



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, May 18, 2021
1:30pm MST – Electronic

Committee Approved – June 14, 2021

Attendees: Donna Coon (Chair), Steve Gilbert, Randy Howard, Nellie Johnson, Steve Reynolds, Chuck Soukup, Eric Sullwold, Greg Wright, Mike Zelenak (ex officio), Scott Somers (CEO), David Webster (Liaison/Director of Finance), Cheryl Moose (CFO), Marie Seixas (Meeting Scribe)

Absent: Larry Wolfe

Visitors: 9

1. Call to Order/Roll Call/Quorum – Chair Coon called the meeting to order at 1:32pm MST. Roll was called and a quorum established.

2. Review/Accept Minutes from Meeting of April 20, 2021

MOTION: E. Sullwold/2nd. Accept the minutes from the meeting of April 20 ,2021 as written.

Passed: unanimously

3. Chair Comments – Chair Coon has received and tabulated goal ideas from committee members. They will be reviewed at the next meeting.

4. Old Business

a. Financial Report April 2021 – D. Webster

- Housing Report – 2020 and 2021 through April 30, 2021

- 2021 Capital Expenditure Report Through April 2021

D. Webster presented an overview of the April 2021 Financial Report. The Housing Sales Report and Capital Expenditure Report were also presented. Committee member questions were answered and discussion followed.

**MOTION: N. Johnson/2nd. Accept the April 2021 Financial Report as presented.
Passed: unanimously**

5. New Business

a. Status of Vos Report/Surplus Motion for the Board

MOTION: E. Sullwold/2nd. The Fiscal Affairs Committee recommends the following definition for calculating the operating surplus or deficit be forwarded to the Board of Directors for final approval:

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 MR and the MAR funds)*
- h. Deduct funding cash transfers to reserve funds during the year (i.e. required MRR 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.

Discussion followed.

Passed: unanimously.

b. Status of Major Asset Replacement Fund – D. Webster

D. Webster presented a recommendation from staff on the Major Asset Replacement Fund (MAR) and how this fund could be set up. Discussion followed.

MOTION: E. Sullwold/2nd. The Fiscal Affairs Committee recommends the Board of Directors direct the CEO to have the Facilities Department work with Browning Associates on defining the scope of the Major Asset Replacement Reserve and the options to consolidate or separate the MRR and the MAR in one study.

Passed: Yes – 7; No – 1 (Johnson)

c. Cost Increase Analysis

D. Webster presented a PowerPoint presentation on expense trends. Discussion followed.

6. Member Comments – addressed during meeting

Discussion regarding next month's meeting – Monday, June 14, 2021 at 1:30pm - Hybrid

7. Adjourn

MOTION: N. Johnson/2nd. Adjourn the meeting at 2:57pm MST.

Passed: unanimously