



Fiscal Affairs Committee Work Session **Goals**



- ▶ **Understand Statement of Financial Position (page 2)**
- ▶ **Understand Statement of Activities (page 3 – 4)**
- ▶ **Understand Statement of Investment Portfolios (page 7)**
- ▶ **Discuss “Surplus” Calculation**

Statement of Financial Position

Cash & Investments



April 30, 2020

Total

ASSETS

Current Assets

Cash/Cash Equivalents		859,985	
Accounts Receivable		455,531	
Prepaid Expenses		181,107	
Unamortized Deferred Compensation		316,346	
Designated Investments (Charles S./SBH)			
Emergency - Fund	773,054		(1)
MRR - Fund	7,775,528		(2)
Initiatives - Fund	2,049,588		(3)
Total Designated Investments (CS/SBH)	10,598,170		(4)
Undesignated Invest. (JP Morgan)	4,617,428		(5)
Investments		15,215,598	(6)
Total Current Assets		17,028,568	

Operating cash in Accounts Payable, Payroll & Depository Account

Operating cash in short term investments at JP Morgan/CHASE

Total Combined Operating Cash – Undesignated **\$5,477,413**



Statement of Financial Position

Accounts Receivable

April 30, 2020

Total

ASSETS

Current Assets

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Total Current Assets	17,028,568	

Member Dues Receivable \$601,631 less allowance for doubtful accounts \$191,291 plus \$45,191 Investment interest Receivable

AR ranges from High Jan - \$2,271,600 to Low - Dec - \$360,295

Statement of Financial Position

Other Current Assets



April 30, 2020

Total

ASSETS

Current Assets

Cash/Cash Equivalents

Accounts Receivable

Prepaid Expenses

Unamortized Deferred Compensation

Designated Investments (Charles S./SBH)

Emergency - Fund 773,054

MRR - Fund 7,775,528

Initiatives - Fund 2,049,588

Total Designated Investments
(CS/SBK) 10,598,170

Undesignated Invest. (JP Morgan) 4,617,428

Investments

Total Current Assets

Compensation
paid and
amortized over
24 months

859,985

455,531

181,107

316,346

Prepaid
Expenses –
Business
Insurance
premiums,
Performers
Deposit,
Maintenance
Contracts

(1)

(2)

(3)

(4)

(5)

15,215,598 (6)

17,028,568



Statement of Financial Position

Designated Investments

April 30, 2020

Total

ASSETS

Current Assets

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Emergency:
Funded by
Board
Authorization

MRR: Funding
determined
annual by
Reserve Study
determination

Initiatives:
Funded by
Capital
Revenue
Formula

Initiatives Formula: New Mbr. Cap Fee and Property Acq. Capital Fee x 20% + Initial Fees x 25%

Investment Portfolios



	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Res. Fund	Initiatives Reserve Fund
Balance Dec 31, 2019 (at Market)	\$ 13,711,327	3,274,640	880,329	7,055,756	2,500,602
Changes since Jan 1, 2019:					
Principal additions	2,505,942	1,500,000	-	1,005,942	-
Investment income	109,659	21,665	4,325	60,969	22,700
Withdrawals	(678,474)	-	(15,000)	(190,498)	(472,976)
Investment Expenses	(17,108)	-	(1,267)	(11,583)	(4,258)
Net Change for 4 Months	1,920,019	1,521,665	(11,942)	864,829	(454,534)
Balance before Market Change at April 30, 2020	15,631,347	4,796,305	868,387	7,920,585	2,046,068
Net Market Changes on Investments	(415,748)	(178,878)	(95,333)	(145,057)	3,520
Balance at April 30, 2020 (at Market)	\$ 15,215,598	4,617,428	773,054	7,775,528	2,049,588

Transfers into the Operating Inv. Acct JP Morgan

Funding per Reserve Study

Fund Expenses currently paid directly from Designated Funds

Designated Funds held at Charles Schwab and Managed by SBH

10,598,170

Statement of Financial Position

Fixed Assets



Fixed Assets

Contributed Fixed Assets	17,593,785
Purchased fixed Assets	22,425,336
Sub-Total	40,019,121
Less - Accumulated Depreciation	(22,485,546)
Net Fixed Assets	17,533,575

Pickleball Center Contributed Portion will be included in Contributed Fixed Assets

Cumulative Cost of all Purchased Assets that GVR owns

Statement of Changes in Net Assets

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Change in Net Assets	(22,268)	(22,268)	-	-	-	-
Principal Transfers	0	(1,005,942)	-	-	1,005,942	-
Depreciation	0	566,908	(566,908)	-	-	-
Purchase of Fixed Assets	0	(430,285)	430,285	-	(63,778)	378,418
Withdrawals	0	678,474	-	(15,000)	(190,498)	(472,976)
Investment income	0	(87,994)	-	4,325	60,969	22,700
Investment Expenses	0	17,108	-	(1,267)	(11,583)	(4,258)
Gains Losses on Market Value	0	236,870	-	(95,333)	(145,057)	3,520
Net Change to April 30, 2020	(22,268)	(47,130)	(136,623)	(107,275)	655,994	(72,596)
Net Assets at, Dec 31, 2019	29,310,635	1,203,749	17,670,198	880,329	7,055,756	2,500,602
Net Assets as at, April 30, 2020	29,288,367	1,156,620	17,533,575	773,054	7,775,528	2,049,588

Annual MRR Fund funding per Reserve Study

Depreciation Year to Date

Fixed Asset Purchases Year to Date

\$10,598,170 on Statement of Financial Position

Statement of Financial Position

Liabilities



LIABILITIES

Current Liabilities

Accounts Payable

407,053

Trade Accounts Payable	\$196,000
Member Refunds	\$126,000
PTO Liability	\$ 78,000
Other (withholdings)	<u>\$ 7,000</u>
Total Accounts Payable	\$407,000

Deferred Dues & Fees

4,507,483

Total Annual Dues Billed	\$6,697,669
Income Amortized	<u>/ 12 Months</u>
Liability reduced monthly	\$ 558,139

Deferred Programs

42,993

Compensation Liability

316,346

Total Current Liabilities

5,273,876

Statement of Financial Position

Net Assets



NET ASSETS

April 2020

Temporarily Designated:

Board Designated:

Emergency

773,054

Maint - Repair - Replacement

7,775,528

Initiatives

2,049,588

Sub-Total

10,598,170

Unrestricted Net Assets

18,712,569

Net change Year-to-Date

(22,268)

Unrestricted Net Assets

18,690,301

TOTAL NET ASSETS

29,288,471

\$17,670,198 of
Unrestricted Net
Assets are Fixed
Assets (book value)

Statement of Activities

Income



	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2019 YTD Actual	2020 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	2,239,379	2,249,851	10,471	0%	2,249,851	2,239,042	10,809	0%	6,717,125	4,467,274
LC, Trans., Crd Fees.	364,583	277,533	(87,050)	(24%)	277,533	299,271	(21,738)	(7%)	618,000	340,467
Capital Revenue	808,742	817,910	9,168	1%	817,910	915,604	(97,694)	(11%)	2,535,200	1,717,290
Programs	163,938	124,947	(38,992)	(24%)	124,947	221,181	(96,234)	(44%)	336,000	211,053
Instructional	247,034	210,486	(36,549)	(15%)	210,486	277,350	(66,864)	(24%)	460,000	249,514
Recreational Revenue	410,973	335,433	(75,540)	(18%)	335,433	498,531	(163,098)	(33%)	796,000	460,567
Investment Income	94,679	109,305	14,626	15%	109,305	108,658	647	1%	377,651	268,345
Advertising Income	36,580	60,245	23,666	65%	60,245	33,930	26,316	78%	110,000	49,755
Cell Tower Lease Inc.	11,283	13,613	2,330	21%	13,613	10,622	2,990	28%	36,000	22,387
Comm. Revenue	47,862	73,858	25,996	54%	73,858	44,552	29,306	66%	146,000	72,142
Other Income	54,396	48,662	(5,735)	(11%)	48,662	61,219	(12,557)	(21%)	100,500	51,838
Facility Rent	11,710	21,142	9,432	81%	21,142	16,337	4,804	29%	100,000	78,858
Marketing Events	-	-	-	-	-	3,000	(3,000)	(100%)	3,000	3,000
Other Revenue	66,106	69,803	3,697	6%	69,803	80,556	(10,753)	(13%)	203,500	133,697
Total Revenue	4,032,325	3,933,693	(98,631)	(2%)	3,933,693	4,186,213	(252,520)	(6%)	11,393,476	7,459,783

Statement of Activities - Expenses



	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2019 YTD Actual	2020 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Expenses										
Major Proj Rep & Maint	349,598	73,689	275,909	79%	73,689	103,040	29,351	28%	265,148	191,459
Facility Maintenance	49,287	109,949	(60,662)	(123%)	109,949	181,774	71,825	40%	704,554	594,605
Fees & Assessments	9,042	(1,714)	10,755	119%	(1,714)	8,233	9,946	121%	78,716	80,430
Utilities	343,465	311,788	31,677	9%	311,788	354,962	43,174	12%	892,031	580,243
Depreciation	531,658	566,908	(35,249)	(7%)	566,908	582,203	15,295	3%	1,869,644	1,302,736
Furniture & Equipment	85,533	34,160	51,373	60%	34,160	70,677	36,517	52%	264,764	230,604
Vehicles	25,921	17,912	8,009	31%	17,912	37,298	19,386	52%	73,624	55,712
Facilities & Equipment	1,394,505	1,112,692	281,812	20%	1,112,692	1,338,187	225,494	17%	4,148,481	3,035,788
Wages, Benefits., PR	1,435,429	1,621,856	(186,427)	(13%)	1,621,856	1,598,026	(23,830)	(1%)	4,616,520	2,994,664
Conferences & Training	15,028	9,455	5,572	37%	9,455	20,596	11,140	54%	88,000	78,545
Personnel	1,450,457	1,631,312	(180,855)	(12%)	1,631,312	1,618,622	(12,690)	(1%)	4,704,520	3,073,209
Food & Catering	14,060	11,964	2,096	15%	11,964	18,187	6,223	34%	45,031	33,067
Recreation Contracts	331,076	303,351	27,725	8%	303,351	413,721	110,370	27%	632,750	329,399
Bank & Credit Card Fees	66,657	65,863	795	1%	65,863	80,477	14,614	18%	96,146	30,283
Program	411,793	381,178	30,615	7%	381,178	512,385	131,207	26%	773,927	392,749
Communications	33,377	33,887	(510)	(2%)	33,887	36,404	2,517	7%	104,149	70,262
Printing	25,756	29,484	(3,728)	(14%)	29,484	16,678	(12,806)	(77%)	94,497	65,013
Advertising	-	630	(630)	0%	630	-	(630)	0%	5,000	4,370
Communications	59,133	64,001	(4,868)	(8%)	64,001	53,082	(10,919)	(21%)	203,646	139,645
Supplies	97,556	62,128	35,429	36%	62,128	122,366	60,238	49%	344,127	281,999
Postage	7,983	8,165	(182)	(2%)	8,165	5,680	(2,485)	(44%)	18,500	10,335
Dues & Subscriptions	3,959	4,039	(80)	(2%)	4,039	2,940	(1,099)	(37%)	8,102	4,063
Travel & Entertainment	1,726	4,768	(3,042)	(176%)	4,768	2,738	(2,030)	(74%)	16,580	11,812
Other Operating Expense	13,531	50,994	(37,464)	(277%)	50,994	61,582	10,588	17%	178,260	127,265
Operations	124,755	130,094	(5,339)	(4%)	130,094	195,306	65,212	33%	565,568	435,474
Information Technology	27,758	20,915	6,843	25%	20,915	25,486	4,571	18%	114,900	93,985
Professional Fees	106,036	93,015	13,021	12%	93,015	134,233	41,218	31%	311,749	218,734
Commercial Insurance	101,437	107,007	(5,570)	(5%)	107,007	107,115	108	0%	280,000	172,993
Taxes	-	-	-	0%	-	-	-	0%	18,000	18,000
Provision for Bad Debt	8,000	-	8,000	100%	-	8,000	8,000	100%	24,000	24,000
Corporate Expenses	243,231	220,937	22,295	9%	220,937	274,833	53,897	20%	748,649	527,712
Expenses	3,683,874	3,540,214	143,660	4%	3,540,214	3,992,415	452,202	11%	11,144,791	7,604,577

Statement of Activities Summary - April 2020



	PRIOR YEAR COMPARISON			%	BUDGET COMPARISON			%	Fiscal Year Budget	Remaining FY Budget
	2019 YTD Actual	2020 YTD Actual	Year to Year Variance		YTD Actual	YTD Budget	YTD Variance			
Total Revenue	4,032,325	3,933,693	(98,631)	(2%)	3,933,693	4,186,213	(252,520)	(6%)	11,393,476	7,459,783
Expenses	3,683,874	3,540,214	143,660	4%	3,540,214	3,992,415	452,202	11%	11,144,791	7,604,577
Gross surplus Revenue -Expenses	348,450	393,479	45,029	13%	393,479	193,797	199,682	103%	248,685	(144,795)
Gains / Loss on Investments	369,603	(415,748)	(785,351)		(415,748)	-	(415,748)		-	415,748
Net Surplus (Deficit)	718,053	(22,268)	(740,322)	(103%)	(22,268)	193,797	(216,066)	(111%)	248,685	270,953

“Surplus” Calculation



- ▶ CPM D. 4. Emergency Reserve Fund Funding Source:
- ▶ At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute from excess Revenue-over-Expense plus Depreciation less Reserve Contributions to the Maintenance, Repair and Replacement Reserve Fund.

Transfer Surplus Calculation

VOS FORMULA

	<u>FY 2019 rev</u>	<u>FY 2018</u>
Net change in Net Assets without donor restrictions (does not include unrealized gains / losses):	1,695,854	760,627
Add back Depreciation	1,603,077	1,474,941
Less: Purchases of Property Plan & Equipment	(2,640,783)	(1,420,525)
MRR Funding, includes \$600k	(1,566,323)	(940,002)
Less: Investment return related to reserve accounts	(940,794)	(200,441)
Add: Transfers from reserves to operations:		
Transfers to Operations:		
Maint, Repairs and Replacements	989,446	1,313,488
Initiatives	376,141	52,388
Emergency	99,540	55,717
Initiatives Reserve funding	(643,391)	(500,000)
Surplus (Deficit)	<u>(1,027,232)</u>	<u>596,193</u>

Unrealized Loss on Investments is not deducted

PREVIOUS GVR FORMULA

	<u>FY 2019</u>	<u>FY 2018</u>
INCREASE IN OPER. NET ASSETS PER AUDIT IN-KIND CONTRIBUTIONS (PICKLEBALL)	\$ 2,055,241	\$ 495,160
DEPRECIATION	\$ 1,603,077	\$ 1,474,941
CAPITAL PURCHASES OF PROP. PLANT & EQUIP.	\$ (2,640,783)	\$ (1,414,545)
PROVISIONS FOR MRR RESERVE	\$ (966,323)	\$ (940,003)
PROVISIONS (FORMULA) FOR INITIATIVES FUNDING	\$ (643,391)	\$ 0
RESERVE INVESTMENT INCOME	\$ (940,794)	\$ (208,659)
RECALCULATED SURPLUS	<u>\$ (1,892,360)</u>	<u>\$ (593,106)</u>

Unrealized Loss on Investments is deducted.

Inclusion of Transfers from 3 Reserve Accounts to Operation Cash Account is included in the Vos formula.

ALLEY N, INC.

Fiscal Affairs Committee Work Session **Questions**



Extra Credit

Green Valley Recreation Inc.
MRR OPEX, CAPEX and CIP
Summary



MRR Operating Expenditures

Fund		2020 Budget	Jan-20	Feb-20	Mar-20	Apr-20	YTD Operating Expenditure	Remaining Operating Budget
MRR	Facility & Maintenance	279,550	-	165	49,370	13,290	62,825	216,725
	Furniture & Equipment	18,472	-	-	-	-	-	18,472
Total		298,022	-	165	49,370	13,290	62,825	235,197

YTD CAPEX (Capital Expenditures)

Fund		2020 Budget	Jan-20	Feb-20	Mar-20	Apr-20	YTD Capital Expenditure	Remaining Capital Budget
Operations	NRCP	305,400	16,765	-	-	-	16,765	288,635
	Clubs	86,000	-	5,958	-	10,351	16,308	69,692
Initiatives		725,000	-	-	-	-	-	725,000
MRR		768,142	-	-	175,594	-	175,594	592,548
Emergency		-	-	-	-	-	-	-
Total		1,884,542	16,765	5,958	175,594	10,351	208,667	1,675,875

Construction-In-Progress Cumulative

Fund		2019 Balance	Jan-20	Feb-20	Mar-20	Apr-20
Operations	NRCP	34,795	34,795	36,913	72,158	77,520
	Clubs	-	38,845	38,845	38,845	38,845
Initiatives		1,220,466	1,383,552	1,592,163	1,597,416	1,598,884
MRR		112,575	122,084	157,072	39,098	40,391
Emergency		-	-	-	-	-
Monthly Running Balance		1,367,836	1,579,276	1,824,993	1,747,518	1,755,640

MRR Capital Purch. & Expenses Budget:

Facility & Maint.	\$ 279,550
Furniture & Equip	\$ 18,472
Total Expense Budget	\$ 298,022
MRR Capital Budget	\$ 768,142
Total MRR Budget	\$1,066,164