intended to assist the auditor, has useful information for the casual reader on how year zero, (2019) the current fiscal year is dealt with in the study.



Analysis of the Impact of Issuing GVR ID Cards to Single Member Households at No Cost

(data as of June 30, 2019)

Overview

In March 2019, the GVR Board of Directors approved giving single member households an additional membership ID card at no cost (choice of an 'Annual Guest Card'/AGC for one (1) individual only or an 'Additional Card Holder Card' upon proof of residence, effective January 1, 2020. Further, the Board directed staff to analyze and report on the financial impact of this Board decision during FY 2020 budget development. The analysis is based on an 'Opt-In' assumption to receive a free card.

Financial impact of this policy is determined by:

- # of members who will no longer purchase Annual Guest Cards who purchased AGCs in the past.
- # of members who will no longer purchase Additional Card Holder Cards who purchased ACH in the past.
- ID card printing expense @ \$2.25/per ID card.

Single-person Annual Guest Cards

GVR does not maintain a staff presence at the entrances to its facilities, and paid staff do not monitor access to its facilities during all operating hours. It is nearly impossible to ensure that free Annual Guest Cards intended for use by one (1) person at a time will be limited to just one person at a time.

1. There are 5,148 Single Member GVR Households as of June 30, 2019, representing 37.8% of all member properties (13,610).
 - a) If all single member households who purchased an Annual Guest Card (AGC) in 2019 obtained a free AGC for one (1) individual only in FY2020, the impact would be a reduction in revenue of \$22,750.
 - b) If all single member households who purchased an Additional Card Holder Card (ACH) in 2019 obtained a free ACH in FY2020, the impact would be a reduction in revenue of \$22,100.
 - c) If all single member households obtain a free AGC in 2020 instead of purchasing a AGC, the impact will be a reduction in revenue of \$310,580.
 - d) If all single member households obtain a free ACH cost the impact will be a reduction in revenue of \$430,589.

GVR Single Member Households (as of June 30, 2019) 5,148

2019 Single Member AGC-Free	518 @ \$0.00	\$ 0
2019 Single Member AGC-Paid	<u>350 @ \$65/each</u>	\$22,750
	868	
2019 Single Member ACH-Free	932 @ \$0.00	\$ 0
2019 Single Member ACH-Paid	<u>221 @ \$100/each</u>	\$22,100
	1,153 Total:	\$44,850 <u>less revenue</u>
All Single Members AGC (less Free)	4,630 @ \$65/ea.	\$310,580 (4280x2.25)
All Single Members ACH (less Free)	4,216 @ \$100/ea.	\$430,589(3995x2.25)
	Total:	\$741,169 <u>less revenue</u>

AGC if more Free Card 'Opt-ins'

<u>+10%</u>	<u>+20%</u>	<u>+30%</u>	<u>+40%</u>	<u>+50%</u>	
868 + 10%	868+ 20%	868+30%	868+40%	868+50%	
955	1,042	1,128	1,215	1,302	
-518	-518	-518	-518	-518	
<u>437@\$65</u>	<u>524@\$65</u>	<u>610@\$65</u>	<u>697@\$65</u>	<u>784@\$65</u>	
\$28,405	\$34,060	\$39,650	\$45,305	\$50,960	<\$ Revenue
<u>87@2.25</u>	<u>174@2.25</u>	<u>260@2.25</u>	<u>347@2.25</u>	<u>434@2.25</u>	>\$ Exp./Card Print
+ 196	+ 392	+ 585	+ 781	+ 977	
\$28,601	\$34,452	\$40,235	\$46,086	\$51,937	(Total Cost)

ACH if more Free Card 'Opt-ins'

<u>+10%</u>	<u>+20%</u>	<u>+30%</u>	<u>+40%</u>	<u>+50%</u>	
1,153+10%	1,153+20%	1,153+30%	1,153+40%	1,153+50%	
1,268	1,384	1,499	1,614	1,730	
-932	-932	-932	-932	-932	
<u>336@\$100</u>	<u>452@\$100</u>	<u>567@\$100</u>	<u>682@\$100</u>	<u>798@\$100</u>	
\$33,600	\$45,200	\$56,700	\$68,200	\$79,800	<\$ Revenue
<u>115@2.25</u>	<u>231@2.25</u>	<u>346@2.25</u>	<u>461@2.25</u>	<u>577@2.25</u>	>\$ Exp./Card Print
+ 259	+ 520	+ 779	+1,037	+1,298	
\$33,859	\$45,720	\$57,479	\$69,237	\$81,098	(Total Cost)

Potential 2020 Non-Reserve Capital Projects (not in proposed budget)

Abrego South		
Pave east parking lot - 10 Yr. Master Plan Item		
Casa Paloma 1		
Install porcelain floor tile in recreation room		\$11,000
New window coverings		\$7,000
LED Lighting upgrades - Energy		\$6,000
Madera Vista		
Install porcelain floor tile in recreation room		\$11,000
FMB		
New Fleet Vehicle		\$35,000
Lighting Storage Shed		\$5,400
Scissor lift		\$16,000
AO		
Rehab of Offices: HVAC ducting, indoor air quality		\$65,000
CH		
LED Lighting upgrades - Energy		\$15,000
Bocce courts - full replacement - Club		\$80,000
EC		
Window Upgrades - Energy Conservation		\$25,000
DH		
Lapidary exhaust hood - torch stations - Safety		\$12,000
Lapidary suspended ceiling & LED Lighting - Energy		\$15,000
PBC		
Shade structures		\$60,000
SRS		
Guard Rail along wash - Safety		\$13,000
Clear Comfort for pool and spa		\$9,000
Various Centers		
Prox readers and CCTV - Security & Safety		\$25,000
Accessibility Upgrades and/or ADA Compliance Audit		
Total		\$410,400

7/30/2019



EXHIBIT

**IC MEETING
August 15, 2019**

Required 'Days In Cash On Hand' ('Working Capital')

Overview

According to *Propel Nonprofits*, a nonprofit should have 3 to 6 months' worth of "cash on hand" or "working capital." Organizations that have contracts or fees with regular and reliable payments don't need as much in reserves as organizations that rely on seasonal activities. It is very important the GVR has the necessary cash available to meet our Accounts Payable, Reserve Funds, and Payroll needs to maintain our efficient and respectable processing of our liabilities.

Working capital is there to help the organization operate programs and services. The *NonProfit Times* states, "One obvious reason why a nonprofit would need six months of cash is to cope with the volatility in its environment." (e.g., for GVR, home sales; construction contracts; capital projects; seasonality; etc.).

While GVR does normally have excellent cash liquidity, there are periods when our cash on hand falls below 30 days of operating cash available. GVR's financial records indicate that October through November is typically the low period of Working Capital for meeting our operating cash needs. In November 2018, the average balance of cash on hand was \$758,799. This equates to 28 days or 0.9 months of Working Capital.

The attached spreadsheet shows the calculation for the cash "burn rate" for 2019 as compared to 2018, the last 12 months and the 2019 budget. For GVR, November is normally the most cash stressed month with operating cash at its lowest point of under \$1 million.

Recommendation

Staff strongly recommends that the Board of Directors adopt a policy whereby GVR would maintain no less than three (3) months in working capital ('Days in Cash on Hand') in GVR bank accounts ($\$27,359 \text{ burn rate} \times 90 \text{ days} = \$2,462,292$) and not encumbered in investment portfolios in order to fulfill its financial obligations and pay its bills on time.

Cash-on-hand (Operating Reserve)

	2018	2019	Last 12	2019
	Actual	Jan-May	Months	Budget
Cash Burn Rate				
Total Expenses	\$ 10,547,378	\$ 4,365,874	9,688,149	\$ 10,535,462
(Depreciation)	\$ (1,474,941)	\$ (665,596)	(1,556,950)	\$ (1,309,109)
Gain on Investments	\$ (265,464)	\$ 430,908	146,419	-
Cash Burn Rate	\$ 8,806,973	\$ 4,131,186	\$ 8,277,618	\$ 9,226,353
Daily Net Cash Burn Rate	\$ 24,129	\$ 27,358.8	\$ 22,678	\$ 25,278
Current Cash-on-Hand (May 2019)	\$ 2,019,050	\$ 2,019,050	2,019,050	2,019,050
Days	84	74	89	80
Months (of 30 days)	2.8	2.5	3.0	2.7
Current Cash-on-Hand (June 2019)	\$ 1,692,950	\$ 1,692,950	1,692,950	1,692,950
Days	70	62	75	67
Months (of 30 days)	2.3	2.1	2.5	2.2
Current Cash-on-Hand (June Daily Average 2019)	\$ 1,952,793	\$ 1,952,793	\$ 1,952,793	\$ 1,952,793
Days	81	71	86	77
Months (of 30 days)	2.7	2.4	2.9	2.6
Current Cash-on-Hand (Nov Daily Average 2018)	\$ 758,799	\$ 758,799	\$ 758,799	\$ 758,799
Days	31	28	33	30
Months (of 30 days)	1.0	0.9	1.1	1.0

Cash Account Balances on the last day of the month

	Deposit	Payroll	Accounts Payable	TOTAL
Jan-16	\$ 958,733.77	\$ 15,090.80	\$ 131,056.02	\$ 1,104,880.59
Feb-16	\$ 830,812.79	\$ 4,726.37	\$ 172,847.46	\$ 1,008,386.62
Mar-16	\$ 480,856.19	\$ 43,307.92	\$ 137,212.74	\$ 661,376.85
Apr-16	\$ 1,178,347.39	\$ 32,813.27	\$ 136,508.63	\$ 1,347,669.29
May-16	\$ 684,181.81	\$ 53,143.04	\$ 216,837.34	\$ 954,162.19
Jun-16	\$ 369,785.86	\$ 56,128.06	\$ 228,970.12	\$ 654,884.04
Jul-16	\$ 746,460.48	\$ 65,892.13	\$ 220,098.90	\$ 1,032,451.51
Aug-16	\$ 1,277,541.25	\$ 22,635.21	\$ 126,547.73	\$ 1,426,724.19
Sep-16	\$ 838,789.78	\$ 31,134.19	\$ 72,224.85	\$ 942,148.82
Oct-16	\$ 478,468.76	\$ 39,931.72	\$ 107,447.00	\$ 625,847.48
Nov-16	\$ 938,377.10	\$ 44,071.77	\$ 222,606.86	\$ 1,205,055.73
Dec-16	\$ 3,088,245.69	\$ 44,173.08	\$ 232,128.41	\$ 3,364,547.18
Jan-17	\$ 2,398,187.89	\$ 48,060.14	\$ 248,763.66	\$ 2,695,011.69
Feb-17	\$ 2,081,943.92	\$ 55,852.39	\$ 208,112.81	\$ 2,345,909.12
Mar-17	\$ 1,686,450.91	\$ 21,784.14	\$ 64,881.67	\$ 1,773,116.72
Apr-17	\$ 1,232,057.49	\$ 27,962.00	\$ 262,454.67	\$ 1,522,474.16
May-17	\$ 939,164.55	\$ 26,567.85	\$ 273,113.09	\$ 1,238,845.49
Jun-17	\$ 439,715.41	\$ 25,339.65	\$ 190,777.95	\$ 655,833.01
Jul-17	\$ 948,078.26	\$ 23,318.83	\$ 161,923.62	\$ 1,133,320.71
Aug-17	\$ 628,126.63	\$ 28,244.35	\$ 220,592.31	\$ 876,963.29
Sep-17	\$ 876,764.75	\$ 24,590.25	\$ 161,927.07	\$ 1,063,282.07
Oct-17	\$ 478,338.25	\$ 26,258.40	\$ 55,714.19	\$ 560,310.84
Nov-17	\$ 1,432,067.97	\$ 771.91	\$ 210,748.83	\$ 1,643,588.71
Dec-17	\$ 4,305,532.43	\$ 27,926.46	\$ 219,130.34	\$ 4,552,589.23
Jan-18	\$ 5,585,908.29	\$ 70,391.64	\$ 295,470.23	\$ 5,951,770.16
Feb-18	\$ 5,284,882.12	\$ 84,437.89	\$ 201,599.85	\$ 5,570,919.86
Mar-18	\$ 636,238.43	\$ 77,800.94	\$ 196,163.63	\$ 910,203.00
Apr-18	\$ 425,099.02	\$ 15,009.41	\$ 102,758.17	\$ 542,866.60
May-18	\$ 991,366.96	\$ 26,275.05	\$ 41,763.57	\$ 1,059,405.58
Jun-18	\$ 216,693.78	\$ 76,172.67	\$ 125,149.25	\$ 418,015.70
Jul-18	\$ 654,967.92	\$ 139,293.35	\$ 126,848.41	\$ 921,109.68
Aug-18	\$ 844,382.95	\$ 242,893.74	\$ 223,880.29	\$ 1,311,156.98
Sep-18	\$ 395,104.55	\$ 202,754.37	\$ 24,268.53	\$ 622,127.45
Oct-18	\$ 270,238.65	\$ 67,057.70	\$ 142,836.25	\$ 480,132.60
Nov-18	\$ 559,139.84	\$ 66,529.79	\$ 104,216.77	\$ 729,886.40
Dec-18	\$ 1,342,335.26	\$ 71,801.89	\$ 81,366.35	\$ 1,495,503.50
Jan-19	\$ 4,667,853.63	\$ 185,982.36	\$ 118,944.36	\$ 4,972,780.35
Feb-19	\$ 4,779,758.20	\$ 215,779.89	\$ 68,924.69	\$ 5,064,462.78
Mar-19	\$ 502,823.97	\$ 207,531.77	\$ 213,569.95	\$ 923,925.69
Apr-19	\$ 1,136,713.45	\$ 256,100.75	\$ 227,667.12	\$ 1,620,481.32
May-19	\$ 1,304,721.87	\$ 273,071.22	\$ 218,252.48	\$ 1,796,045.57
Jun-19	\$ 1,113,250.13	\$ 230,129.15	\$ 346,436.98	\$ 1,689,816.26
Average Month end Balance	\$ 1,429,250.20	\$ 78,541.37	\$ 170,065.31	\$ 1,677,856.88



Green Valley Recreation Inc

2 Year Expense Plan Update-Worksheet

Prepared for the 2020 Fiscal Year

Third Draft



Component

Level	CID	Major	Sub w/Description	Forecasted 2020
060-Canoa Hills (CH)	1612	08000 - Rehab	224 - Locker Rooms 2 Men's, Women's & Outdoor Shower	161,745
010-Member Services Center (MSC)	1805	01000 - Paving	100 - Asphalt: Sealing 27,762 Sq. Ft. Parking Lots- Seal, Stripe	5,691
010-Member Services Center (MSC)	1806	01000 - Paving	200 - Asphalt: Ongoing Repairs 27,762 Sq. Ft. Parking Lots (5.6%)	5,577
010-Member Services Center (MSC)	1815	22000 - Office Equipment	200 - Computers, Misc. 5 IT Servers (20%)	12,300
010-Member Services Center (MSC)	1813	22000 - Office Equipment	240 - Computers, Misc. Office Computer Work Stations	18,473
020-West Social Center (WC)	1823	01000 - Paving	108 - Asphalt: Sealing 75,321 Sq. Ft. West Parking Lot	15,441
020-West Social Center (WC)	1788	01000 - Paving	104 - Asphalt: Sealing 43,543 Sq. Ft. Drives, North & South Parking	8,926
020-West Social Center (WC)	1879	01000 - Paving	208 - Asphalt: Ongoing Repairs 75,321 Sq. Ft. West Parking Lot (3%)	6,755
020-West Social Center (WC)	1784	03000 - Painting: Exterior	106 - Stucco 53,060 Sq. Ft. Building Exterior & Wall Surfaces	58,737
020-West Social Center (WC)	1972	13000 - Spa	110 - Resurface Spa	6,765
030-East Social Center (EC)	1679	12000 - Pool	734 - Equipment: Replacement Pool & Spa Equipment (50%)	19,083
030-East Social Center (EC)	2120	13000 - Spa	114 - Resurface Spa	5,407
040-Las Campanas (LC)	1707	12000 - Pool	612 - Deck: Re-Surface 4,731 Sq. Ft. Pool/Spa Deck Coating	39,166
050-Desert Hills (DH)	1634	23000 - Mechanical Equipment	216 - HVAC 4 Rooftop Carrier Units- 2005	54,633
050-Desert Hills (DH)	1846	23000 - Mechanical Equipment	450 - HVAC 2 Ground Level- Bard Units #1 & #2	11,038
050-Desert Hills (DH)	2151	23000 - Mechanical Equipment	446 - HVAC Ground Level- Carrier 3-ton Unit	5,519
050-Desert Hills (DH)	1936	24500 - Audio / Visual	308 - PA System Sound Rack- Sound System	12,033
050-Desert Hills (DH)	2155	25000 - Flooring	244 - Carpeting 300 Sq. Yds. Clubhouse Carpet	9,946
060-Canoa Hills (CH)	1608	02000 - Concrete	424 - Pool Deck 5,950 Sq. Ft. Pool/Spa Area Concrete Repair (6%)	7,882
060-Canoa Hills (CH)	1598	03000 - Painting: Exterior	130 - Stucco 10,940 Sq. Ft. Building Exterior	24,152
060-Canoa Hills (CH)	2236	03000 - Painting: Exterior	416 - Wrought Iron 160 Lin. Ft. Pool Perimeter Fence	1,476
060-Canoa Hills (CH)	1595	08000 - Rehab	330 - Restrooms 2 Restrooms	71,904
060-Canoa Hills (CH)	1614	17000 - Tennis Court	140 - Reseal 14,000 Sq. Ft. [2] Tennis Courts	9,635
060-Canoa Hills (CH)	1836	23000 - Mechanical Equipment	340 - HVAC Rooftop Carrier Unit #5- 2005	13,658
060-Canoa Hills (CH)	1587	25000 - Flooring	450 - Tile 6,475 Sq. Ft. Clubhouse Walls & Floors	86,279
060-Canoa Hills (CH)	1589	25000 - Flooring	750 - Hardwood Floors 6,150 Sq. Ft. Wood Floor- Refinish	40,722
060-Canoa Hills (CH)	1586	25000 - Flooring	250 - Carpeting 540 Sq. Yds. Clubhouse Carpeting	19,074
070-Santa Rita Springs (SRS)	1884	12000 - Pool	750 - Equipment: Replacement Pool & Spa Equipment (50%)	22,875
070-Santa Rita Springs (SRS)	1918	24500 - Audio / Visual	324 - PA System Anza Room- Sound System	16,400
070-Santa Rita Springs (SRS)	1733	24600 - Safety / Access	240 - Fire Control Misc Fire Alarm System	31,519
080-Canoa Ranch (CR)	1754	12000 - Pool	754 - Equipment: Replacement Pool & Spa Equipment (50%)	21,338
080-Canoa Ranch (CR)	1958	13000 - Spa	134 - Resurface Spa	6,663
080-Canoa Ranch (CR)	1764	17500 - Basketball / Sport Court	220 - Seal & Striping 8,650 Sq. Ft. [4] Pickleball Courts	18,450
090-Abrego South (ABS)	1531	12000 - Pool	758 - Equipment: Replacement Pool & Spa Equipment (50%)	16,418
100-Continental Vistas (CV)	1564	02000 - Concrete	448 - Pool Deck 4,748 Sq. Ft. Pool/Spa Area Concrete Repair (6%)	6,290
100-Continental Vistas (CV)	1701	05000 - Roofing	966 - Coating 2,000 Sq. Ft. Low Slope Roof Recoating	5,740
110-Madera Vista (MV)	1578	02000 - Concrete	454 - Pool Deck 4,008 Sq. Ft. Pool/Spa Area Concrete Repair (7.5%)	6,637
120-Casa Paloma I (CPI)	1544	08000 - Rehab	254 - Locker Rooms 2 Men's, Women's & Outdoor Shower	111,674
120-Casa Paloma I (CPI)	2047	08000 - Rehab	256 - Restrooms Unisex Restroom	15,375
120-Casa Paloma I (CPI)	2028	13000 - Spa	150 - Resurface Spa	5,740
130-Casa Paloma II (CP II)	1552	02000 - Concrete	466 - Pool Deck 4,933 Sq. Ft. Pool/Spa Area Concrete Repair (6%)	10,876
140-Abrego North (ABN)	1509	23000 - Mechanical Equipment	400 - HVAC 2 Rooftop Rheem Units- 2005	8,058
144-Facility Maintenance Shop	2009	01000 - Paving	136 - Asphalt: Sealing 29,074 Sq. Ft. Parking Area	4,470
150-General	1874	30000 - Miscellaneous	866 - Vehicle 2017 Ford Escape- #36	25,625
TOTAL				1,066,165