



## **AGENDA**

Fiscal Affairs Committee Meeting  
Tuesday, July 21, 2020  
1:30 PM – Zoom Webinar

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

1. Call to Order/ Roll Call/ Quorum?
2. Review/accept minutes from meeting of June 16, 2020
3. Chair comments
4. Old Business
  - b) Financial Report June, 2020 – David W.
    - 2020 Cash requirements report
    - Housing Report -2019 and 2020 thru June 30
    - 2020 Capital expenditure report thru June 2020
5. Revised Outlook for 2020 – David W.
6. 2021 Budget status
  - a) Five-year Expense Increase Analysis – David W.
  - b) Review Budget Policies from CPM and Bylaws – Donna C.
7. New Business
  - a) Membership database replacement – Jen M.
  - b) AO office space – Donna C.
7. Member comments
8. Adjourn

Next Meeting – Tuesday, Aug 18, 1:30



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

## **MINUTES**

### **Fiscal Affairs Committee Regular Meeting**

Tuesday, June 16, 2020  
1:30pm MST – Teleconference

Posting Approved by Chair Coon, June 18, 2020  
Pending Committee Approval

**Attendees:** Donna Coon (Chair), Janice Absher, Nina Campfield, Steve Gilbert, Randy Howard, Don Lathrop, Eric Sullwold, Anne Waisman, Greg Wright, Cheryl Moose (CFO), Jen Morningstar (Interim CEO), Don Weaver (ex officio), David Webster (Liaison/Accounting Supervisor)

**Absent:** Vicky Mournian

**1. Call to Order/Roll Call/Quorum:** Chair Coon called the meeting to order at 1:34pm MST. Roll was called and a quorum established.

**MOTION: Sullwold/2<sup>nd</sup>. Approve the Agenda. Passed unanimously.**

**2. Review/Accept Minutes from Meeting of May 15, 2020:**

**MOTION: Campfield/2<sup>nd</sup>. Approve the Minutes for the meeting of May 15, 2020. Passed unanimously.**

**3. Chair Comments: None**

**4. Old Business:**

**a) Financial Report April 2020 – David Webster:** D. Webster presented the Financial Report for April 2020.

**b) Financial Report May 2020 – David Webster:** D. Webster presented the Financial Report for May 2020.

**MOTION: Waisman/2<sup>nd</sup>. Accept the Financial Reports for April and May 2020, as presented. Passed unanimously.**

- **2020 Cash Requirements Report:** Presented by David Webster.
- **Housing Report – 2019 and 2020 thru May 31:** Presented by David Webster.
- **2020 Capital Expenditure Report thru May 2020:** Presented by David Webster. This report will continue on a monthly basis going forward.

- 5. Revised Outlook for 2020 – David Webster:** Presented by David Webster. Budget vs. (Covid-19) Outlook for this year.
- 6. 2021 Budget Status – Cheryl Moose:** Budget worksheets have been sent to all departments and Finance is working with departments on them. They are on target timewise. C. Moose also agreed that the 2019 actuals will most likely be used in preparing the 2021 budget. N. Campfield asked about changing the timing of budget preparation, asking if this committee should look at that. C. Moose will forward to the committee, work that was done previously in this regard but never completed, stating that it would be a good thing to consider.
- 7. Cash Accounts (SBH, Chase, BofA(?)) – Cheryl Moose:** Finance has prepared all documents necessary for the Chase accounts and should be finalized this week. Currently working on signature changes on SBH accounts and should be done by the end of the month.
- 8. Audit – Workers Comp and 401K – Cheryl Moose:** Finance is working on both audits. Tons of paperwork involved and fairly expensive, but the dollar return is usually worth it.
- 9. New Business:**
- a) Staffing Requirements Due to Covid-19 - Jen Morningstar:** Concern for staff and safety. Considering an outside sanitation crew for short term. Should have people needed and potential cost by next month's meeting. Discussion on increase in wages for lower end employees to make GVR more competitive in the local job market. Current employee turnover is at 16% due to Covid-19, which is higher than usual.
- MOTION: Campfield. Recommend to Board of Directors that entry level salaries be increased to \$15.00/hour, to begin immediately after the Board approves it.**
- FRIENDLY AMENDMENT: Sullwold/2<sup>nd</sup>. Recommend to Board of Directors that entry level salaries be increased to \$15.00/hour, to begin immediately after the Board approves it, and to take funds from the Emergency Fund to cover expenses.**
- Discussion followed.
- Call the Question: Waisman.**
- Vote Passed: Yes – 6, No – 3 (Wright, Gilbert, Lathrop).**
- b) Final Report on Pickleball Center – David Webster:** A final cost summary on the Pickleball Center was included in the committee packet. Some numbers were modified after the packet was posted. D. Webster showed them on Zoom during this meeting. There should be approximately \$44,000 remaining after all expenses are paid. This can be used for windscreens, benches, and other miscellaneous, still needed at the facility.
- MOTION: Lathrop/2<sup>nd</sup>. Approve transfer of \$820,024 from Initiatives Fund to Operating Fund to complete funding requirements.**
- FRIENDLY AMENDMENT: Howard/2<sup>nd</sup>. Adjust the transfer amount from \$820,024 to \$823,063. Passed unanimously.**
- A report on this will be sent to the Board of Directors for their review.
- c) AO Buildout – Donna Coon:** \$65,000 was allocated in 2020 for HVAC work in the AO buildout area. No money was appropriated for improvements. This topic was tabled until more information regarding cost can be provided.

**Member Comments: 2** (addressed during meeting)

**Adjournment - MOTION: Lathrop/2<sup>nd</sup>. Adjourn meeting. Passed unanimously.** Meeting was adjourned at 3:24pm MST.

DRAFT



**Fiscal Affairs**

**Financial Report**

As of June 30, 2020

The enclosed Financial Statements and supplemental schedules provide relevant financial information for the **first 6 months of 2020** and include financial statements for June 2020.

- The June 2020 Financial Statements are included on pages 1 through 7. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, Investment Portfolio, and Variance Report.
- following table summarizes the June 30, 2020 year to date Increase in Net Assets:

	<u>Surplus Summary</u>		
	Gross Surplus	Unrealized Gain/Loss Investments	Net Surplus
Jan	207,891	57,657	265,548
Feb	117,404	(183,540)	(66,136)
Mar	82,877	(759,186)	(676,309)
April	(14,693)	469,321	454,628
May	191,611	251,670	443,281
June	<u>64,289</u>	<u>89,549</u>	<u>153,838</u>
Year to Date	<u>649,379</u>	<u>(74,529)</u>	<u>574,850</u>

The above report is not a typical display used in our financial statements. We are including it due to the unique nature of fiscal year 2020.

- The June 2020 Statement of Financial Position (p.2) reports the Total Net Assets to be \$29,885,485 which is a \$574,8504 increase for the year.
- The cash on hand is \$1,432,126 (page 2). Combined with Operations Investments, Operational Cash equals a total of \$5,565,579 cash which is a \$487,992 increase for the month of June 2020. This unusual increase at this time of year is due primarily to the cash transfer of \$823,063 from the Initiatives Fund for the Pickleball Center project. This



Operating Cash balance is projected to decrease through November 2020 as a part of GVR's normal business cycle. The cash balance projections are illustrated on the Cash Requirements Report found on page 8.

- The Net Fixed Assets are \$17,680,601 which includes \$841,218 of Capital acquisitions during January through June 2020 (page 5).
- A summary of Capital Purchases is found on page 11 and a more detail listing is included on pages 12 through 14.
- Total Current Liabilities are \$4,239,028 which includes the Deferred Dues Liability and Deferred Compensation Liability.
- Designated Net Assets equal \$10,098,968 (detailed on pages 5 and 6) which reflects a net increase of \$337,719 for the year to date. The Unrealized Gains/Losses year to date are a net loss of \$74,529 (page 4) .
- The Statement of Activities (page 4) indicates that Total Revenue is \$5,630,225 which is 8.7% under budget and 5.2% less than the prior year. This negative budget variance is a \$171,431 increase from the prior month.
  - June 2020 year to date Recreational Revenue is 39% under budget and 26% behind the prior year.
    - For the category of Recreational Income, Program Inc. is \$118,474 (49%) behind budget and Instructional Income is \$94,729 (31%) under budget.
    - Recreational Contracts expenses have a corresponding favorable variance of \$178,588 (37%).
  - Total Capital Revenue is \$308,718 (21%) behind of budget through June 2020. This revenue was forecasted to fall behind budget starting in the second quarter and, for June 2020, this negative variance has increased by \$127,600 in June. An analysis on the next page that reports the home sales for the 1<sup>st</sup> and 2<sup>nd</sup> quarter 2020 illustrates the decline:
  - Home resales in June 2020 were 98 units which is 20 less than prior year and the 562 cumulative home sales for 2020 are 80 units behind the prior year (pages 9 - 10). It is important to note that there have been 46 refunds of Property Capital Acquisition Fees year to date through June 2020 (page 9) and that the allowance for future refunds is recorded so that Capital Fees Income is not overstated.





GVR  
Home Sales 2020

	Current Year Total Resales 2020	Prior Year Total Resales 2019	Incr. (Decr) from Prior Year		GVR Housing Inventory		Incr (Decr)
			#	%	2020	2019	
1st Quarter	308	267	41	15%	254	283	-10%
2nd Quarter	<u>254</u>	<u>375</u>	<u>-121</u>	<u>-32%</u>	162	175	-7%
6 Month Total	<u>562</u>	<u>642</u>	<u>-80</u>	<u>-12%</u>			

- The following Expense categories are all under budget for the first 6 months of 2020:
  - Facilities & Equipment (13% under budget) (prior YTD May-20 12%).
  - Personnel (6% under budget). (prior month YTD 4%).
  - Program (35% under budget) (prior month YTD 33%).
  - Operations (8%). (prior month YTD 15%) Includes \$63K of COVID related expenses.
  - Corporate Expenses (8%) (prior month 18%) Includes commercial insurance.
- Communications is over budget by 5%
- Total June 2020 year to date Expenses are 11.5% under budget and 6.6% less than the prior year (page 4).
- The Gross Surplus for the year through June 2020 is \$649,379 which is better than budgeted (page 4).
- The Cash Requirements Report 2020 is included on page 8. These cash balances are projections only and is exclusively for the purpose of determining terms of investments.
- The financial forecast used to analyze the estimated effect of the closing of facilities, loss of income, and furloughs due to the Covid 19 Pandemic is included on page 15. The June actual performance was better than projected at the prior FAC meeting. However, due to the declining trend depicted in the above quarterly home sales analysis, the remaining months for 2020 reflects a 75% reduction in home sales for the 3<sup>rd</sup> and 4<sup>th</sup> quarters. Due to this approach, the forecasted Net Surplus for the year is a deficit of \$386,449 which is significant when compared to the original 2020 Budget that showed a 248,686 Surplus.



# Green Valley Recreation, Inc.

## CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying pages are the Financial Reports for June 30, 2020. 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: June 30, 2020 and Dec 31, 2019

	June 30, 2020	Dec 31, 2019
	Total	Total
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash/Cash Equivalents	1,432,141	2,505,270
Accounts Receivable	363,257	221,922
Prepaid Expenses	125,241	313,753
Unamortized Deferred Compensation	289,423	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	821,554 (1)	880,329 (15)
MRR - Fund	7,889,829 (2)	7,055,756 (16)
Initiatives - Fund	1,387,586 (3)	2,500,602 (17)
Total Designated Investments (CS/SBK)	10,098,968 (4)	10,436,687 (18)
Undesignated Invest. (JP Morgan)	4,133,453 (5)	3,274,640 (19)
Investments	14,232,422 (6)	13,711,327 (20)
<b>Total Current Assets</b>	<b>16,442,484</b>	<b>16,752,273</b>
<b>Fixed Assets</b>		
Contributed Fixed Assets	18,017,085	17,593,785
Purchased fixed Assets	22,412,969	21,995,051
Sub-Total	40,430,054	39,588,836
Less - Accumulated Depreciation	(22,748,026)	(21,918,638)
<b>Net Fixed Assets</b>	<b>17,682,028 (7)</b>	<b>17,670,198 (21)</b>
<b>Total Assets</b>	<b>34,124,512</b>	<b>34,422,471</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	525,799	494,370
Deferred Dues & Fees	3,380,612	4,331,532
Deferred Programs	43,193	285,935
Compensation Liability	289,423	-
<b>Total Current Liabilities</b>	<b>4,239,028</b>	<b>5,111,837</b>
<b>TOTAL NET ASSETS</b>	<b>29,885,485 (8)</b>	<b>29,310,634.66 (22)</b>
<b>NET ASSETS</b>		
Temporarily Designated:		
Board Designated:		
Emergency	821,554 (9)	880,329 (23)
Maint - Repair - Replacement	7,889,829 (10)	7,055,756 (24)
Initiatives	1,387,586 (11)	2,500,602 (25)
Sub-Total	10,098,968 (12)	10,436,687
Unrestricted Net Assets	19,211,666	18,873,948
Net change Year-to-Date	574,850 (13)	-
Unrestricted Net Assets	19,786,516 (14)	18,873,948
<b>TOTAL NET ASSETS</b>	<b>29,885,485</b>	<b>29,310,635</b>



# Green Valley Recreation, Inc. Summary Statement of Activities

6 month period ending June 30, 2020

	Actual	Budget to Date	%
<b>REVENUES:</b>			
Member Dues	\$ 3,375,676	\$ 3,358,563	0.5%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	359,055	392,580	(8.5%)
New Member Capital/Initial Fees	1,191,809	1,500,527	(20.6%)
Recreation Income	330,778	543,981	(39.2%)
Cell Tower Lease / Advertising Income	89,449	61,526	45.4%
Investment Income/Realized Gains	151,324	165,732	(8.7%)
Other Revenue	132,134	145,738	(9.3%)
<b>Total Revenues</b>	<b>5,630,225</b>	<b>6,168,646</b>	<b>(8.7%)</b>
<b>EXPENSES:</b>			
Facilities & Equipment	1,738,909	1,999,622	13.0%
Personnel	2,219,913	2,355,684	5.8%
Program	383,355	592,210	35.3%
Communications	86,097	82,126	(4.8%)
Operations	251,907	272,383	7.5%
Corporate Expenses	300,665	325,212	7.5%
<b>Total Expenses</b>	<b>4,980,846</b>	<b>5,627,237</b>	<b>11.5%</b>
<b>Net Change in Net Assets from Operations</b>	<b>649,379</b>	<b>541,408</b>	19.9%
From Investment Activity:			
Net Unrealized Market Value Change	(74,529)	(26)	
<b>Net Excess (Deficiency) GVR (All Reserves)</b>	<b>\$ 574,850</b>	<b>(27) 541,408</b>	





GREEN VALLEY RECREATION, INC.

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

YTD Period: 6 month period ending June 30, 2020

FY Budget Period: Jan 1, 2020 - Dec 31, 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	%		
<b>Revenue</b>										
Member Dues	3,357,722	3,375,676	17,955	1%	3,375,676	3,358,563	17,114	1%	6,717,125	3,341,449
LC, Trans., Crd Fees.	484,481	359,055	(125,427)	(26%)	359,055	392,580	(33,525)	(9%)	618,000	258,945
Capital Revenue	1,322,671	1,191,809	(130,862)	(10%)	1,191,809	1,500,527	(308,718)	(21%)	2,535,200	1,343,391
Programs	177,021	122,200	(54,822)	(31%)	122,200	240,673	(118,474)	(49%)	336,000	213,800
Instructional	270,154	208,578	(61,577)	(23%)	208,578	303,307	(94,729)	(31%)	460,000	251,422
<b>Recreational Revenue</b>	<b>447,176</b>	<b>330,778</b>	<b>(116,398)</b>	<b>(26%)</b>	<b>330,778</b>	<b>543,981</b>	<b>(213,203)</b>	<b>(39%)</b>	<b>796,000</b>	<b>465,222</b>
<b>Investment Income</b>	<b>144,410</b>	<b>151,324</b>	<b>6,914</b>	<b>5%</b>	<b>151,324</b>	<b>165,732</b>	<b>(14,408)</b>	<b>(9%)</b>	<b>377,651</b>	<b>226,326</b>
Advertising Income	48,069	69,030	20,961	44%	69,030	44,587	24,444	55%	110,000	40,970
Cell Tower Lease Inc.	17,992	20,419	2,427	13%	20,419	16,939	3,480	21%	36,000	15,581
<b>Comm. Revenue</b>	<b>66,061</b>	<b>89,449</b>	<b>23,388</b>	<b>35%</b>	<b>89,449</b>	<b>61,526</b>	<b>27,923</b>	<b>45%</b>	<b>146,000</b>	<b>56,551</b>
Other Income	64,808	47,404	(17,404)	(27%)	47,404	76,784	(29,380)	(38%)	100,500	53,096
Facility Rent	50,372	20,817	(29,556)	(59%)	20,817	65,954	(45,137)	(68%)	100,000	79,183
Marketing Events	-	-	-	0%	-	3,000	(3,000)	(100%)	3,000	3,000
In-Kind Contributions	-	63,913	63,913	0%	63,913	-	63,913	0%	-	(63,913)
<b>Other Revenue</b>	<b>115,180</b>	<b>132,134</b>	<b>16,954</b>	<b>15%</b>	<b>132,134</b>	<b>145,738</b>	<b>(13,604)</b>	<b>(9%)</b>	<b>203,500</b>	<b>71,366</b>
<b>Total Revenue</b>	<b>5,937,701</b>	<b>5,630,225</b>	<b>(307,476)</b>	<b>(5%)</b>	<b>5,630,225</b>	<b>6,168,646</b>	<b>(538,421)</b>	<b>(9%)</b>	<b>11,393,476</b>	<b>5,763,251</b>
<b>Expenses</b>										
Major Proj.-Rep. & Maint.	407,275	150,165	257,110	63%	150,165	136,046	(14,118)	(10%)	265,148	114,983
Facility Maintenance	82,380	236,528	(154,148)	(187%)	236,528	320,009	83,481	26%	704,554	468,026
Fees & Assessments	9,914	(1,550)	11,464	116%	(1,550)	8,660	10,210	118%	78,716	80,266
Utilities	479,705	410,648	69,057	14%	410,648	489,014	78,366	16%	892,031	481,382
Depreciation	808,545	829,388	(20,843)	(3%)	829,388	885,721	56,333	6%	1,869,644	1,040,256
Furniture & Equipment	177,153	88,815	88,337	50%	88,815	113,245	24,430	22%	264,764	175,949
Vehicles	37,096	24,914	12,181	33%	24,914	46,926	22,012	47%	73,624	48,710
<b>Facilities &amp; Equipment</b>	<b>2,002,068</b>	<b>1,738,909</b>	<b>263,159</b>	<b>13%</b>	<b>1,738,909</b>	<b>1,999,622</b>	<b>260,713</b>	<b>13%</b>	<b>4,148,481</b>	<b>2,409,572</b>
Wages, Benfts., PR Exp.	2,291,235	2,210,838	80,398	4%	2,210,838	2,308,260	97,423	4%	4,616,520	2,405,683
Conferences & Training	29,613	9,075	20,538	69%	9,075	47,424	38,349	81%	88,000	78,925
<b>Personnel</b>	<b>2,320,849</b>	<b>2,219,913</b>	<b>100,936</b>	<b>4%</b>	<b>2,219,913</b>	<b>2,355,684</b>	<b>135,772</b>	<b>6%</b>	<b>4,704,520</b>	<b>2,484,608</b>
Food & Catering	19,829	14,324	5,505	28%	14,324	24,798	10,474	42%	45,031	30,707
Recreation Contracts	385,223	303,684	81,539	21%	303,684	482,272	178,588	37%	632,750	329,066
Bank & Credit Card Fees	70,748	65,347	5,402	8%	65,347	85,140	19,793	23%	96,146	30,799
<b>Program</b>	<b>475,800</b>	<b>383,355</b>	<b>92,445</b>	<b>19%</b>	<b>383,355</b>	<b>592,210</b>	<b>208,854</b>	<b>35%</b>	<b>773,927</b>	<b>390,571</b>
Communications	46,017	52,095	(6,078)	(13%)	52,095	53,140	1,045	2%	104,149	52,054
Printing	34,752	33,372	1,380	4%	33,372	23,987	(9,385)	(39%)	94,497	61,125
Advertising	-	630	(630)	0%	630	5,000	4,370	87%	5,000	4,370
<b>Communications</b>	<b>80,769</b>	<b>86,097</b>	<b>(5,328)</b>	<b>(7%)</b>	<b>86,097</b>	<b>82,126</b>	<b>(3,971)</b>	<b>(5%)</b>	<b>203,646</b>	<b>117,549</b>
Supplies	138,370	91,036	47,333	34%	91,036	170,195	79,159	47%	344,127	253,090
Postage	8,557	8,392	165	2%	8,392	5,958	(2,434)	(41%)	18,500	10,108
Dues & Subscriptions	4,661	5,158	(497)	(11%)	5,158	3,388	(1,771)	(52%)	8,102	2,944
Travel & Entertainment	6,508	4,768	1,740	27%	4,768	6,696	1,928	29%	16,580	11,812
Other Operating Expense	698	142,553	(141,855)	(20,312%)	142,553	86,146	(56,407)	(65%)	178,260	35,707
<b>Operations</b>	<b>158,794</b>	<b>251,907</b>	<b>(93,113)</b>	<b>(59%)</b>	<b>251,907</b>	<b>272,383</b>	<b>20,475</b>	<b>8%</b>	<b>565,568</b>	<b>313,661</b>
Information Technology	45,297	30,690	14,607	32%	30,690	41,466	10,776	26%	114,900	84,210
Professional Fees	131,833	109,943	21,890	17%	109,943	159,043	49,100	31%	311,749	201,806
Commercial Insurance	106,779	160,008	(53,229)	(50%)	160,008	112,703	(47,305)	(42%)	280,000	119,992
Taxes	-	25	(25)	0%	25	-	(25)	0%	18,000	17,975
Provision for Bad Debt	12,288	-	12,288	100%	-	12,000	12,000	100%	24,000	24,000
<b>Corporate Expenses</b>	<b>296,198</b>	<b>300,665</b>	<b>(4,468)</b>	<b>(2%)</b>	<b>300,665</b>	<b>325,212</b>	<b>24,547</b>	<b>8%</b>	<b>748,649</b>	<b>447,983</b>
<b>Expenses</b>	<b>5,334,478</b>	<b>4,980,846</b>	<b>353,631</b>	<b>7%</b>	<b>4,980,846</b>	<b>5,627,237</b>	<b>646,391</b>	<b>11%</b>	<b>11,144,791</b>	<b>6,163,945</b>
Gross surplus(Rev-Exp)	603,224	649,379	46,155	8%	649,379	541,408	107,970	20%	248,685	(400,694)
Unrea. Gain/Loss on Invest.	430,908	(74,529)	(505,436)		(74,529)	-	(74,529)		-	74,529
<b>Net from Operations</b>	<b>1,034,131</b>	<b>574,850</b>	<b>(459,281)</b>	<b>(44%)</b>	<b>574,850</b>	<b>541,408</b>	<b>33,442</b>	<b>6%</b>	<b>248,685</b>	<b>(326,165)</b>



Green Valley Recreation, Inc.  
Statement of Changes in Net Assets  
As of Date: June 30, 2020 and Dec 31, 2019

	Unrestricted		Fixed Assets	Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
	Unrestricted					
<b>Totals</b>						
574,850 (13)	574,850	-	-	-	-	-
-	-	-	-	-	-	-
-	(1,218,515)	-	-	-	1,005,942	212,573
-	829,388	(829,388)	(829,388)	-	-	-
-	(187,483)	841,218	841,218	-	(274,908)	(378,827)
-	1,092,976	-	-	(15,000)	(65,374)	(1,012,602)
-	(128,501)	-	-	6,413	95,099	26,989
-	32,888	-	-	(2,211)	(22,703)	(7,975)
-	(94,864)	-	-	(47,978)	96,017	46,825
<b>Net Change to June 30, 2020</b>	574,850 (13)	900,739	11,830	(58,776)	834,073	(1,113,016)
Net Assets at, Dec 31, 2019	29,310,635 (22)	1,203,749	17,670,198 (21)	880,329 (23)	7,055,756 (24)	2,500,602 (25)
<b>Net Assets as at, June 30, 2020</b>	<b>29,885,485 (6)</b>	<b>2,104,488</b>	<b>17,682,028 (7)</b>	<b>821,554 (9)</b>	<b>7,889,829 (10)</b>	<b>1,387,586 (11)</b>
		<b>19,786,516 (14)</b>			<b>10,098,968 (12)</b>	

**Net change in net assets-GVR**

Transfers between unrestricted and reserves:

- Reserve Study Allocation
- Principal Transfers
- Depreciation
- Purchase & Contributed Fixed Assets
- Withdrawals

Allocations of Net Change components:

- Investment income
- Investment Expenses

Unrealized Gains (Losses) on Market Repairs and replacements

Footnotes refer to Statement of Financial Position and Statement of Activities

5

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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
13,711,327 <sup>(20)</sup>	3,274,640 <sup>(19)</sup>	880,329 <sup>(15)</sup>	7,055,756 <sup>(16)</sup>	2,500,602 <sup>(17)</sup>
2,718,515	1,500,000	-	1,005,942	212,573
156,707	28,206	6,413	95,099	26,989
(2,246,711)	(500,000)	(15,000)	(340,282)	(1,391,429)
(32,888)	-	(2,211)	(22,703)	(7,975)
595,623	1,028,206	(10,798)	738,057	(1,159,842)
14,306,950	4,302,846	869,531	7,793,812	1,340,760
(74,529) <sup>(26)</sup>	(169,393)	(47,978)	96,017	46,825
\$ 14,232,422 <sup>(6)</sup>	4,133,453 <sup>(5)</sup>	821,553.61 <sup>(1)</sup>	7,889,829 <sup>(2)</sup>	1,387,586 <sup>(3)</sup>

10,098,968 <sup>(12)</sup>

Balance Dec 31, 2019 (at Market)

Changes since Jan 1, 2019:

- Principal additions
- Investment income
- Withdrawals
- Investment Expenses
- Net Change for 6 Months

Balance before Market Change at June 30, 2020

6 months Change in Unrealized Gain/(Loss)

Balance at June 30, 2020 (at Market)

Footnotes refer to Statement of Financial Position and Statement of Activities



# Green Valley Recreation, Inc.

## Variance Report

Monthly Report: Jan 1, 2020 - June 30, 2020

Revenue	Year-to-Date	Budget	Variance	% Variance	
<b>Capital Revenue</b>	1,191,809	1,500,527	(308,718)	(21%)	Capital Revenue is lower than budget, it translates to 118 fewer transactions than budgeted. The Forecast for 2020 reflects a very significant decrease in the number of housing transactions.
<b>Recreational Revenue</b>	330,778	543,981	(213,203)	(39%)	Recreational Revenue is 39% under budget, mainly due to COVID-19 shutdown: 1._ Programs is under by \$118K. 2._ Instructional is under by \$95K.
<b>Comm. Revenue</b>	89,449	61,526	27,923	45%	Communications Revenue is higher than budget by \$28K mainly due to increase in Advertising.
<b>Other Revenue</b>	132,134	145,738	(13,604)	(9%)	Other Revenue is down by \$15K mainly due to: 1._ Facility Rent \$45K from Spot Rx. Spot Rx canceled their rental contact.
<b>Total Revenue</b>	5,630,225	6,168,646	(538,421)	(9%)	Total Revenue for the YTD is about \$538K below Budget. We are expecting the rest of the year to be below budget due to COVID-19.
<b>Expense</b>	Year-to-Date	Budget	Variance	% Variance	
<b>Facilities &amp; Equipment</b>	1,738,909	1,999,622	260,713	13%	Due to COVID-19 Main operating expenditures have been kept to minimum.
<b>Communications</b>	86,097	82,126	(3,971)	(5%)	Communications is above budget only by \$4K, mainly due to the 2019 Fall Catalog paid this year and the BOD Election.
<b>Operations</b>	251,907	272,383	20,475	8%	Operations also looks favorable due to the COVID-19 Shut down. However the Other Operating Expenses is higher than budget by \$63K due to the increase of cleaning supplies due to COVID19 been recorded in this grouping.
<b>Total Expenses</b>	4,980,846	5,627,237	646,391	11%	Overall total expenses YTD are \$646K under Budget, mainly due to COVID-19 shutdown. Resulting in a positive variance of \$108K Gross surplus over budget despite the pandemic.

GVR Cash Requirements Report  
FY 2020

	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Projected Jul-20	Projected Aug-20	Projected Sep-20	Projected Oct-20	Projected Nov-20	Projected Dec-20	Projected Jan-21
<b>PROJECTED</b>													
<b>Operating Cash in Bank</b>													
Beginning of Month Balance	2,505,270	1,433,469	1,466,511	1,260,453	860,189	450,596	1,431,043	1,714,950	1,424,604	1,518,199	1,449,610	918,655	1,082,787
Transfer In	115,000					1,323,063	500,000		500,000	500,000	500,000		
Transfer Out	(1,500,000)												
Cash Receipts	2,335,923	654,006	561,782	252,858	330,899	359,220	267,870	195,739	181,804	159,674	67,870	1,162,956	(500,000)
Cash Disbursements	(1,907,724)	(735,964)	(767,840)	(653,122)	(740,492)	(701,836)	(483,963)	(486,086)	(588,209)	(728,263)	(1,098,824)	(498,824)	(1,509,796)
Net Operating Cash Flow	428,199	(81,958)	(206,058)	(400,264)	(409,593)	(342,616)	(216,093)	(290,347)	(406,404)	(568,590)	(1,030,955)	664,132	837,807
Ending of Month Balance	1,433,469	1,466,511	1,260,453	860,189	450,596	1,431,043	1,714,950	1,424,604	1,518,199	1,449,610	918,655	1,082,787	1,420,594
<b>Operating Investment Account</b>													
Beginning of Month Balance	3,274,640	4,780,248	4,773,980	4,594,667	4,620,649	4,630,182	4,136,674	3,630,976	3,623,154	3,113,209	2,596,895	2,483,334	2,962,774
Transfer In	1,500,000			3,223									
Transfer Out						(500,000)	(510,615)	(12,739)	(514,862)	(521,231)	(525,477)	(25,477)	500,000
Earned Income on Investments	5,609	(6,268)	(179,313)	22,759	9,533	6,493	4,917	4,917	4,917	4,917	4,917	4,917	4,917
Ending of Month Balance	4,780,248	4,773,980	4,594,667	4,620,649	4,630,182	4,136,674	3,630,976	3,623,154	3,113,209	2,596,895	2,483,334	2,962,774	2,431,242
<b>MMR Reserve</b>													
Beginning of Month Balance	7,055,756	8,067,107	7,970,250	7,444,256	7,775,528	7,908,341	7,889,829	7,812,164	7,734,498	7,656,833	7,579,168	7,408,503	7,330,838
Transfer In MRR Funding	1,005,942												1,010,972
Transfer Out	(44,249)	(2,033)	(131,871)	(12,346)	(58,725)	(91,059)	(88,847)	(88,847)	(88,847)	(88,847)	(181,847)	(88,847)	(91,068)
Net Earned Income on Investment	49,658	(94,824)	(394,123)	343,618	191,537	72,547	11,182	11,182	11,182	11,182	11,182	11,182	11,182
Ending of Month Balance	8,067,107	7,970,250	7,444,256	7,775,528	7,908,341	7,889,829	7,812,164	7,734,498	7,656,833	7,579,168	7,408,503	7,330,838	8,261,924
<b>Initiatives Reserve</b>													
Beginning of Month Balance	2,500,602	2,359,696	2,260,975	2,000,354	2,049,588	2,291,495	1,387,586	1,402,548	1,419,632	1,438,840	1,464,417	1,087,240	1,117,063
Transfer In					212,573		10,615	12,739	14,862	21,231	25,477	25,477	25,477
Prior Year Surplus	23,153	1,279	(54,928)	52,457	29,334	14,544	4,346	4,346	4,346	4,346	4,346	4,346	4,346
Net Earned Income on Investment	(164,059)	(100,000)	(205,694)	(3,223)		(918,453)					(407,000)		
Transfer Out													
Ending of Month Balance	2,359,696	2,260,975	2,000,354	2,049,588	2,291,495	1,387,586	1,402,548	1,419,632	1,438,840	1,464,417	1,087,240	1,117,063	1,146,886
<b>Emergency Reserve</b>													
Beginning of Month Balance	880,329	871,808	795,381	701,051	773,053	809,392	821,553	822,744	823,936	825,128	826,319	827,511	828,703
Transfer In													
Transfer Out													
Net Earned Income on Investment	(8,521)	(61,427)	(94,330)	72,002	36,338	12,161	1,192	1,192	1,192	1,192	1,192	1,192	1,192
Ending of Month Balance	871,808	795,381	701,051	773,053	809,392	821,553	822,744	823,936	825,128	826,319	827,511	828,703	829,894
<b>Total Reserve Accounts</b>	11,298,611	11,026,606	10,145,662	10,598,170	11,009,227	10,098,967	10,037,456	9,978,067	9,920,801	9,869,904	9,323,254	9,276,604	10,238,704
Total Operating Cash	6,213,717	6,240,491	5,855,120	5,480,838	5,080,778	5,567,718	5,345,926	5,047,758	4,631,408	4,046,505	3,401,990	4,045,561	3,851,836
Grand Total Cash & Investments	17,512,329	17,267,098	16,000,782	16,079,008	16,090,005	15,666,685	15,383,382	15,025,824	14,552,209	13,916,409	12,725,244	13,322,165	14,090,540
Actual Days Cash on Hand	199	200	188	176	163	178	171	162	148	130	109	130	123
<b>Dec. 31, 2019 Projected End. Balance 2020</b>													
Total Reserve Accounts													9,276,604
Total Operating Cash													4,045,561
Grand Total Cash & Investments													13,322,165
<b>Invested Total</b>	16,078,860	15,800,587	14,740,329	15,218,819	15,639,409	14,235,642	13,668,431	13,601,221	13,034,010	12,466,799	11,806,589	12,239,378	12,669,946



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**Total Fees Collected****2020 - June**

PACF - \$2,616.00	96	\$251,136.00
2019 New Member Capital Fee - \$2,616.00	0	\$0.00
Transfer Fee Solo - \$350.00	2	\$700.00
Transfer Fee - \$350.00	96	\$33,600.00
Transfer Fee - \$100.00	0	\$0.00
2019 New Member Capital Fee Non-Resale - \$2,616.00	0	\$0.00
2018 New Member Capital Fee Non-Resale - \$2,474.00	0	\$0.00
PACF Non-Resale - \$2,616.00	1	\$2,616.00
Transfer Fee Non-Resale - \$350.00	6	\$2,100.00
Initial Fee - \$2,427.00	1	\$2,427.00
PACF - \$2,616.00 - Refunded	15	-\$39,240.00

**Month end****\$253,339.00****YTD**

PACF - \$2,616.00	543	\$1,420,488.00
2019 NMCF - \$2,616.00	0	\$0.00
Transfer Fee Solo - \$350.00	19	\$6,650.00
Transfer Fee - \$350.00	543	\$190,050.00
Transfer Fee - \$100.00	2	\$200.00
2019 New Member Capital Fee Non-Resale - \$2,616.00	1	\$2,616.00
2018 New Member Capital Fee Non-Resale - \$2,474.00	1	\$2,474.00
PACF Non-Resale - \$2,616.00	15	\$39,240.00
Transfer Fee Non-Resale - \$350.00	63	\$22,050.00
Initial Fee - \$2,427.00	5	\$12,135.00
PACF - \$2,616.00 - Refunded	46	-\$120,336.00

**Year to date****\$1,575,567.00**

June Resale Closings	98
June New Home Closings	2
June New Voluntary Homes	0
Total GVR properties as of 06.30.2020	13682



GVR Member Properties Report

	2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Canoa Ranch - Estates		0	0	0	0	0	0	0	0	0	0	0	0	0
Canoa Ranch - Villas		0	0	0	0	0	0	0	0	0	0	0	0	0
**Canoa Ranch - Meritage		3	3	2	3	6	1	0	0	0	0	0	0	18
**Las Campanas		1	3	0	0	5	1	0	0	0	0	0	0	10
**Estates @ Alamos		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
Other Restrictions		4	0	0	0	0	0	0	0	0	0	0	0	4
Total New		8	6	2	3	11	2	0	0	0	0	0	0	32
Total Members		13658	13664	13666	13669	13680	13682	13682	13682	13682	13682	13682	13682	13682
MBRS Last Year		13589	13595	13600	13602	13604	13609	13613	13622	13627	13635	13643	13650	13650
NMCF - \$2,616.00		0	0	0	0	0	0	0	0	0	0	0	0	0
NMCF - \$2,474.00		0	0	0	0	0	0	0	0	0	0	0	0	0
PACF - \$2,616.00		73	86	136	62	90	96	96	96	96	96	96	96	543
Transfer Fee Solo - \$350.00		3	5	5	2	2	2	2	2	2	2	2	2	19
Transfer Fee - \$350.00		73	86	136	62	90	96	96	96	96	96	96	96	543
Transfer Fee - \$100.00		0	0	2	0	0	0	0	0	0	0	0	0	2
NMCF Non-Resale - \$2,616.00		1	0	0	0	0	0	0	0	0	0	0	0	1
NMCF Non-Resale - \$2,474.00		0	1	0	0	0	0	0	0	0	0	0	0	1
NMCF Non-Resale - \$2,425.00		0	0	0	0	0	0	0	0	0	0	0	0	0
PACF Non-Resale - \$2,616.00		2	7	1	1	3	1	1	1	1	1	1	1	15
Transfer Fee Non-Resale - \$350.00		13	17	5	4	18	6	6	6	6	6	6	6	63
Total Resales		76	91	141	64	92	98	98	98	98	98	98	98	562
YTD Resales		76	167	308	372	464	562	562	562	562	562	562	562	562
Monthly Resales Last Year		81	68	118	131	126	118	80	78	75	85	74	92	1126
Total Resales Last Year		81	149	267	398	524	642	722	800	875	960	1034	1126	1126

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



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

MRR Operating Expenditures

Fund	2020 Budget	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD Operating Expenditure	Remaining Operating Budget
MRR	279,550	-	165	49,370	13,290	92,879	20,705	-	-	-	-	-	-	176,409	103,141
Furniture & Equipment	18,472	-	-	-	-	-	-	-	-	-	-	-	-	-	18,472
<b>Total</b>	<b>298,022</b>	<b>-</b>	<b>165</b>	<b>49,370</b>	<b>13,290</b>	<b>92,879</b>	<b>20,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,409</b>	<b>121,613</b>

YTD CAPEX (Capital Expenditures)

Fund	2020 Budget	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD Capital Expenditure	Remaining Capital Budget
Operations	305,400	16,765	-	-	-	10,192	-	-	-	-	-	-	-	26,957	278,443
Clubs	86,000	-	5,958	-	10,351	-	-	-	-	-	-	-	-	16,308	69,692
Initiatives (Purchase + Contributed)	725,000	-	-	-	-	1,753,935	5,440	-	-	-	-	-	-	1,759,375	(1,034,375)
MRR	768,142	-	-	175,594	-	63,614	102,619	-	-	-	-	-	-	341,827	426,315
Emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,884,542</b>	<b>16,765</b>	<b>5,958</b>	<b>175,594</b>	<b>10,351</b>	<b>1,827,741</b>	<b>108,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,144,468</b>	<b>(259,926)</b>

Construction-In-Progress Cumulative Monthly Balance

Fund	2019 Balance	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Operations	34,795	34,795	36,913	72,158	77,520	69,575	105,977	-	-	-	-	-	-
Clubs	-	38,845	38,845	38,845	38,845	81,440	81,440	-	-	-	-	-	-
Initiatives	1,220,466	1,383,552	1,592,163	1,597,416	1,598,884	700	700	-	-	-	-	-	-
MRR	112,575	122,084	157,072	39,098	40,391	37,444	42,655	-	-	-	-	-	-
Emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Monthly Running Balance</b>	<b>1,367,836</b>	<b>1,579,276</b>	<b>1,824,993</b>	<b>1,747,518</b>	<b>1,755,640</b>	<b>189,159</b>	<b>230,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





# Green Valley Recreation Inc 2020 Capital Expenditures

## FUND 1 - Operations

Proj #	Fund	Center	Cntr Des	Account	Description	Budget	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total	Balance		
1	1	1	MSC		Rehab of Office: HVA ducting, indoor air quality	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000	
2	1	2	EC		Windows Upgrades - Energy Savings	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
3	1	4	ABS		Pave east parking lot - 10 Yr. ter Plan Item	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
4	1	6	CP1		Install porcelain floor tile in recreation room	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000	
5	1	6	CP1		New Window Coverings	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000	
6	1	6	CP1		LED Lighting Upgrades - Energy Savings	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	
7	1	8	DH		Lapidary exhaust hood - Torch Station - Safety	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	
8	1	8	DH		Lapidary suspended ceiling & LED Lighting - Energy Savings	\$ 15,000	\$ -	\$ -	\$ -	\$ 10,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	
9	1	9	MV		Install porcelain floor tile in recreation room	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	
10	1	11	CH		LED Lighting upgrades - Energy Savings	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000	
11	1	13	SRS		Clear Comfort for pool & spa	\$ 5,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400	
12	1	15	FMB		Lighting Storage Shed	\$ 16,000	\$ 16,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (765)	
13	1	15	FMB	1625	Scissor Lift	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000	
14	1		N/A		Prox readers and CCTV - Security & safety	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	
15	1		N/A		Accessibility Upgrades and/or ADA Compliance Audit	\$ 305,400	\$ 16,765	\$ -	\$ -	\$ -	\$ 10,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,443	
Non-Reserve Capital Projects						\$ 305,400	\$ 16,765	\$ -	\$ -	\$ -	\$ 10,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,443	
1	1	5	WC	1610	Bleacher grandstand Tennis Club	\$ 6,000	\$ -	\$ 5,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42	
2	1	11	CH		Bocce Court	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	
			ABN		Tuff Shed- Glass Artists	\$ -	\$ -	\$ -	\$ -	\$ 10,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,351)	
Clubs						\$ 86,000	\$ -	\$ 5,958	\$ -	\$ 10,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,692	
Total						\$ 16,765	\$ 5,958	\$ -	\$ 10,351	\$ 10,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,265	
Total						\$ 348,135	\$ 16,765	\$ 5,958	\$ 10,351	\$ 10,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,135

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# Green Valley Recreation Inc 2020 Capital Expenditures

## FUND 2 - Initiatives

Proj #	Fund	Dept	Center	Cntr	Account	Description	Balance Forward	Budget	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total	Balance
1	2	1	MSC			Clay Club	-	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
2	2	8	DH			Shuffle Board	-	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
3	2	16	GPC			Pickle Ball	-	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 1,753,935	\$ 5,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,759,375
						Initiatives	-	\$ 725,000	\$ -	\$ -	\$ -	\$ -	\$ 1,753,935	\$ 5,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,759,375
																						\$ (1,034,375)

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TO: FAC Members

FROM: GVR Finance Department

DATE June 29, 2020

RE: Five-year Expense Increase Analysis

The following discussion addresses the increase in expenses GVR has experienced over the past five years. There has been a theme of comments over the past two years that include statements of “overhead has increased significantly” and “these expense increases are not sustainable” repeated many times. This report looks at the historical data to objectively and empirically evaluate these claims. All of the financial analysis in this report is based on audited financial statements generated in accordance with Generally Accepted Accounting Principles from 2015 through 2020. The attached report indicates that our total expenses increased 37% over five years. That is an average annual rate of 7.5% per year for 5 years. Any objective analysis would conclude that this is not an insignificant rate of increase.

When looking at the data, it is evident that 80% of the budget is for Facilities and Personnel. The expenses for these two major components increased annually at the average rate of 9.9% for Facilities and 4.6% for Personnel over the past 5 years. The facilities component increased primarily because GVR committed in 2016 to professionally maintaining, repairing, and replacing our facilities in accordance with a Professional Reserve Study. To reduce this overhead would require GVR to retract from It's commitment to this process. To date, there have not been any convincing arguments presented to stop this commitment. Most facilities professionals argue our program would reduce costs in the long run. With regard to Personnel, the 4.6% average annual increase is primarily caused by a combination of normal annual increases to provide staff with increases to keep up with the cost of living and the insurance benefits cost increases coupled with the previous attempt to bring some of our lower hourly workers up to a living wage rate. GVR does have a few more personnel than existed five years ago and these additional staff wages constitute a relatively smaller portion of the increase. These increases in staff include services from Accounting, Clubs and Fitness services, Facilities, and Administrative support.

For this report, it is important to note that some of the costs that do not include Facilities and Personnel have increased over the past five years and should be examined as well. Of this remaining 20% component of the budget, the significant increases fall specifically under Professional Fees, Other Operating Expenses, Recreation Contracts, and Bank and Credit Card Fees.

- Professional Fees increases include Board related legal fees, external legal and accounting consultations, and increased audit and employment related fees.
- The Other Operating Expenses increases are primarily due to Investment services costs.



- The IT costs are projected to increase with the implementation of a new member database system.
- The total Recreation contracts amount increases are directly related to additional Program activities which basically offset these costs with increased income.
- The Credit Card Fees have increased in accordance with the increased use of payments with credit cards by Members.

In an objective evaluation of the total annual expense increase rate of 7.5% over the past five years, the most significant potential ways to reduce this percentage increase going forward could be considered as follows:

- Reduce Facility costs by restricting our adherence to the Maintenance Reserve and Replacement plan by postponing or eliminating planned projects. If GVR had not performed the projects included in the Maintenance Repair & Replacement Reserve study over the past few years, the average annual total expense increase would have been a significantly lower rate of 4.7% rather than the 7.5% GVR experienced. MRR activities constituted about 38% of the total rate of increase. These MRR related costs are projected to increase at a lower rate of 2.5% in future years.
- Reduce Administrative staff (primarily Accounting, Administration, Clubs, and Fitness) by eliminating the administrative and direct services they perform. Also, the living wage personnel costs are currently proposed to augment Personnel Costs with up to \$118,000 of wage increases to make GVR wages competitive. This proposed future adjustment equals 1.1% of an increase to our total expenses.
- Reduce Board related legal fees and board directed consultants.
- Eliminate the ability of Members to pay with credit cards. GVR could charge for this convenience but that adds more administrative costs that would offset any savings.

It is important to address whether our increased overhead is “sustainable”. To be frank, a continued annual increase of 7.5% for the foreseeable future would be something to be concerned about. Here are a few of thoughts:

- The largest component of this increase is related to Facilities. GVR implemented the MRR program in 2017. After several annual iterations of the study, this program has settled in on a relatively stable cost pattern over the past year. The MRR reserve report that staff utilizes forecasts the MRR related costs associated with Facilities will remain stable at a rate of 2.5% over the next few years and will not contribute as much to any ongoing increases. This should cause a significant “flattening of the curve”.
- Depreciation is a very significant portion of the Facilities increase. While it is an important component that makes up 3.8% of the 7.5% annual average increase, it is a non-cash expense that, after inclusion of the Pickleball Center, should flatten out over the next near term. This prior increase is reflective of the



significant investment in Maintenance, Repair and Replacement Capital Projects prescribed by the Reserve Study.

- It appears that there are over \$50,000 of recent board related costs that are non-recurring that will most likely not be in our future expenses.
- Outsourcing some activities may appear to reduce costs but, because GVR has established the infrastructure to administer these services, the variable savings would most likely not exceed the outsourcing costs.
- Something that will cause growth in GVR expenses for a couple of years is the reality that, once a new CEO is hired, GVR will incur the additional salary in addition to the Deferred Compensation that is currently being paid. This situation results in a 1.6% increase in total expenses for two years.

Here are a couple more data points to consider:

- Personnel costs of GVR are 42.2% of the total expense budget. The personnel costs of Sun City are 58.1% of their total expense budget. This may not be a totally appropriate comparison but it is worth noting.
- The total expense per Member for GVR is currently \$814.68 per year. The annual expense per Resident for Sun City is \$610.58. Again, this may not be a totally appropriate comparison. They have significantly more residents than GVR and we are uncertain what their utilization is.

The primary intent of this discussion is to focus on the prior increase of expenses and to gain a perspective of where the costs are at a high level. Remember, Facilities and Personnel costs make up 80% of our budget and drove 74% of the total increases over the past 5 years according to the attached chart. GVR certainly does need to continue to monitor our expense increases with the current data available. While GVR cannot perfectly predict the future, the information available indicates GVR's expenses will not continue anywhere near the rate experienced over the past 5 years. The prior increases were due to a concerted effort to move GVR from a simpler and more informal business to a more professionally managed organization. Now that the professional staff and the reserve study has been established, GVR doesn't expect to see these types of increases in the near future significantly beyond normal inflation. The concern for sustainability is substantially lessened. In conclusion, the 9.9% average increase in Facilities related cost experienced over the past five years is the largest driver of our prior 7.5% average total increase. This level of increase is not expected for the near future and is projected to be around 2.5% according to the Reserve Study and will produce a much lower annual expense increase rate.

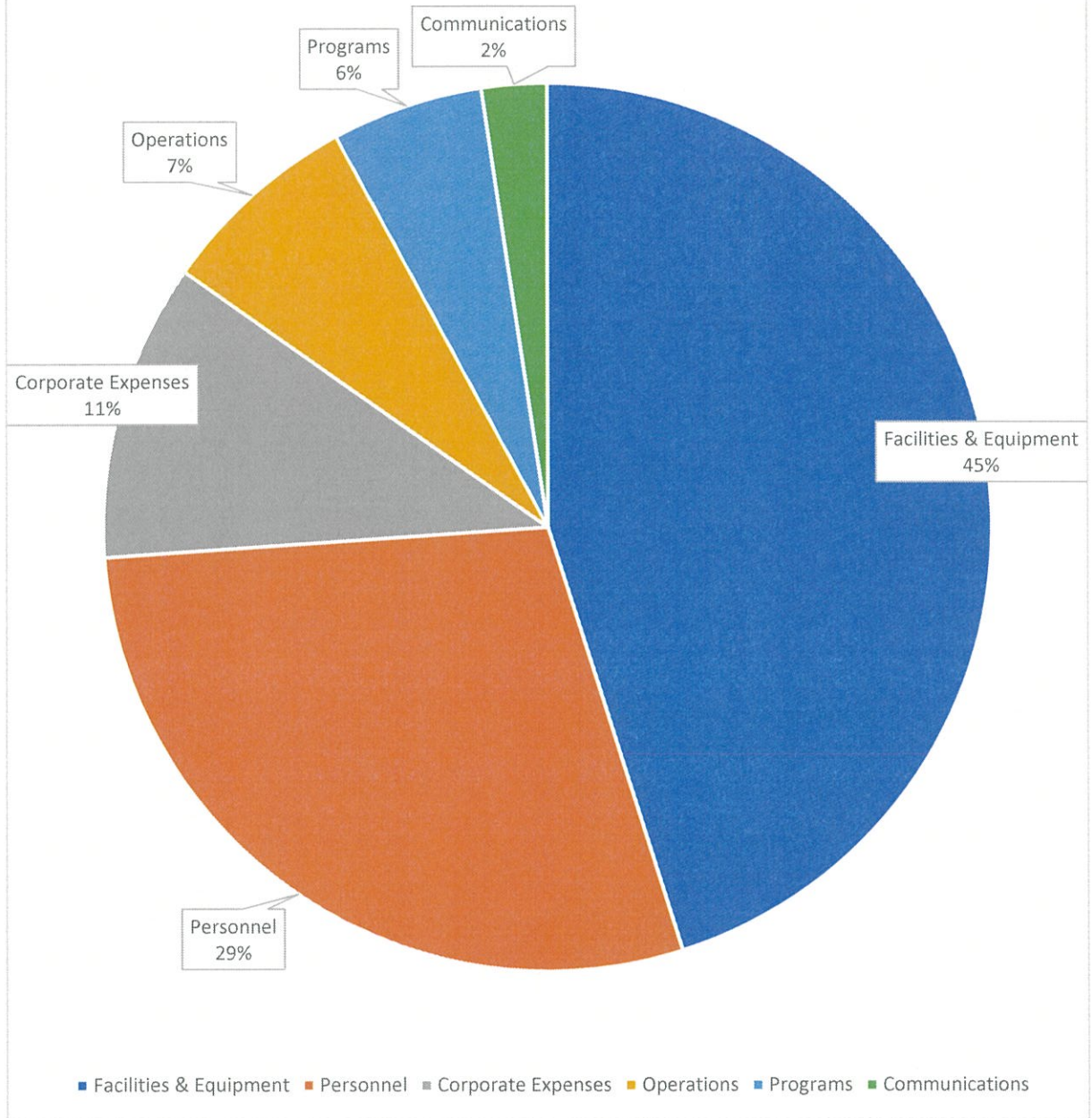
One thing that always mitigates any expense increases is increases in revenues. While annual total Revenue increases averaged 4.9% over the past 5 years, it has slowed down to a 1.1% average annual increase over the past 3 years. Consistent CPI based increases for Dues over the next few years should help offset some expenses and maintain GVR on a healthy sustainable course.



## GVR Historical Summary

	2015	2016	2017	2018	2019	2020	5 Year Increase		3 Year Increase	
	Actual	Actual	Actual	Actual	Actual	Budget	Total	Annual	Total	Annual
<b>Revenue</b>										
Member dues	6,037,806	6,402,286	6,627,415	6,690,385	6,712,673	6,717,125	11%	2.3%	1%	0.5%
Life care, Transfers, Tena	366,552	626,047	777,582	746,853	777,911	618,000	69%	13.7%	-21%	-6.8%
NMCF/Initial Fees (Capital I	1,790,880	2,007,135	2,439,129	2,345,508	2,423,079	2,535,200	42%	8.3%	4%	1.3%
Programs	287,658	361,053	368,192	360,835	251,200	336,000	17%	3.4%	-9%	-2.9%
Instructional	411,014	388,904	379,167	375,673	408,797	460,000	12%	2.4%	21%	7.1%
<b>Recreational Income</b>	<b>8,893,910</b>	<b>9,785,425</b>	<b>10,591,485</b>	<b>10,519,254</b>	<b>10,573,660</b>	<b>10,666,325</b>	<b>20%</b>	<b>4.0%</b>	<b>1%</b>	<b>0.2%</b>
<b>Investment Income</b>	<b>28,207</b>	<b>227,910</b>	<b>271,889</b>	<b>323,151</b>	<b>355,625</b>	<b>377,651</b>	<b>1239%</b>	<b>247.8%</b>	<b>39%</b>	<b>13.0%</b>
Advertising Income	2,132	30,870	59,550	108,861	129,559	110,000	5059%	1011.9%	85%	28.2%
Communication - (Cell Tow	35,003	62,946	56,133	43,358	38,378	36,000	3%	0.6%	-36%	-12.0%
<b>Communications Income</b>	<b>37,135</b>	<b>93,816</b>	<b>115,683</b>	<b>152,219</b>	<b>167,937</b>	<b>146,000</b>	<b>293%</b>	<b>58.6%</b>	<b>26%</b>	<b>8.7%</b>
Other Income	183,034	19,301	20,753	22,373	91,492	100,500	-45%	-9.0%	384%	128.1%
Facility Rent	16,440	21,204	15,435	25,543	72,017	100,000	508%	101.7%	548%	182.6%
Marketing Events	0	0	345	0	0	3,000				
In-Kind Contributions					359,387					
<b>Other Income</b>	<b>199,474</b>	<b>40,505</b>	<b>36,533</b>	<b>47,916</b>	<b>522,896</b>	<b>203,500</b>	<b>2%</b>	<b>0.4%</b>	<b>457%</b>	<b>152.3%</b>
<b>Total Revenue</b>	<b>9,158,726</b>	<b>10,147,656</b>	<b>11,015,590</b>	<b>11,042,540</b>	<b>11,620,118</b>	<b>11,393,476</b>	<b>24%</b>	<b>4.9%</b>	<b>3%</b>	<b>1.1%</b>
<b>Expenses</b>										
Major Projects-Repair & Ma	265,989	284,249	356,288	500,790	597,466	265,148	0%	-0.1%	-26%	-8.5%
Facilities Maintenance	184,831	258,793	222,262	260,502	160,960	704,554	281%	56.2%	217%	72.3%
Fees & Assessments	9,875	9,419	17,570	13,710	37,629	78,716	697%	139.4%	348%	116.0%
Utilities	875,750	840,023	886,644	933,502	871,509	892,031	2%	0.4%	1%	0.2%
Depreciation	1,273,006	1,294,903	1,262,126	1,474,941	1,603,077	1,869,644	47%	9.4%	48%	16.0%
Furniture & Equipment	119,808	138,874	170,548	239,916	255,750	264,764	121%	24.2%	55%	18.4%
Vehicles	49,553	66,331	60,434	59,869	67,644	73,624	49%	9.7%	22%	7.3%
<b>Facilities &amp; Equipment</b>	<b>2,778,812</b>	<b>2,892,592</b>	<b>2,975,872</b>	<b>3,483,230</b>	<b>3,594,035</b>	<b>4,148,481</b>	<b>49%</b>	<b>9.9%</b>	<b>39%</b>	<b>13.1%</b>
Wages, Benefits, Payroll Ex	3,813,465	4,222,008	4,481,186	4,601,298	4,713,352	4,616,520	21%	4.2%	3%	1.0%
Conference & Training	16,601	25,524	29,221	58,098	38,318	88,000	430%	86.0%	201%	67.1%
<b>Personnel</b>	<b>3,830,066</b>	<b>4,247,532</b>	<b>4,510,407</b>	<b>4,659,396</b>	<b>4,751,670</b>	<b>4,704,520</b>	<b>23%</b>	<b>4.6%</b>	<b>4%</b>	<b>1.4%</b>
Food & Catering	37,051	36,950	36,888	44,018	37,374	45,031	22%	4.3%	22%	7.4%
Recreation Contracts	541,441	721,166	660,109	622,585	556,121	632,750	17%	3.4%	-4%	-1.4%
Bank & Credit Card Fees	28,016	55,909	90,487	70,539	94,119	96,146	243%	48.6%	6%	2.1%
<b>Programs</b>	<b>606,508</b>	<b>814,025</b>	<b>787,484</b>	<b>737,142</b>	<b>687,614</b>	<b>773,927</b>	<b>28%</b>	<b>5.5%</b>	<b>-2%</b>	<b>-0.6%</b>
Communications	84,590	85,570	90,020	93,552	94,690	104,149	23%	4.6%	16%	5.2%
Printing	45,907	54,549	55,859	93,288	94,837	94,497	106%	21.2%	69%	23.1%
Advertising	1,313	15,668	5,572	3,734	0	5,000	281%	56.2%	-10%	-3.4%
<b>Communications</b>	<b>131,810</b>	<b>155,787</b>	<b>151,451</b>	<b>190,574</b>	<b>189,527</b>	<b>203,646</b>	<b>54%</b>	<b>10.9%</b>	<b>34%</b>	<b>11.5%</b>
Supplies	271,122	256,296	293,221	260,274	251,979	344,127	27%	5.4%	17%	5.8%
Postage	36,489	21,554	15,647	19,120	15,965	18,500	-49%	-9.9%	18%	6.1%
Dues & Subscriptions	8,244	10,121	9,781	11,084	12,820	8,102	-2%	-0.3%	-17%	-5.7%
Travel & Entertainment	12,763	10,179	20,373	5,220	8,065	16,580	30%	6.0%	-19%	-6.2%
Other Operating Expenses	13,692	14,181	64,188	31,982	91,557	178,260	1202%	240.4%	178%	59.2%
<b>Operations</b>	<b>342,310</b>	<b>312,331</b>	<b>403,210</b>	<b>327,680</b>	<b>380,386</b>	<b>565,569</b>	<b>65%</b>	<b>13.0%</b>	<b>40%</b>	<b>13.4%</b>
Information Technology	54,424	34,413	22,214	360,325	64,849	114,900	111%	22.2%	417%	139.1%
Professional Fees	120,355	293,731	143,562	225,219	293,818	311,749	159%	31.8%	117%	39.1%
Commercial Insurance	192,806	184,153	222,303	196,848	273,075	280,000	45%	9.0%	26%	8.7%
Taxes	15,091	10,021	19,079	20,750	20,367	18,000	19%	3.9%	-6%	-1.9%
Provision for Bad Debt	36,901	61,718	70,643	80,744	33,925	24,000	-35%	-7.0%	-66%	-22.0%
<b>Corporate Expenses</b>	<b>419,577</b>	<b>584,036</b>	<b>477,801</b>	<b>883,886</b>	<b>686,034</b>	<b>748,649</b>	<b>78%</b>	<b>15.7%</b>	<b>57%</b>	<b>18.9%</b>
<b>Total Expenses:</b>	<b>8,109,083</b>	<b>9,006,303</b>	<b>9,306,225</b>	<b>10,281,908</b>	<b>10,289,266</b>	<b>11,144,792</b>	<b>37%</b>	<b>7.5%</b>	<b>20%</b>	<b>6.6%</b>
<b>Surplus</b>	<b>1,049,643</b>	<b>1,141,353</b>	<b>1,709,365</b>	<b>760,632</b>	<b>1,330,852</b>	<b>248,684</b>				
Unrealized (gains)/Losses	0	(118,802)	372,009	(265,464)	724,387	0				
<b>Change in Net Assets</b>	<b>1,049,643</b>	<b>1,022,551</b>	<b>2,081,374</b>	<b>495,168</b>	<b>2,055,239</b>	<b>248,684</b>				

### 5 Year Expense Increase Components





# CORPORATE POLICY MANUAL

## APPENDIX I – BOARD POLICIES

### SUBSECTION 1. BUDGET DEVELOPMENT POLICY (updated 1/31/2017)

#### OBJECTIVE

This Policy Statement provides the framework for annual budget development, review, and adoption. Included in this Statement are the budget development milestones and the recommended timetable for their completion to ensure that all necessary contributions and approvals are completed and on schedule.

#### A. Policy

##### 1. References.

- a. GVR Bylaws - Art. III, Sections 1 - 5
- b. GVR Bylaws - Art. VI, Section 2
- c. GVR Bylaws - Art. VII, Section 4D
- d. Corporate Policy Manual - Section II, Subsections 3A - 3F
- e. Corporate Policy Manual - Section V, Fiscal/Accounting
- f. Corporate Policy Manual - Section VI, Subsections 4C2 & 4C3
- g. Corporate Policy Manual - Section VII, Subsection 1A

1. Reference 1a above states: "Membership dues and operating and capital budgets shall be established by the Board of Directors."

2. References 1e - 1i provide responsibilities in establishing and executing budgets for GVR, Inc. These guidelines should be followed by the CEO/staff in developing budgets for GVR, Inc.

##### 2. Schedule for annual budget preparation and approval process (structured for a calendar year):

#### **a. January/February.**

1. CEO/staff will solicit any capital or operational needs from GVR clubs and programs. A list of operational and capital needs will be developed. Staff will provide cost estimates for these projects.
2. Staff begin the annual Facilities Center Assessments process.

**b. March.** The Planning & Evaluation (P&E) Committee reviews and prioritizes Club requests greater than \$2,500 for current Fiscal Year implementation. Projects less than \$2,500 are included in the Center Assessments. Clubs will be notified by P&E (or designee) of the status of their projects (either funded or unfunded).

**c. April/May.** Staff prepare, prioritize and provide cost estimates for Center Assessment maintenance and capital replacement project lists.

**d. June/July.** CEO/staff prepare operations and capital budgets.

#### **e. August/September**

1. Staff provides recommendations for Center Assessment priorities from center assessments and reserve study. (maintenance and capital replacements)

2. P&E Committee considers 10-year strategic master plan projects for upcoming fiscal year.
3. Fiscal Affairs (FA) Committee considers staff proposal for fiscal year operating budget, and schedule of dues and fees. After review, Fiscal Affairs Committee will forward to the Board of Directors with the recommendation that the budget be accepted as presented.
4. FA Committee considers P&E Committee recommendations for new capital improvement projects from the 10-year strategic master plan.
5. Staff determines and notifies the P&E Committee of budget available for capital club requests for the following calendar year.

**f. September/October.**

1. Board of Directors will approve the Schedule of Dues and Assessments; Board of Directors reviews and approves annual operating and capital budgets.
2. The Board of Directors will have an approved budget available for execution no later than **November 15.**

**g. Approved Annual Operating & Capital Budget Implementation**

Once the annual operating and capital budget is approved, the CEO will execute the budgets within the overall budget totals. Any proposed additions to the annual budget after approval by the Board of Directors will be forwarded to the Board for authorization prior to execution.

**B. Limitations**

1. The CEO is guided by references cited in the Policy Statement in developing dues and assessments. These should not be exceeded unless approved by the Board of Directors.
2. The CEO is guided by the development process cited above in paragraph three. From time-to-time the CEO will apprise the Board of Directors of the status of the budgets being developed.
3. Once approved by the Board of Directors, the CEO may execute the annual budgets within the overall budgeted amount.
4. The CEO may shift amounts between line items in the Board-approved budget to meet current or anticipated needs. Any line item that is decreased or increased by more than 15% or \$15,000, whichever is greater, should be reported to the Board of Directors.
6. The status of reserve funds will be reported in the annual budget development process. After Board approval, reserve funds will be an integral part of GVR budget development. The CEO is encouraged to bring

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## SECTION II – MEMBERSHIP

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

#### A. General

All Fees, Annual Dues, Service Fees and Delinquency charges shall be established each year by the approval of a majority of Directors in office. Special assessments for any purpose shall require approval of a majority of Directors in office, and a vote of at least a majority of the Members voting.

#### B. Annual Dues

1. The Board shall establish membership dues for each fiscal year **on or before December 10**. In establishing annual dues, the Fiscal Affairs Committee and the Board of Directors shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increase/decrease for the current year. To the extent permitted by law, the Committee and Board may deviate from this formula in establishing the dues after taking into consideration all relevant factors including, but not limited to, projected operating costs, maintenance projects, and appropriate reserves. These dues are payable on or before January 1 of that same fiscal year.

2. Upon the initial purchase of a property in a deed-restricted subdivision, the annual dues shall be prorated as of the date of closing. When an owner of property in a subdivision which is not master deed restricted subjects his property to a GVR deed restriction, the annual dues shall be prorated as of the date the property is made subject to the voluntary deed restriction.

3. Commercial Residential/Care Facility (CRCF) membership properties shall pay annual dues in an amount equal to the then-current annual dues multiplied by the number of units in the facility, regardless of whether or not such units are occupied. 9

#### C. Annual Dues Installment Payment Plan

1. Members will be notified that if they have difficulty making the single payment they can request and submit a payment plan request form.

2. There will be a \$10.00 set-up fee due at the time the payment plan is set up.

3. There will also be a \$24.00 payment plan fee charged over the period of the plan.

4. The past and current month's payments will be charged and must be paid at the time the plan is set up.

5. If a member requests a payment plan, his/her account may be subject to all applicable finance charges.

6. Members will only be able to use the payment plan with an Automatic Clearing House (ACH) Debit.



7. At the time of the request, future finance charges will stop unless the member defaults on payments. If the account is defaulted, all past applicable finance charges that would have been charged will become due.
8. Members may continue to use GVR facilities and attend programs if they are current with their payments.

#### **D. Initial Fees**

1. The Initial Fee may be adjusted annually by the Board based on the Department of Labor CPI (Consumer Price Index), "all items, Western Urban Region," rounded to the nearest dollar amount.
2. The initial fee is due at the time of the closing of escrow on a deed restricted membership property or at the time an owner elects to deed-restrict property for membership.
3. An owner paying an Initial Fee shall be exempt from paying the Property Acquisition Capital Fee on that property.

#### **E. Property Acquisition Capital Fee – updated 8/28/2019**

1. Upon transfer of title to a GVR membership property, the new owner shall pay a Property Acquisition Capital Fee.
2. The GVR Member is entitled to a refund of the Property Acquisition Capital Fee if the titleholder(s) own a single GVR membership property, and held title to a single GVR membership property within 365 days prior.
3. When acquiring one or more additional GVR membership properties, the new the new owner shall pay the Property Acquisition Capital Fee for each such additional property, except for transfer of title, as described in #2 of this section E.
4. Revenue from the Property Acquisition Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.

#### **F. Other Fees updated 12/17/2015**

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

1. The Board has established fees for services:
  - a) Transfer Fees: There shall be a charge for the processing of the transfer of a membership upon the transfer of title to a membership property.
  - b) Tenant Fees: Upon application, tenant cards shall be issued to a person leasing GVR membership property. There will be a charge for a tenant card.
2. The authority to establish and modify operational fees is delegated to GVR Administration as part of the ongoing day-to-day management of the organization. Such fees fall in the following broad categories.
  - a) Programmatic Fees: These fees are established to provide cost recovery of direct expenses related to entertainment, participation, and instructional programs.
  - b) Facility Fees: These fees are established to provide cost recovery related exclusively to the use of facility space and/or equipment by outside groups and

member usage beyond the basic services of GVR. Such fees include, but are not limited to, reservation fees, time incremental facility usage fees, equipment fees, custodial and technician fees, catering. Damage deposits are required.

c) Administrative Fees: These fees are established to provide cost recovery for miscellaneous services provided to members and outside parties. Such fees include but are not limited to, photocopying, facsimile, computer, facility keys, card replacement and publications.

d) Processing Fees: These fees are established to provide cost recovery for labor and overhead generated through business transaction to members and outside parties. Such fees will be attached to all transactional business including, but not limited to, member dues, programs, instructional courses, and rentals

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## **SECTION V – FISCAL/ACCOUNTING**

### **SUBSECTION 1. FISCAL POLICY – GENERAL**

#### **A. Definitions**

##### **1. Contributed Capital Assets:**

a. Contributed property is to be recorded at estimated fair market value on the date of the transfer.

b. Fair market value can be determined by current or recent appraisal or the donor's cost may be used if recently incurred.

c. Contributed property will be recorded as a contributed capital asset and will be subject to Generally Accepted Accounting Principles (GAAP).

**2. Capital Assets:** Capital assets shall have a value of at least \$5,000 and a useful life expectancy of more than one year.

**3. Operating:** Operating is defined as everyday business, activities and regular maintenance of facilities.

##### **4. Capital Projects:**

a. Those projects whose costs exceeds \$5000.

b. Capital Replacement: A replacement is defined as anything that has to be replaced including major refurbishments such as the floor, the walls, the roof, the doors, etc., down to the fixture replacement.

c. Capital Addition: An addition is anything that is added on to the square footage and/or adds to the value of the property.

**5. Depreciation:** Depreciation is defined as a decline (as from age or wear and tear) in the value of a capital asset

#### **B. Accounting**

The Board shall ensure that the fiscal affairs of the corporation are managed in accordance with Generally Accepted Accounting Principles, and that its financial strength is adequate for current needs and its long range strategies.

### **C. Purchasing**

The selection of, and contracting with, vendors for supplies and services is the responsibility of the Chief Executive officer in accordance with the financial limits established by the Board.

### **D. Investment Policy – updated 4/24/2019**

GVR Investment Policy is located in Appendix 1, BOARD POLICIES, SUBSECTION 3. GVR INVESTMENT POLICY.

### **F. Revolving Line of Credit**

1. A revolving line of credit in the amount of four hundred thousand dollars (\$400,000) may be established by the Chief Financial Officer (CFO).
2. Any usage of the revolving line of credit by the Chief Financial Officer must have prior approval by the Chief Executive officer, the Fiscal Affairs Committee and the Board.
3. The Chief Financial Officer shall institute a usage form stating the amount to be used, the purpose/reason for the usage, the balance of the revolving line of credit, including the amount currently being requested for use and the estimated payback period to bring the balance back to its original amount of four hundred thousand dollars (\$400,000). This usage form will show the approval signatures of the Chief Executive officer, Treasurer and President of the Board.

### **G. Member Payment Transactions**

1. A member payment transaction can be defined as any purchase (dues, program, concert, instructional course or rental) that takes place involving the exchange of cash, check, debit, or credit card with a member.
2. Member payment transactions are subject to a processing fee.
3. Forms of payment accepted include:
  - a. Legal Tender (Cash)
  - b. Checks payable to Green Valley Recreation in U.S. dollars.
  - c. Money Orders or Cashier's Checks
  - d. Traveler's Checks
  - e. Credit or Debit Cards
    1. Visa
    2. Master Card
  - f. Automatic Clearing House (ACH)



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**SECTION VI – BOARD/BOARD COMMITTEES**  
**SUBSECTION 4. BOARD COMMITTEES’ DUTIES AND RESPONSIBILITIES**

**C. Duties and Responsibilities of Board Committees**

**2. Fiscal Affairs Committee**

**a. Membership Considerations:**

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.

**b. Responsibilities:**

1. Review and assist in presenting the annual budgets to the Board. Such review will consist of recommending Reserve, the disposition of the Revenue/Expense Adjustment, and the amount of the Capital Fund Cash Account.
2. Monitor progress toward achievement of annual fiscal objectives.
3. Review financial statements (operations, capital analysis and balance sheet), and report to the Board, as appropriate.
4. Coordinate with the GVR Audit Committee.
5. Review and recommend policy to assure financial control.
6. Recommend the establishment and the amount of tenant fees, membership dues, initial fees, transfer fees, and assessments.
7. Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee for Board approval.
8. Coordinate with the Planning and Evaluation Committee as it relates to proposed expenditures for capital improvements.

**3. Planning and Evaluation Committee (updated 9/27/2016)**

**a. Membership Considerations:**

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.

**b. Responsibilities:**

1. To review and discuss on an annual basis, the capital evaluation requirements, and any documents required for club and miscellaneous capital funding requests submitted to the P&E Committee.
2. To be knowledgeable of the Strategic Plan, Long-term Capital Plan, and Center Assessment Survey to ensure that all capital-funding recommendations comply with these plans.
3. To identify issues and trends that could contribute to the update of aforementioned plans.

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**SECTION VII – CHIEF EXECUTIVE OFFICER**

**SUBSECTION 1. AUTHORITY OF THE CHIEF EXECUTIVE OFFICER**

**A. Fiscal Authority**

In order to conduct business activities consistent with the mission of GVR, financial stability and integrity must be maintained. The Chief Executive Officer shall:

- 1. In conjunction with the Chief Financial Officer, develop the annual budget for Board approval which ensures maintenance of facilities, availability of member programs, and operation of the Corporation in accordance with the 5 year plan.
- 2. Manage expenditures within the approved budget without incurring indebtedness.
- 3. Develop and maintain sound financial practices.
- 4. Oversee the fiscal management of GVR, including authority to approve financial matters, implement fiscal controls, execute reoccurring operational contracts and leases, fund expenditure approvals, and maintain accurate accounts of every financial transaction of GVR.
- 5. Set rental rates for not-for-profit organizations not affiliated with GVR.
- 6. Seek approval of all expense reports of the Chief Executive Officer by the Board Treasurer.

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**Bylaws of Green Valley Recreation, Inc.**

**Amended by GVR Membership – March 25, 2020**

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**ARTICLE III— DUES AND ASSESSMENTS**

**Section 1: Establishment of Membership Dues and Operating and Capital Budgets**

Membership dues and the operating and capital budgets shall be established by the Board of Directors. All membership dues shall be based on a 12-month period, but will be prorated monthly for members joining in the 12-month period.

**Section 2: Procedure**

In establishing membership dues and the Operating and Capital Budgets, the Board of Directors shall be guided by the actual expense of operating the recreational facilities of The Corporation, including a reasonable reserve for Capital Replacements with the objective of operating the facilities on a self-sustaining basis.

**Section 3: Standard of Service**

The Board of Directors shall establish and maintain a standard of service for the recreational facilities of The Corporation which best serves the overall good of the organization. There shall be no decrease of services presently provided nor addition of any new services, either of which should exceed 5 percent (5%) of the existing Operating Budget except as approved by a majority of the members voting. The only exception to the above shall be services relating to new facilities provided by and at the expense of a developer.

**Section 4: Announcement by the Board of Directors**

On or before December 10th of each year, the Board of Directors shall announce the schedule of membership dues and the Operating and Capital Budgets for the next calendar year.

**Section 5: Assessments**

The Board of Directors is not authorized to impose a special assessment for any purpose, unless such an assessment is approved in advance, by a majority of the members voting. No special assessment or other levy shall be made against Fairfield-Green Valley,

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**Article VI POWERS, DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

**Section 2: Limits of Authority and Indebtedness**

The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

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**ARTICLE VII – OFFICERS AND CHIEF EXECUTIVE OFFICER**

**D. Treasurer.**

The Treasurer shall exercise an oversight role of the financial affairs of The Corporation to ensure that financial records are kept in accordance with generally accepted accounting standards. The Treasurer shall ensure that timely, accurate financial statements are presented to the Directors and that the financial records of The Corporation are audited in accordance with the provisions of these Bylaws. In the absence of the Treasurer, the Assistant Treasurer shall perform all the duties of the