



AGENDA

Fiscal Affairs Committee Meeting

Tuesday, May 18, 2021

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."

Finance Committee Members: Donna Coon, Treasurer and Chair, Steve Gilbert, Randy Howard, Nellie Johnson, Steve Reynolds, Chuck Soukup, Eric Sullwold, Larry Wolfe, Greg Wright, Attendees: David Webster, Liaison, Cheryl Moose, CFO, Mike Zelenak, President and Member ex officio, Scott Somers, CEO

1. Call to Order/ Roll Call/ Quorum?
2. Review/accept minutes from meeting of Apr 20, 2021.
3. Chair comments
4. Old Business
 - a) Financial Report April 2021
 - Housing Report – 2020 and 2021 thru April 30, 2021
 - 2021 Capital expenditure report thru April 2021
5. New Business
 - a) Status of Vos report/ Surplus motion for the Board
 - b) Status of Major Asset Replacement fund
 - c) Cost Increase Analysis

6. Member comments

7. Adjourn

Next Meeting – Monday, June 14, 1:30



Fiscal Affairs
Financial Report
As of April 30, 2021

The enclosed Financial Statements and supplemental schedules provide relevant information for April, 2021 and include the financial statements for April 30, 2021.

- The April 2021 Financial Statements are included on pages 1 through 5. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.
- The following table summarizes the April 30, 2021 total year Increase in Net Assets based on our 2021 Financial Statements:

Period	Operating Increase Net Assets	Unrealized Gain on Investments	Increase in Net Assets	Homes Sold	Income Over (Under) Budget	Expenses Over (Under) Budget
January 2021	\$111,671	-\$40,787	\$70,884	74	-\$129,120	-\$260,892
February 2021	\$114,688	-\$18,145	\$96,544	88	-\$ 27,517	-\$199,794
March 2021	\$113,826	-\$ 8,053	\$105,773	148	-\$ 30,208	-\$146,922
April 2021	\$99,154	\$237,311	\$336,465	138	-\$ 17,610	-\$94,857
Total YTD '21	\$439,339	\$170,326	\$609,665	448	-\$234,455	-\$702,465

- While the above table illustrates the performance for the year 2021 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds.
- For April, the Home Resales for the Month equaled 138 which is 74 more than the prior year April home sales (page 6). For January – April, 2021, GVR is 26% ahead in sales compared to last year.
- The April 2021 Statement of Financial Position (page 2) reports the Total Net Assets to be \$31,158,033 which is a \$609,741 increase for the year.
- The cash on hand is \$1,639,852 (page 2). When combined with Operational Cash Investments at JP Morgan, total Operational Cash equals a total of \$6,956,156 which is a \$397,314 decrease during April 2021.
- The Net Fixed Assets are \$17,518,664 as of April 30, 2021 (page 2). Total net closed out Capital Purchases for the year to date are \$178,937 (page 4).
- A summary of all of the Capital Purchases Budget is found on pages 7 through 12.

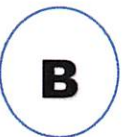




- Total Current Liabilities are \$5,283,449 (page 2).
- Designated Net Assets equal \$11,251,206 (detailed on pages 4 and 5) which reflects a net increase of \$202,480 for the month of April, 2021. This increase includes the Net Unrealized Gains/Losses on Designated Investments year to date that are a net gain of \$175,641 (page 4).
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$3,822,265 which is 6% under budget and 3% less than the prior year.
- Fees Income which includes Life Care Fees, Tenant Fees, Transfer Fees, and Other Fees category are \$118,404 under budget through April 30, 2021
- The total Capital Revenue is 2% over budget through April 2021. Included in this amount is a reduction allowance for future Property Acquisition Capital Fees that may be refunded.
- Most expense category amounts are under budget for April 2021 and the total expenses are \$3,382,926 which is \$702,465 (17%) under budget and 4% less than the prior year (page 3). The following is a summary of the amounts and percentage variance to budget for the year to date 2021.

Variance

- Facilities & Equip. \$429,218 28% Maint. Utilities & Major Projects all under.
- Program Expenses \$146,960 58% Recreational and Instructional contracts.
- Communications \$ 14,763 21% Printing & Communications under budget.
- Operational Expense \$ 49,654 27% Supplies and COVID exp. less than bud.
- Corporate Expenses \$ 55,067 25% Professional Fees and IT under budget.
- Personnel & Benefits \$ 6,803 0.4% On Budget.





Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for April 30, 2021. 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: April 30, 2021 and Dec 31, 2020

	April 30, 2021	Dec 31, 2020
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	1,639,852	4,558,345
Accounts Receivable	562,247	244,976
Prepaid Expenses	153,210	267,187
Designated Investments (Charles S./SBH)		
Emergency - Fund	1,063,434 (1)	993,416 (15)
MRR - Fund	8,881,281 (2)	7,874,717 (16)
Initiatives - Fund	1,306,492 (3)	1,114,873 (17)
Total Designated Investments (CS/SBK)	11,251,206 (4)	9,983,006 (18)
Undesignated Invest. (JP Morgan)	5,316,304 (5)	2,309,471 (19)
Investments	16,567,510 (6)	12,292,477 (20)
Total Current Assets	18,922,819	17,362,985
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	23,634,031	23,455,093
Sub-Total	41,651,115	41,472,178
Less - Accumulated Depreciation	(24,132,451)	(23,587,197)
Net Fixed Assets	17,518,664 (7)	17,884,981 (21)
Total Assets	36,441,483	35,247,966
LIABILITIES		
Current Liabilities		
Accounts Payable	504,543	781,728
Deferred Dues & Fees	4,636,414	3,685,092
Deferred Programs	8,420	43,933
Compensation Liability	134,072	188,920
Total Current Liabilities	5,283,449	4,699,673
TOTAL NET ASSETS	31,158,033 (8)	30,548,293 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	1,063,434 (9)	993,416 (23)
Maint - Repair - Replacement	8,881,281 (10)	7,874,717 (24)
Initiatives	1,306,492 (11)	1,114,873 (25)
Sub-Total	11,251,206 (12)	9,983,006
Unrestricted Net Assets	19,297,086	20,565,287
Net change Year-to-Date	609,741 (13)	-
Unrestricted Net Assets	19,906,827 (14)	20,565,287
TOTAL NET ASSETS	31,158,033	30,548,293



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 4 month period ending April 30, 2021

FY Budget Period: Jan 1, 2021 - Dec 31, 2021

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2020 YTD Actual	2021 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	2,249,851	2,315,694	65,844	3%	2,315,694	2,310,038	5,656	0%	6,930,115	4,614,420
LC, Trans., Crd Fees.	277,533	247,679	(29,854)	(11%)	247,679	366,083	(118,404)	(32%)	789,835	542,155
Capital Revenue	817,910	1,030,382	212,472	26%	1,030,382	1,006,252	24,130	2%	2,518,147	1,487,765
Programs	124,947	2,164	(122,783)	(98%)	2,164	142,037	(139,873)	(98%)	260,953	258,789
Instructional	210,486	63,946	(146,540)	(70%)	63,946	46,515	17,431	37%	206,133	142,187
Recreational Revenue	335,433	66,110	(269,323)	(80%)	66,110	188,552	(122,442)	(65%)	467,086	400,976
Investment Income	109,305	94,277	(15,028)	(14%)	94,277	76,341	17,936	23%	286,746	192,469
Advertising Income	60,245	20,765	(39,480)	(66%)	20,765	20,119	646	3%	71,257	50,492
Cell Tower Lease Inc.	13,613	14,983	1,370	10%	14,983	11,283	3,700	33%	38,378	23,395
Comm. Revenue	73,858	35,748	(38,110)	(52%)	35,748	31,402	4,346	14%	109,635	73,888
Other Income	48,662	32,214	(16,448)	(34%)	32,214	72,252	(40,038)	(55%)	91,433	59,219
Facility Rent	21,142	160	(20,982)	(99%)	160	5,800	(5,640)	(97%)	16,000	15,840
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	-	-	-	0%	-	-	-	0%	-	-
Other Revenue	69,803	32,374	(37,429)	(54%)	32,374	78,052	(45,678)	(59%)	107,433	75,059
Total Revenue	3,933,693	3,822,265	(111,428)	(3%)	3,822,265	4,056,720	(234,455)	(6%)	11,208,997	7,386,732
Expenses										
Major Proj.-Rep. & Maint.	73,689	147,302	(73,613)	(100%)	147,302	332,479	185,177	56%	598,359	451,057
Facility Maintenance	109,949	67,012	42,937	39%	67,012	125,378	58,366	47%	254,620	187,608
Fees & Assessments	(1,714)	12,947	(14,661)	856%	12,947	11,604	(1,343)	(12%)	42,919	29,972
Utilities	311,788	238,999	72,788	23%	238,999	359,499	120,500	34%	865,734	626,735
Depreciation	566,908	555,689	11,219	2%	555,689	600,253	44,564	7%	1,810,173	1,254,484
Furniture & Equipment	34,160	52,012	(17,851)	(52%)	52,012	63,924	11,912	19%	189,667	137,655
Vehicles	17,912	25,345	(7,433)	(41%)	25,345	35,387	10,042	28%	70,112	44,767
Facilities & Equipment	1,112,692	1,099,306	13,386	1%	1,099,306	1,528,524	429,218	28%	3,831,584	2,732,278
Wages, Benfts., PR Exp.	1,621,856	1,815,901	(194,044)	(12%)	1,815,901	1,813,255	(2,646)	(0%)	5,384,349	3,568,448
Conferences & Training	9,455	4,485	4,970	53%	4,485	13,934	9,449	68%	45,563	41,078
Personnel	1,631,312	1,820,386	(189,074)	(12%)	1,820,386	1,827,189	6,803	0.4%	5,429,912	3,609,526
Food & Catering	11,964	4,577	7,387	62%	4,577	14,818	10,241	69%	50,621	46,043
Recreation Contracts	303,351	61,788	241,563	80%	61,788	170,530	108,742	64%	391,912	330,125
Bank & Credit Card Fees	65,863	38,680	27,183	41%	38,680	66,657	27,977	42%	94,119	55,439
Program	381,178	105,045	276,133	72%	105,045	252,005	146,960	58%	536,652	431,607
Communications	33,887	34,404	(516)	(2%)	34,404	37,480	3,076	8%	107,185	72,781
Printing	29,484	19,719	9,765	33%	19,719	31,406	11,687	37%	105,170	85,451
Advertising	630	-	630	100%	-	-	-	0%	-	-
Communications	64,001	54,123	9,878	15%	54,123	68,886	14,763	21%	212,355	158,232
Supplies	62,128	75,915	(13,788)	(22%)	75,915	93,680	17,764	19%	264,531	188,616
Postage	8,165	2,442	5,723	70%	2,442	9,313	6,871	74%	18,258	15,816
Dues & Subscriptions	4,039	2,590	1,450	36%	2,590	5,863	3,274	56%	15,558	12,968
Travel & Entertainment	4,768	-	4,768	100%	-	2,230	2,230	100%	14,912	14,912
Other Operating Expense	50,994	56,123	(5,129)	(10%)	56,123	75,638	19,515	26%	249,238	193,115
Operations	130,094	137,070	(6,976)	(5%)	137,070	186,724	49,654	27%	562,496	425,426
Information Technology	20,915	7,709	13,206	63%	7,709	36,851	29,142	79%	86,509	78,801
Professional Fees	93,015	45,347	47,668	51%	45,347	75,107	29,761	40%	229,577	184,231
Commercial Insurance	107,007	104,066	2,941	3%	104,066	100,105	(3,961)	(4%)	287,000	182,934
Taxes	-	9,826	(9,826)	0%	9,826	10,000	174	2%	20,367	10,541
Provision for Bad Debt	-	49	(49)	0%	49	-	(49)	0%	-	(49)
Corporate Expenses	220,937	166,996	53,940	24%	166,996	222,063	55,067	25%	623,454	456,457
Expenses	3,540,214	3,382,926	157,288	4%	3,382,926	4,085,391	702,465	17%	11,196,452	7,813,526
Gross surplus(Rev-Exp)	393,479	439,339	45,860	12%	439,339	(28,671)	468,009	(1,632%)	12,544	(426,795)
Net. Gain/Loss on Invest.	(415,748)	170,326	586,074		170,326	-	170,326		-	(170,326)
Net from Operations	(22,268)	609,665	631,933	(2,838%)	609,665	(28,671)	638,335	(2,226%)	12,544	(597,121)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
 As of Date: April 30, 2021 and Dec 31, 2020

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	609,741 (13)	609,741	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,254,707)	-	-	1,048,192	206,515
Depreciation	-	555,689	(555,689)	-	-	-
Disposal of Fixed Assets	-	(10,435)	10,435	-	-	-
Purchase & Contributed Fixed Assets	-	(174,160)	178,937	-	(146,822)	142,045
Withdrawals	-	204,802	-	-	(43,531)	(161,271)
Allocations of Net Change components:						
Investment income	-	(81,268)	-	4,162	65,227	11,879
Investment Expenses	-	33,836	-	(2,705)	(27,473)	(3,658)
Net Gains (Losses) in Investments	-	(175,641)	-	68,562	110,970	(3,892)
Repairs and replacements	-	-	-	-	-	-
Net Change to April 30, 2021	609,741 (13)	(292,143)	(366,317)	70,018	1,006,563	191,619
Net Assets at, Dec 31, 2020	30,548,293 (22)	2,680,306	17,884,981 (21)	993,416 (23)	7,874,717 (24)	1,114,873 (25)
Net Assets as at, April 30, 2021	31,158,033 (8)	2,388,163	17,518,664 (7)	1,063,434 (9)	8,881,281 (10)	1,306,492 (11)
		19,906,827 (14)		11,251,206 (12)		

Footnotes refer to Statement of Financial Position and Statement of Activities



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2020 (at Market)	12,292,477 (20)	2,309,471 (19)	993,416 (15)	7,874,717 (16)	1,114,873 (17)
Changes since Jan 1, 2020:					
Principal additions	4,254,707	3,000,000	-	1,048,192	206,515
Investment income	93,415	12,147	4,162	65,227	11,879
Withdrawals	(209,579)	-	-	(190,353)	(19,226)
Investment Expenses	(33,836)	-	(2,705)	(27,473)	(3,658)
Net Change for 4 Months	4,104,707	3,012,147	1,456	895,593	195,510
Balance before Market Change at April 30, 2021	16,397,184	5,321,619	994,872	8,770,311	1,310,383
4 Months Net Change in Investments Gain/(Loss)	170,326	(5,315)	68,562	110,970	(3,892)
Balance at April 30, 2021 (at Market)	\$ 16,567,510 (6)	5,316,304 (5)	1,063,433.78 (1)	8,881,281 (2)	1,306,492 (3)

11,251,206 (12)

Footnotes refer to Statement of Financial Position and Statement of Activities

GVR MEMBER PROPERTIES MONTHLY REPORT

	2021	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
NEW MEMBERS		3	5	4	3									
Total Members		13,721	13,726	13,730	13,733	13,733	13,733	13,733	13,733	13,733	13,733	13,733	13,733	13,733
Members Last Year		13,658	13,664	13,666	13,669	13,680	13,682	13,686	13,693	13,697	13,702	13,707	13,718	13,718
PACF		76	92	146	139									453
Initial Fee		3	2	3	2									10
Transfer Fee (new build no Initial fee)		-	-	1	1									2
Transfer Fee (new build w/Initial fee)		3	5	3	2									13
Transfer Fee (estate planning)		1	1	1	-									3
Transfer Fee (resale)		74	88	148	138									448
Transfer Fee Non-Resale		8	6	4	3									21
Monthly Resales		74	88	148	138	-	-	-	-	-	-	-	-	448
Monthly Resales Last Year		76	91	141	64	92	98	74	107	72	110	72	112	1,109
YTD Resales		74	162	310	448	448	448	448	448	448	448	448	448	4,578
YTD Resales Last Year		76	167	308	372	464	562	636	743	815	925	997	1,109	1,109
Total Sales (new and resale)		77	93	152	141	-	-	-	-	-	-	-	-	463
Total Sales (new and resale) Last Year		84	97	143	67	103	100	78	114	76	115	77	123	1,177
PACF Refund		3	14	14	22									53

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

MRR Operating Expenditures

Fund		2021 Budget	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	YTD Operating Expenditure	Remaining Operating Budget
MRR	Office Computer Work Stations	20,598	395	-	542	-	-	-	-	-	-	-	-	-	937	19,661
	Audio/Visual															
	Facility & Maintenance Furniture & Equipment	238,436	-	7,231	24,500	11,862	-	-	-	-	-	-	-	-	43,593	194,843
Total		259,034	395	7,231	25,042	11,862	-	-	-	-	-	-	-	-	44,530	194,843

YTD CAPEX (Capital Expenditures)

Fund		Carry Over Budgeted	2021 Budget	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	YTD Capital Expenditure	Remaining Capital Budget
Operations	NRCP	198,000	205,000	237,659	-	-	-	-	-	-	-	-	-	-	-	237,659	165,341
	Clubs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Disposed Assets	-	-	-	-	(10,435)	-	-	-	-	-	-	-	-	-	(10,435)	10,435
Initiatives		75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MRR		-	1,488,373	10,173	7,955	64,680	8,833	-	-	-	-	-	-	-	-	91,640	1,396,732
Emergency		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1,693,373	247,832	7,955	54,245	8,833	-	-	-	-	-	-	-	-	-	318,865	1,572,508

Construction-In-Progress Cumulative Monthly Balance

Fund		2020 Balance	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Operations	NRCP	289,126	63,200	65,738	67,775	69,875	-	-	-	-	-	-	-	-
	Clubs	-	-	-	-	-	-	-	-	-	-	-	-	-
Initiatives		88,103	88,564	104,286	106,266	106,841	-	-	-	-	-	-	-	-
MRR		7,844	8,984	27,381	40,697	68,430	-	-	-	-	-	-	-	-
Emergency		-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Running Balance		385,073	160,749	197,405	214,738	245,146	-	-	-	-	-	-	-	-



Green Valley Recreation Inc 2021 Capital Expenditures

Fund 1 - Non-Reserve and Clubs Capital Projects

MRR Code	Micro Main Code	Fund	Dept	Cntr	Cntr Des	Description	Carry Over Budget	Budget 2021	Dec-2020 Carry Over	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Capitalized			
	GVR-02-2020/2021	1	0	GVR	Proj#	GVR-02-2020/2021 Facility Accessibility (FAC)	\$ 70,000	\$ 20,000	\$ 97,881	\$ 97,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,966			
	Pending	1	0	GVR		Prox readers and CCTV - Security & safety	\$ 13,000	\$ -	\$ 3,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
	Pending	1	0	GVR		CCTV for centers - security (General)	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
	Pending	1	0	GVR		Proximity Reader for Center - Security	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
	MSC-02-2019/2020	1	1	MSC		Member Services Center Renovation (MSC-02-2019/2020)	\$ 115,000	\$ -	\$ 131,082	\$ 139,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,694			
	These two Proj started in 2020. But Budgeted in 2021	1	1	MSC		Active Network LLC	\$ -	\$ 150,000	\$ 23,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
		1	1	MSC		Total E Software	\$ -	\$ -	\$ 33,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Non-Reserve Capital Projects							\$ 198,000	\$ 205,000	\$ 289,126	\$ 237,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,659			
Note: Center 0 or GVR means, this project involves several centers.																									
							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Clubs							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Disposed Assets							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,435)
Total Fund 1 (Clubs & NRC)							\$ 198,000	\$ 205,000	\$ 289,126	\$ 237,659	\$ -	\$ (10,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,224	



Green Valley Recreation Inc 2021 Capital Expenditures

Fund 2 - Initiatives Capital Projects

MRR Code	Micro Main Code	Fund	Dept	Cntr	Cntr Des	Description	Carry Over Budget	Budget 2021	Dec-2020 Carry Over	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Capitalized	
	SRS-21-2020	2		13	SRS	Clay Club (SRS-21-2020)	\$ 75,000	\$ -	\$ 88,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Fund 2 (Initiatives)							\$ 75,000	\$ -	\$ 88,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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Green Valley Recreation Inc 2021 Capital Expenditures

Fund 3 - MRR Capital Projects

MRR Code	Micro Main Code	Fund	Dept	Cntr	Cntr Des	Description	Carry Over Budget	Budget 2021	Dec-2020 Carry Over	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
010-28000-134	3	1	MSC	28000	Water System 134 - Backflow Valves	4" Backflow	\$	8,330	\$	-	\$	5,440	\$	-	\$	-	\$	-	\$	-	\$	-
010-25000-400	3	1	MSC	25000	Flooring 400 - Tile	1,096 sf Floors	\$	12,401	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
010-22000-200	3	10	MSC	22000	Office Equipment 200 - Computers, Misc.	5 IT Servers (20%)	\$	12,764	\$	7,844	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
800-22000-100	3	1	MSC	22000	Office Equipment 100 - Miscellaneous	Facility Maintenance Shop Contex Scanner	\$	6,619	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
030-25000-220	3	2	EC	25000	Flooring 220 - Carpeting	850 Sq. Yds. East Center Carpet	\$	33,979	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
030-25000-610	3	2	EC	25000	Flooring 610 - Vinyl	160 Sq. Yds. Art Room, Lobby, Kitchen	\$	6,336	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
030-24600-100	3	2	EC	24600	Safety / Access 100 - Fire Equipment	Alarm & Sprinkler System	\$	19,384	\$	-	\$	7,225	\$	-	\$	-	\$	-	\$	-	\$	-
030-24500-300	3	2	EC	24500	Audio / Visual 300 - PA System	Sound Rack- Sound System	\$	7,553	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
090-12000-758	3	4	ABS	12000	Pool 758 - Equipment: Replacement	Pool & Spa Equipment (50%)	\$	17,630	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
020-28000-158	3	5	WC	28000	Water System 158 - Backflow Valves	4" Backflow	\$	7,197	\$	-	\$	5,631	\$	-	\$	-	\$	-	\$	-	\$	-
020-25000-210	3	5	WC	25000	Flooring 210 - Carpeting	448 Sq. Yds. West Center Carpet	\$	17,909	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
020-24500-400	3	5	WC	24500	Audio / Visual 400 - Stage Lights	Stage Lighting	\$	10,183	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
020-24000-504	3	5	WC	24000	Furnishings 504 - Miscellaneous	500 Auditorium Unpadded Chairs	\$	30,750	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
020-23000-204	3	5	WC	23000	Mechanical Equipment 204 - HVAC	2 Rooftop Carrier Units - 2006	\$	52,531	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
020-12000-730	3	5	WC	12000	Pool 730 - Equipment: Replacement	Pool & Spa Equipment (50%)	\$	26,836	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
020-08000-550	3	5	WC	08000	Rehab 550 - Operable Wall/Partition	320 sf Auditorium/Room 1	\$	14,483	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
120-02000-460	3	6	CP1	02000	Concrete 460 - Pool Deck	6,128 sf Pool/Spa Area Concrete Repair (8%)	\$	11,472	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
120-12000-660	3	6	CP1	12000	Pool 660 - Deck: Re-Surface	6,128 sf Pool/Spa Deck Coating	\$	52,021	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
130-20000-260	3	7	CP2	20000	Lighting 260 - Pole Lights	8 Shuffleboard Lights	\$	10,862	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
130-12000-774	3	7	CP2	12000	Pool 774 - Equipment: Replacement	Pool & Spa Equipment (50%)	\$	20,041	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
130-05000-348	3	7	CP2	05000	Roofing 348 - Low Slope: Vinyl	53 Squares- Pool Building Roofs	\$	30,626	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
130-12000-666	3	7	CP2	12000	Pool 666 - Deck: Re-Surface	4,933 sf Pool/Spa Deck Coating	\$	41,876	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
050-25000-244	3	8	DH	25000	Flooring 244 - Carpeting	300 Sq. Yds. Clubhouse Carpet	\$	10,195	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
050-14000-740	3	8	DH	14000	Recreation 740 - Billiard Table	5 Billiards Room Tables	\$	44,153	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
050-12000-742	3	8	DH	12000	Pool 742 - Equipment: Replacement	Pool & Spa Equipment (50%)	\$	27,335	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
050-08000-324	3	8	DH	08000	Rehab 324 - Restrooms	2 Auditorium Lobby Restrooms	\$	31,519	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
050-04500-200	3	8	DH	04500	Decking/Balconies 200 - Resurface	1,778 sf Second Floor Deck	\$	28,020	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
050-14000-140	3	8	DH	14000	Recreation 140 - Sauna: Wood Kit	Sauna	\$	6,461	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
110-05000-616	3	9	MV	05000	Roofing 616 - Pitched: Tile	39 Squares- Pool Building Roof	\$	26,633	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
100-05000-612	3	10	CV	05000	Roofing 612 - Pitched: Tile	13 Squares- Pool Building Roof	\$	8,878	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
100-87654-648	3	10	CV	87654	648 - Deck: Re-Surface	4,748 sf Pool/Spa Deck Coating	\$	40,306	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
100-13000-142	3	10	CV	13000	Spa 142 - Resurface	Spa	\$	7,354	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
060-25000-450	3	11	CH	25000	Flooring 450 - Tile	6,475 sf Clubhouse Walls & Floors	\$	88,436	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
060-23000-220	3	11	CH	23000	Mechanical Equipment 220 - HVAC	Carrier Units - 2007	\$	-	\$	-	\$	8,550	\$	-	\$	-	\$	-	\$	-	\$	-
060-23000-340	3	11	CH	23000	Mechanical Equipment 340 - HVAC	Rooftop Carrier Unit #5- 2005	\$	14,000	\$	-	\$	8,550	\$	-	\$	-	\$	-	\$	-	\$	-
060-23000-364	3	11	CH	23000	Mechanical Equipment 364 - HVAC	Rooftop Carrier Unit #10- 2006	\$	14,000	\$	-	\$	8,740	\$	-	\$	-	\$	-	\$	-	\$	-
060-08000-224	3	11	CH	08000	Rehab 224 - Locker Rooms	2 Men's, Women's & Outdoor Shower	\$	165,789	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
060-08000-330	3	11	CH	08000	Rehab 330 - Restrooms	2 Restrooms	\$	73,701	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
060-03500-130	3	11	CH	03500	Painting: Interior 130 - Building	22,750 sf All Interior Spaces	\$	19,360	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
040-23000-612	3	12	LC	23000	Mechanical Equipment - Water Heater	Domestic Solar Water Heater	\$	-	\$	-	\$	11,144	\$	-	\$	-	\$	-	\$	-	\$	-
040-25000-740	3	12	LC	25000	Flooring 740 - Hardwood Floors	2,925 sf Agave & Ocotillo Floor- Replace	\$	69,483	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
040-24600-210	3	12	LC	24600	Safety / Access 210 - Fire Control Misc	Fire Alarm System	\$	19,384	\$	-	\$	-	\$	8,833	\$	-	\$	-	\$	-	\$	-
040-12000-738	3	12	LC	12000	Pool 738 - Equipment: Replacement	Pool & Spa Equipment (50%)	\$	24,445	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
040-12000-416	3	12	LC	12000	Pool 416 - ADA Chair Lift	2 Pool & Spa ADA Chairs	\$	9,956	\$	-	\$	7,955	\$	-	\$	-	\$	-	\$	-	\$	-
040-01000-320	3	12	LC	01000	Paving 320 - Asphalt: Overlay w/ Interlayer	26,000 sf North Parking Lot	\$	46,984	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
070-27000-780	3	13	SRS	27000	Appliances 780 - Miscellaneous	10 Kitchen Appliances (33%)	\$	12,341	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
070-24600-240	3	13	SRS	24600	Safety / Access 240 - Fire Control Misc	Fire Alarm System	\$	32,307	\$	-	\$	-	\$	9,400	\$	-	\$	-	\$	-	\$	-
070-24000-600	3	13	SRS	24000	Furnishings 600 - Miscellaneous	Anza Room Furniture	\$	57,928	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
070-04000-600	3	13	SRS	04000	Structural Repairs 600 - Metal Railings	1,410 lf Deck, Stair & Bridge Railings (50%)	\$	23,932	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
070-13000-130	3	13	SRS	13000	Spa 130 - Resurface	Spa	\$	6,619	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
080-25000-470	3	14	CR	25000	Flooring 470 - Tile	2,231 sf Clubhouse Walls & Floors	\$	28,831	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
080-12000-412	3	14	CR	12000	412 - ADA Chair Lift	2 Pool & Spa ADA Chairs - No in original 2021 Budget	\$	-	\$	10,173	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
080-12000-754	3	14	CR	12000	Pool 754 - Equipment: Replacement	Pool & Spa Equipment (50%)	\$	21,871	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
800-30000-848	3	15	FMB	30000	Miscellaneous 848 - Maintenance Truck	2011 Ford Ranger- #27	\$	36,772	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
800-30000-824	3	15	FMB	30000	Miscellaneous 824 - Maintenance Truck	2011 Ford F150 Pickup- #18	\$	33,942	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
800-30000-700	3	15	FMB	30000	Miscellaneous 700 - Trailer	Load Trail	\$	5,657	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Fund 3 (MRR-Capital Expenditures)							-	\$ 1,488,373	\$ 7,844	\$ 10,173	\$ 7,955	\$ 64,680	\$ 8,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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**Green Valley Recreation Inc
2021 Capital Expenditures
Fund 3 - MRR Operating Expenses**

MRR Operating Expenses																									
MRR Code	Micro Main Code	Fund	Acct	Cntr	Dept	Cntr Des	Description	Budget	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Expenseed	Balance		
010-01000-100		3	5126	1	51	MSC	01000 - Paving 100 - Asphalt: Sealing 27,762 sf Parking Lots- Seal, Stripe	\$ 5,833	-	-	-	-	2,642	-	-	-	-	-	-	-	-	-	2,642	3,191	
030-03500-112		3	5126	2	51	EC	03500 - Painting: Interior 112 - Building 17,350 sf All Interior Spaces	\$ 14,765	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,765	
030-17500-210		3	5126	2	51	EC	17500 - Basketball / Sport Court 210 - Seal & Striping 18,200 sf (8) Pickleball Courts	\$ 13,227	-	-	-	9,700	-	-	-	-	-	-	-	-	-	-	9,700	3,527	
140-02000-472		3	5126	3	52	ABN	02000 - Concrete 472 - Pool Deck 4,523 sf Pool/Spa Area Concrete Repair (6%)	\$ 6,141	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,141	
090-01000-147		3	5126	4	51	ABS	01000 - Paving 147 - Asphalt: Sealing 15,000 sf 2020 Addition Area (2021 Only)(nr:1)	\$ 2,614	-	-	-	-	2,335	-	-	-	-	-	-	-	-	-	2,335	279	
090-02000-442		3	5126	4	52	ABS	02000 - Concrete 442 - Pool Deck 5,565 sf Pool/Spa Area Concrete Repair (5%)	\$ 6,297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,297	
020-03500-106		3	5126	5	51	WC	03500 - Painting: Interior 106 - Building 24,000 sf All Interior Spaces	\$ 20,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,424	
020-17000-100		3	5126	5	51	WC	17000 - Tennis Court 100 - Reseal 43,200 sf (6) Tennis Courts	\$ 29,628	-	-	-	14,800	-	-	-	-	-	-	-	-	-	-	-	14,800	14,828
050-03500-124		3	5126	8	51	DH	03500 - Painting: Interior 124 - Building 26,950 sf All Interior Spaces	\$ 22,935	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,935	
050-05000-946		3	5126	8	51	DH	05000 - Roofing 946 - Coating 13,700 sf Low Slope Roof Recoating	\$ 14,235	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,235	
040-03500-118		3	5126	12	51	LC	03500 - Painting: Interior 118 - Building 21,900 sf All Interior Spaces	\$ 18,637	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,637	
040-02000-412		3	5126	12	52	LC	02000 - Concrete 412 - Pool Deck 4,731 sf Pool/Spa Area Concrete Repair (7.5%)	\$ 8,030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,030	
070-03500-136		3	5126	13	51	SRS	03500 - Painting: Interior 136 - Building 35,500 sf All Interior Spaces	\$ 30,211	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,211	
070-02000-430		3	5126	13	52	SRS	02000 - Concrete 430 - Pool Deck 5,975 sf Pool/Spa Area Concrete Repair (6%)	\$ 10,330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,330	
080-03000-406		3	5126	14	51	CR	03000 - Painting: Exterior 406 - Wrought Iron 614 lf Metal Fencing & Railings	\$ 6,251	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,251	
080-03500-142		3	5126	14	51	CR	03500 - Painting: Interior 142 - Building 26,200 sf All Interior Spaces	\$ 22,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,296	
200-01000-170		3	5126	16	51	GPC	01000 - Paving 170 - Asphalt: Sealing 39,629 sf Parking Lot	\$ 6,905	-	-	-	-	6,885	-	-	-	-	-	-	-	-	-	6,885	20	
010-22000-240		3	5166	1	10	MSC	22000 - Office Equipment 240 - Computers, Misc. Office Computer Work Stations	\$ 18,963	-	395	-	542	-	-	-	-	-	-	-	-	-	-	937	18,025	
040-27000-800		3	5180	12	51	LC	27000 - Appliances 800 - Miscellaneous - 13 Kitchen Appliances (33%)	\$ -	-	-	7,231	-	-	-	-	-	-	-	-	-	-	-	7,231	(7,231)	
070-24500-160		3	5181	13	48	SRS	24500 - Audio / Visual 160 - Projector 3 Projectors (33%)	\$ 1,313	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,313	
Total Fund 3 MRR Operating Expenses								\$ 259,034	-	395	7,231	25,042	11,862	-	-	-	-	-	-	-	-	-	44,530	214,504	

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Green Valley Recreation Inc
2021 Capital Expenditures

Construction In Progress Cumulative Monthly Balance

Table with columns: MRR Code, Micro Main Code, Fund Dept Cntr, Cntr Des, Description, Carry Over Budget, Budget 2021, Dec-2020 Carry Over, Jan-21, Feb-21, Mar-21, Apr-21, May-21, Jun-21, Jul-21, Aug-21, Sep-21, Oct-21, Nov-21, Dec-21. Rows include various project entries like 'GVR-02-2020/20: 1 0 GVR Proj# GVR-02-2020/2021 Facility Accessibility (FAC)' and '010-28000-134 3 1 MSC 28000 - Water System 134 - Backflow Valves 4" Backflow'.

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Green Valley Recreation, Inc.

EXHIBIT

Prepared By: Cheryl Moose, CFO

Meeting Date: May 19, 2021

Presented By: David Webster,
Director of Accounting

Consent Agenda: No

Originating Committee / Department: Finance

Action Requested: Discuss and consider future approval of an accounting calculation to determine the financial surplus/loss from GVR operations at year end.

Strategic Plan Goal: NA

Background Justification: In past years there have been differences of opinion on how to determine if a surplus or loss from operations exists at year end. Establishing this Board-approved calculation will ensure that the surplus/from operations will be developed on an accurate and consistent basis.

Independent CPA, Susan Vos, will present her recommendation on the calculation, which is based on Generally Accepted Accounting Principles (GAAP), and her recommendation on presenting material, such as the Budget document and quarterly financial reports, on a cash basis.

Fiscal Impact: None

Board Options:

- 1) At the next regular Board meeting, accept and approve Susan Vos' recommendations for calculating the year end surplus/loss, as presented in the accompanying documents.
- 2) At the next regular Board meeting, approve a different calculation for determining the year end surplus/loss.
- 3) Provide different direct to staff.

Staff Recommendation:

Option #1

- 1)

Recommended Motion:

NA

Attachments:

Susan Vos Report

Surplus calculation from Susan Vos

Operating Surplus Calculation

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

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

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

GVR Operating Surplus Calculation:

	12/31/2020	
a	\$ 1,237,658.00	Change in Net Assets per audited FS
b	-	Less: Unrealized gains/add: unrealized losses on operating accounts
c	(986,599.00)	Less: Net investment income on reserve accounts/investments
d	1,668,559.00	Add: Depreciation Expense
e	(1,819,429.00)	Less: Current year Capital Asset purchases (including CIP)
f	1,547,839.00	Add: Reserve funds used for capital asset purchases
g	293,302.00	Add: Expenses paid with reserve cash
h	(1,497,215.00)	Less: Funding of reserves during year
i	(63,913.00)	Any other non cash item (i.e. in-kind capital donations)
	<u>\$ 380,202.00</u>	Operating Cash Surplus

Statement of Functional Expenses from audited FS
Statement of Cash Flows from audited FS
see below calculation from MMR Operating Expenditures report
from GVR Cash Requirements Report
included in revenue, but is non-cash

f: reserve funds used for capital asset purchases in 2020	Outlays of Cash for Capital Assets
MMR (from YTD Capital Expenditures)	494,583.00
Initiatives(purchases plus in-kind donation) from YTD Capital Expenditures	<u>2,266,117.00</u>
	2,760,700.00
Reimburse Operations for Construction in Process (previous year cash outlay)	(1,148,948.00)
Donated Cap Asset (non-cash, increased capital assets but no cash out)	(63,913.00)
2020 Reserve Cash outlay for capital assets	<u>1,547,839.00</u>

	<u>Net Investment Income</u>	
	Reserves	Total
<i>Obtained from audited financial statements</i>		
Unrealized gain/loss	766,032.00	766,032.00
Realized loss	34,101.00	(140,314.00)
Investment Fees	(65,265.00)	(81,888.00)
Interest & Dividends	251,731.00	295,527.00
	<u>986,599.00</u>	<u>839,357.00</u>



GREEN VALLEY RECREATION, INC.

MEMO

TO: FAC & IC
FROM: David Webster
DATE: May 18, 2021
CC: Cheryl Moose
RE: Major Assets Replacement (MAR) Fund

In June 2020, the FAC committee recommended that GVR work towards establishing a Major Assets Replacement (MAR) fund for ageing fixed assets that are not included in the current Maintenance Repair and Replacement (MRR) fund. This decision was prompted by the experience of addressing the East Center pool that was closed down due to a leak coupled with the fact that there are several pools that have been in service for a significant amount of time. Since the MRR does not include major fixed assets such as pools and buildings, FAC wanted staff to discuss with Browning & Associates, the options for establishing a study and a fund to address this need. In general, Robert Browning, with Browning Associates, indicated it is entirely up to GVR whether we expand the study and create a fund for Major Assets.

The FAC and IC are now asking staff to make a recommendation on the matter. The following recommendation will incorporate the \$380,201 actual surplus from 2020 and a \$169,553 line item that was included in the 2021 Budget for MAR. The simplest and most straightforward approach would be to simply define and add the Major Assets to the current Reserve study. Staff estimates that this would increase the annual contribution to the MRR reserve by \$250,000 to \$350,000 per year. The 2020 surplus and 2021 budget would cover a total of \$549,754. This would be the easiest method.

However, given the environment of the Board, and the Board's desire to track funds separately, Staff also believes that it would be more useful that the funds for this MAR fund



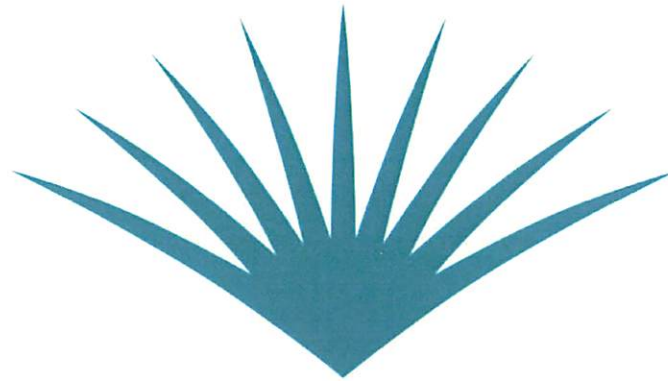
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be held in a separate investment account. To do this, Browning would have to segregate the MAR projects from the regular MRR projects in the report. Annual contributions would be deposited separately to each account. The MAR Reserve Account could have its own Investment Policy Statement and earnings would be credited to the account and disbursements would be issued directly from the MAR account much like they are currently being issued from the existing reserve accounts.

Since the Reserve Study is now being updated by Facilities, it is a good time to initiate the following process:

- Request Facilities Department recommendations for the MAR.
- Work with Browning to define the scope of the MAR (pools, spas, building).
- Discuss with Browning the options to consolidate or separate the MRR and MAR in one study.

The intent of this memorandum is to move the process forward in the best manner possible.



GVRTM

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Overview

The goal of this presentation is to provide an analysis of the growth in GVR personnel expenses to determine the rate of growth. The following analysis is based on audited expense amounts.

Total Expenses

GVR analyzes expense increases in 3- and 5-year increments and they are as follows:

TOTAL EXPENSES:	Total	Annual	<u>Remove CEO Contract Buyout</u>		
			Total	Annual	CPI
3 Year increase (2017-20)	10.3%	3.4%	<u>6.5%</u>	2.2%	<u>7%</u>
5 Year increase (2015-20)	26.5%	5.3%	<u>22.2%</u>	6.5%	<u>9%</u>

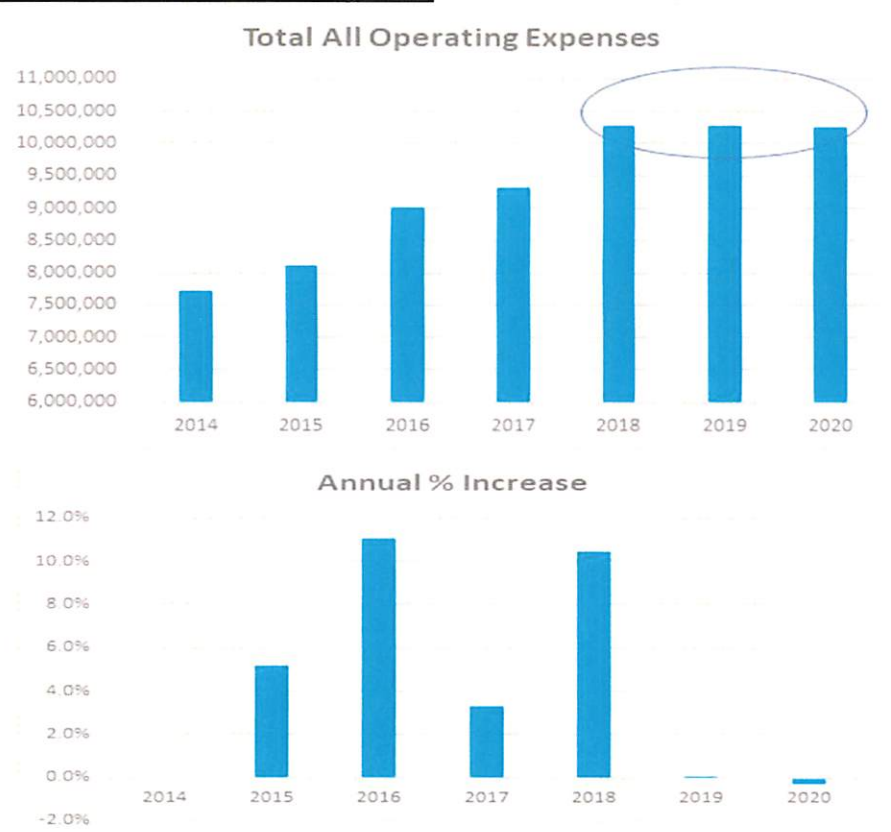
In 2014, GVR initiated a concerted effort to move GVR from a simpler and more informal business to a more professionally managed organization which included hiring additional staff and initiating an MRR study. A 6-year analysis (2014-2020) is as follows:

	Total	Annual	<u>Remove CEO Contract Buyout</u>		
			Total	Annual	CPI
6 Year increase (2014-20)	33.1%	5.5%	28.6%	4.8%	10%

The personnel expenses have grown 28.6% when the CEO Contract Buyout is removed. The grand total increase is 33.1%

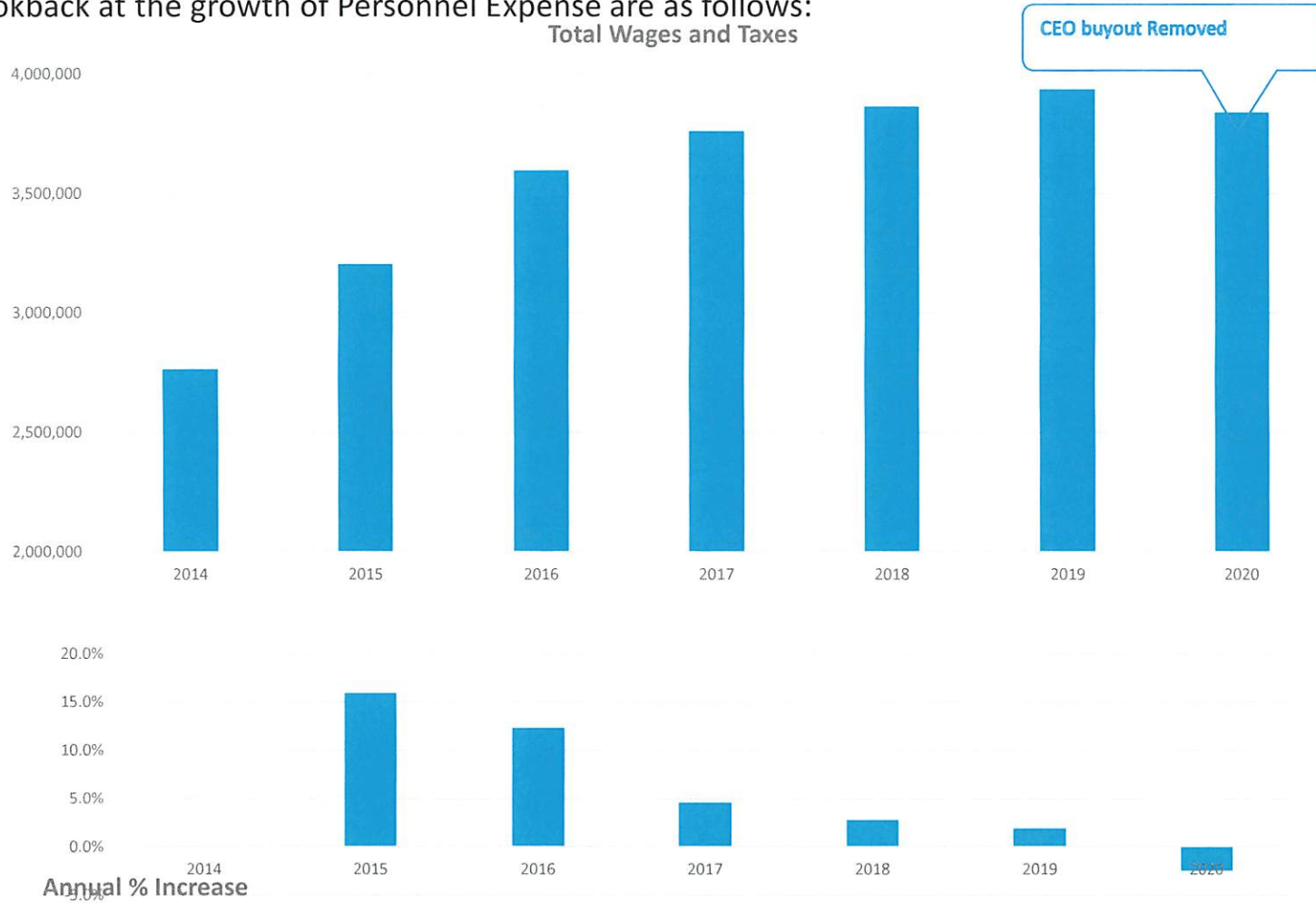
Total Expenses

The following graphs illustrates GVR TOTAL expense trends and supports the fact GVR purposely advanced to a professionally managed organization in 2014 and, after having done so, the expenses have remained essentially flat:



Personnel Costs

Personnel Costs are the largest component of GVR expenses as is the case in most organizations. A 6-year lookback at the growth of Personnel Expense are as follows:



Summary

In 2014, GVR intentionally moved to a more professionally managed organization which included hiring additional staff and initiating an MRR study .

GVR expenses are now 28.6% more than they were in 2014.

Now that GVR has transitioned to the MRR plan, the Total expenses have grown 6.5% over the past three years compared to 7% inflation.

GVR Personnel costs over the past three years have increased 6.3% compared to 7% inflation.

The current trend of increases in total expenses and personnel expenses are reasonable when compared to inflation.

GVR will continue communicating expense trends to Board Members and members through quarterly Financial Reports.