



AGENDA

Fiscal Affairs Committee Meeting

Tuesday, January 16, 2024

1:30 PM – West Center, Room 2 and Zoom

GVR's Mission Statement: *“To provide excellent facilities and services that create opportunities for recreational, social activities, and leisure education to enhance the quality of our members’ lives.”*

Finance Committee Members: Jim Carden, Treasurer and Chair, Carl Charette, Nellie Johnson, Joe Magiola, Pat Reynolds, Steve Reynolds, Lanny Smith, Dick Sutherland

Attendees: David Webster, CFO, Marge Garneau, President and Member ex officio, Scott Somers, CEO

1. Call to Order/ Roll Call/ Quorum
2. Review/accept minutes from budget meeting of November 27, 2023.
3. Chair comments
4. Financial Report for November & December 2023
5. 2023 Surplus Projection
6. Update on Del Sol Café Business Plan Nellie Johnson
7. New Business
8. Member comments
9. Adjourn

Next Meeting: February 20, 2024



MINUTES

Fiscal Affairs Committee

Monday, November 27, 2023

1:30pm – 3:00pm MST

West Center Room 2 / Zoom

Committee: Jim Carden (Chair), Carl Charette, Nellie Johnson, Pat Reynolds, Steve Reynolds, Lanny Smith, Dick Sutherland, Marge Garneau (President), Scott Somers (CEO), David Webster (CFO/Liaison), Howey Murray (Finance Manager)

Board Members present: Carol Crothers

1. **Call to Order / Roll Call - Establish Quorum**
2. **Review/accept Minutes from meeting September 19,2023 and October 17 2023:**
MOTION: Johnson moved/seconded to Approve September 19, 2023 and October 17 2023, Meeting Minutes.
Passed: unanimous
3. **Chair Comments:**
Chair discussed schedule for next FAC meeting. Tentatively scheduled for January 3rd at Club Del Sol.
4. **Staff Reports**
 - a. Negative variances in income are due to under budget MCF fees.
 - b. Appears November will also be under budget for MCF.
 - c. YTD \$47,000 under budget on expenses.
 - d. The surplus currently projected between \$0 and \$50,000.
5. **Business**
 - a. Approval of October Financials
MOTION: Johnson moved/seconded to accept October financials.
Passed: unanimous
 - b. Update from sub committee on Del Sol Café business plan
 - c. Update on Marketing plan for deed restrict/Installment plan:
 - a. Staff identified 2,725 homes in target area.
 - b. Staff did not include any revenue in 2025 for any potential sales.

d. **Comment:** 1 member

- e. **Adjournment:**
MOTION: Johnson moved/seconded to adjourn the meeting.
Passed: unanimous

Next Meeting: January 16, 2024, WC Room #2.

DRAFT

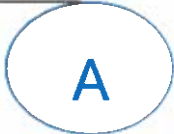


Fiscal Affairs
Preliminary Financial Report
As of December 31, 2023

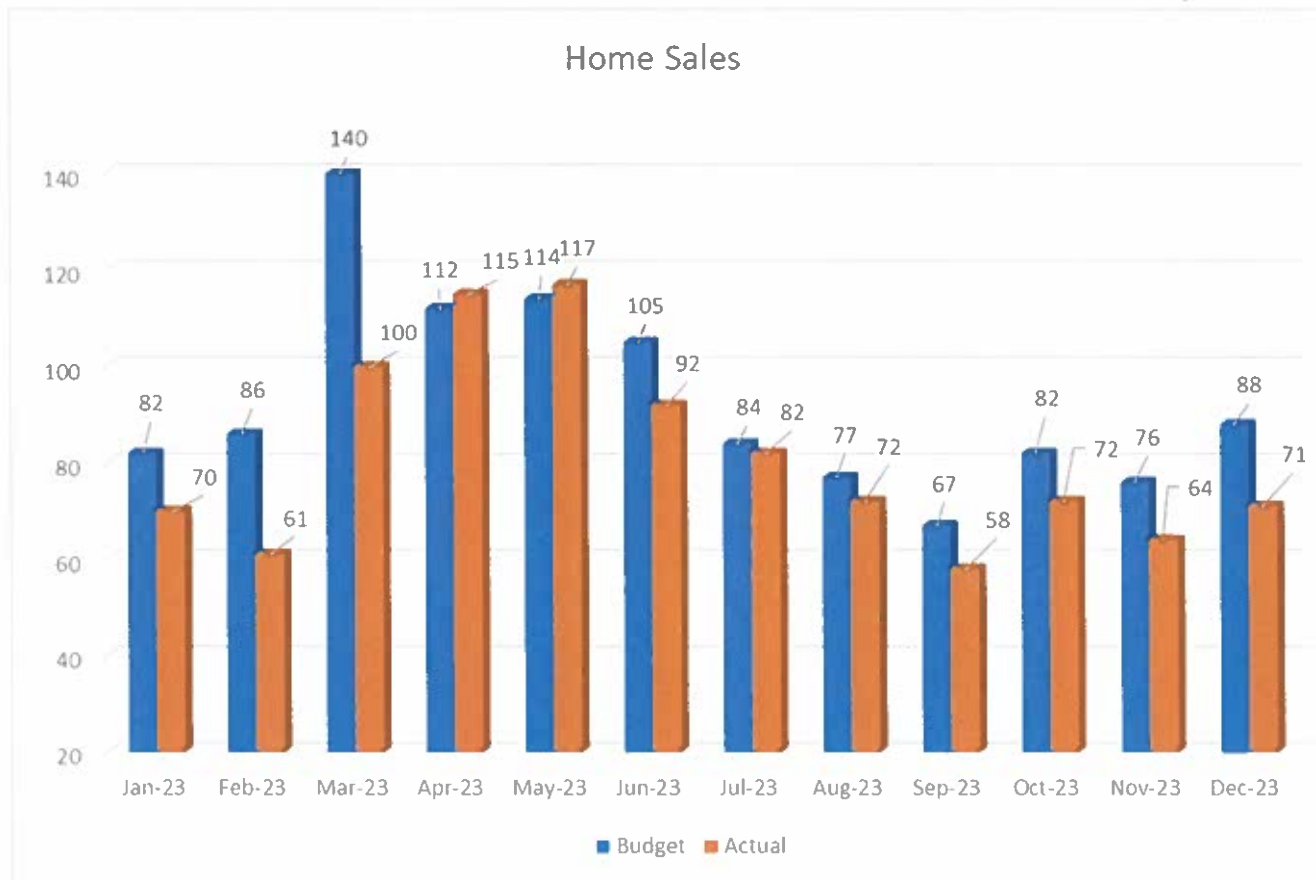
The enclosed Preliminary Financial Statements and supplemental schedules provide relevant information Year to Date through December, 2023 and include the financial statements as of December 31, 2023. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio. It is important to note that the enclosed financial statements are preliminary statements. At the time this report is being compiled, GVR does not have all the necessary information to close the books for the 2023 year. The final reports will most likely be available when the March 2024 financial statements are issued.

- The following table summarizes the December 31, 2023 total year to date Increase in Net Assets based on GVR's 2023 Financial Statements:

Month	Operating Increase Net Assets	Unrealized Gains on Investments	GVR 2023		Budget Variance	
			Total Increase in Net Assets	Homes Sold	Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-23	\$44,961	\$308,945	\$353,906	70	(\$139,259)	\$82,283
Feb-23	(\$47,455)	(\$248,016)	(\$295,471)	61	(\$157,462)	(\$82,805)
Mar-23	\$167,720	\$135,998	\$303,718	100	(\$130,515)	\$69,035
Apr-23	\$205,048	\$65,186	\$270,234	115	\$11,866	\$116,499
May-23	\$136,859	(\$119,355)	\$17,504	117	\$3,726	\$61,169
Jun-23	\$86,015	\$201,855	\$287,870	92	(\$43,680)	\$29,529
Jul-23	\$71,216	\$141,588	\$212,804	82	\$24,378	\$44,841
Aug-23	\$16,218	(\$79,480)	(\$63,262)	72	(\$39,816)	\$94,705
Sep-23	(\$29,940)	(\$266,471)	(\$296,411)	58	(\$17,045)	(\$45,265)
Oct-23	(\$160,701)	(\$102,963)	(\$263,664)	72	\$46,444	(\$322,603)
Nov-23	\$52,042	\$400,422	\$452,464	64	\$8,266	(\$24,231)
Dec-23	\$56,722	\$303,065	\$359,787	71	(\$73,179)	\$167,314
Total YTD '23	\$598,705	\$740,774	\$1,339,479	974	(\$506,276)	\$190,471

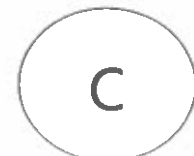


- While the preceding table illustrates the performance for the year 2023 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR's 2023 budget.
- There were 71 Home Resales during the month of December. This number of sales is 17 (19%) less than budgeted for December and 11 more than December of the prior year. GVR offsets these sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 8 and the current allowance is \$211,700 (page 2). **GVR remains 12% under budget year to date for home sales.** The following graph illustrates the actual compared to the monthly budgeted number of home sales through December, 2023.



- The December 2023 Statement of Financial Position (page 2) reports the Total Net Assets to be \$32,593,927 which is a \$1,339,478 increase for the year (page 2 and 3) and includes \$740,774 of Unrealized Gains on Investments for December 2023 year to date.

- The December 31 Operational cash on hand is \$2,495,704 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$5,962,982 which is a \$4,039,482 increase during the month of December. The cash projections for 2023 and 2024 are on pages 6 through 9.
- The Net Fixed Assets are \$21,319,822 as of December 31, 2023 (page 2). Total net Capital Purchases for the year to date are \$2,345,146. The detail report of the Capital Purchases is being revised and will be included with the Financial Report for the January 16th meeting.
- Total Current Liabilities are \$5,376,458 (page 2).
- Designated Net Assets equal \$10,300,617 (detailed on pages 4 – 5) which reflects a net increase of \$364,403 for the month of December, 2023. The year to date net unrealized investment gain on investments are \$740,774 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$11,605,021 which is 4% under budget and 1% less than the prior year. The primary driver of this negative variance is the Capital Revenue being under budget due to the lower than predicted sale of homes year during 2023.
- The Cash Requirements Report for 2023 and 2024 are included on pages 6 through 9. GVR's cash collections and Operating Cash balances are reasonable as projected.
- The total expenses for the year are \$11,006,316 which is \$190,471 (1.7%) under budget and 5% more than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year to date December 31, 2023:



EXPENSES YTD DECEMBER 2023				
<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	3,632,101	(188,338)	-5%	Facility Maintenance over budget due to outsourcing custodial contract \$150K, Utilities are over budget by \$127K (14%)
Program Expenses	470,378	46,917	9%	Recreation contracts \$45K under. Offset with Program Income under by \$117K.
Communications	213,847	21,058	9%	Printing under budget \$23k (22%)
Operational Expenses	673,657	(72,625)	-12%	Supplies \$127K overbudget. Custodial, pool, and landscaping supplies costs higher than expected.
Corporate Expenses	890,033	(214,130)	-32%	Professional Fees \$155K over budget due partially to outsourcing of HR during a brief period. Commercial Insurance over budget by \$19K (6%)
Personnel & Benefits	5,126,300	597,590	10%	Wages 10% under budget. Benefits 13% under budget.
TOTAL EXPENSES	<u>11,006,316</u>	<u>190,472</u>	<u>1.7%</u>	

- The summarized Board of Directors' Financial Report is included on pages 11 through 14.
- The Preliminary GVR Surplus calculation is presented on pages 15 and 16.
- A copy of the November Financial Statements is included on pages 17 through 20
- Year-end is a good time to take a look at each line item in the Statement of Activities. Here is a brief description of the performance to budget of all income and expense accounts:



- Member dues is the largest income line item and the actual income of \$7.1 million was right on budget.
- Fees were \$26,000 (12%) under budget and include Transfer Fees, Tenant Fees, Guest Cards, Life Care Fees and Additional Card fees.
- Capital Revenue includes Property Acquisition Fees and Initial Fees. In 2023, the real estate market experienced a slowdown. After accounting for refunds, GVR was \$572,000 (17%) under budget in this revenue category. GVR has reduced the 2024 budget accordingly.
- Recreational Revenue was \$47,000 (26%) under budget. This category includes Instructional (classes), Concerts, Dances, Movies, and Concessions. Concerts revenue was significantly under budget and offset with the Recreational Contracts in the expense category.
- Investment Income is primarily interest and dividends from Designated Funds and was \$110,000 (38%) over budget. GVR also experienced \$741,000 in net unrealized gains on the investments.
- GVR was previously notified that one of the cell towers were going to be discontinued but that did not occur and the Cell Tower income was \$13,000 (39%) over budget.
- Other Income includes Dues late fees, Payment Plan fees, Collections fees and Non-Sufficient Funds Fees. This line item was \$10,000 (12%) above budget.
- Facility Rent was \$11,000 (180%) above budget.
- In-kind Income was on budget and is for the leased space that GVR provides In-kind (for no cash revenue) as part of the purchase of the Del Sol Club House.
- Total Revenue was \$506,000 (4.2%) under budget out of a \$12,111,000 budget and 1% less than the prior year. Most of this negative variance is due to fewer home sales than budgeted.
- Major Projects Repair & Maintenance Exp. Is primarily contract labor with a few permits. This category was \$61,000 (13%) under budget.

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- Facility Maintenance was \$150,000 (66%) over budget and the significant majority of this variance is related to contract labor for custodial services that was unbudgeted. These expenses were offset with a reduction of Personnel Expenses.
- Repair & Maintenance for pools and custodial supplies is an area where the costs have increased significantly two years in a row. Other costs in this category are tools which was slightly over budget.
- Fees and Assessments were \$16,000 (51%) under budget and relates to the Major Projects variance.
- The Utilities were \$127,000 (14%) over budget. This includes Electric, Gas, Water, and Waste. GVR was over budget in all areas and both Electric and Gas were significantly over budget. Much of this is weather related
- Depreciation was \$95,000 (7%) under budget due to capital projects placed on hold or not being completed as early as expected.
- Furniture and Equipment was \$76,000 (28%) over budget. This includes in order of magnitude: New non-capital equipment (less than \$5,000), New Furniture, Equipment Repair & Maintenance, Equipment Lease, non-capital fitness equipment.
- Vehicles were \$6,000 (6%) over budget. The gas portion was \$6,000 under budget while the repairs were \$12,000 over budget.
- Wages were \$419,000 (10%) under budget due to outsourcing of custodial services along with unfilled positions during parts of the year.
- Payroll Taxes mirrored Wages and were \$38,000 (11%) under budget.
- Benefits were \$139,000 (13%) under budget as GVR continues to find cost savings in this category but expects an increase in 2024.
- Food and Catering was \$1,000 (4%) under budget and includes concession supplies and food for performing artists and water coolers.
- Recreation Contracts include Instructors and Performers and was \$44,000 (11%) under budget. Related income was under budget accordingly.
- Bank and Credit Card Fees were \$1,000 (1%) under budget

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- Communications includes all Telephone Lines and Services including Network and mobile phones. This line item was \$4,000 (3%) under budget
- Printing is for GVR Now, Election printing, and newsletter and was \$23,000 under budget for 2023.
- Advertising is almost entirely radio announcements and was \$6,000 (44%) over budget.
- Supplies were \$127,000 (30%) over budget and included janitorial and pool supplies that experienced significant cost increases again in 2023.
- Almost half of the postage is for Members' dues. The postage for 2023 was \$3,000 (16%) under budget.
- Dues and Subscriptions were \$1,000 (6%) under budget.
- Travel was \$8,000 (78%) under budget due to less than budgeted conferences and training.
- Other Operating Expenses were \$42,000 (33%) under budget. The Investment related expenses are the major component of this category followed by signage and rentals. Signage was under \$13,000
- Information Technology includes Software maintenance and Network Repair and Maintenance and was \$24,000 (20%) under budget.
- Professional Fees includes HR and Payroll processing, Legal and Consulting - \$155,000 (105%) over budget, this overage was driven by the HR outsourcing and consulting that occurred during 2023. These expenses are offset in the Wages category.
- Commercial Insurance was \$19,000 (6%) over budget.
- Taxes were \$47,000 (159%) over budget. The appeal to make the Del Sol Club House tax Exempt was denied but GVR is appealing that decision with the help of our new external accounting firm, R & A CPAs.
- Conferences and Training expenses were \$25,000 (62%) under budget.
- Employee Recognition was \$7,000 (33%) under budget.
- Overall, the Operating Expenses for 2023 were \$190,000 (1.7%) under budget and 5% more than the prior year.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for December 31, 2023. The four

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.

MRR-B Pools and Spas - Board designated reserve for end of life replacement of Pools and Spas

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.

Green Valley Recreation, Inc.
Statement of Financial Position

Preliminary

As of Date: December 31, 2023 and Dec 31, 2022

	December 31, 2023		Dec 31, 2022		
	Total		Total		
ASSETS					
Current Assets					
Cash/Cash Equivalents		2,495,704		1,732,899	
Accounts Receivable		170,053		197,896	
Prepaid Expenses		218,015		207,263	
Maintenance Inventory		22,003		23,044	
Designated Investments (Charles S./SBH)					
Emergency - Fund	560,194	(1)	490,701	(16)	
MRR - Fund	7,175,602	(2)	7,043,208	(19)	
Initiatives - Fund	1,750,056	(3)	2,531,557	(20)	
Pools & Spas - Fund	814,765	(4)	576,963	(21)	
Total Designated Investments (CS/SBH)	10,300,617	(6)	10,642,430	(22)	
Undesignated Invest. (JP Morgan Long Term)	1,699,386	(6)	1,565,673	(23)	
Undesignated Invest. (JP Morgan)	1,767,892	(7)	3,361,830	(24)	
Investments		13,767,895	(8)	15,569,933	(25)
Total Current Assets		16,673,670		17,731,035	
Fixed Assets					
Contributed Fixed Assets		18,017,085		18,017,085	
Purchased fixed Assets		30,758,264		27,908,195	
Sub-Total		48,775,349		45,925,280	
Less - Accumulated Depreciation		(27,455,527)		(26,748,166)	
Net Fixed Assets		21,319,822	(9)	19,177,114	(26)
Operating Lease ROU, Net of Accum. Amortization		467		467	
Finance Lease ROU, Net of Accum. Amortization		111,355		111,355	
Total Assets		38,105,313		37,019,971	
LIABILITIES					
Current Liabilities					
Accounts Payable		445,050		514,060	
Deferred Dues Fees & Programs		4,459,310		4,684,821	
Accrued Payroll		220,640		153,683	
Compensation Liability		-		-	
MCF Refund Liability		211,700		197,120	
In-Kind Lease Liability -Current		(0)		4,000	
Operating ROU Liability - Current		439		439	
Financing ROU Liability - Current		39,319		39,319	
Total Current Liabilities		5,376,458		5,593,441	
In-Kind Lease Liability - LT		50,667		50,667	
Notes Payable		-		11,000	
Financing ROU Liability - LT		84,261		84,261	
Total Long Term Liabilities		134,928		145,928	
TOTAL NET ASSETS		32,593,927	(10)	31,280,602	(27)
NET ASSETS					
Temporarily Designated:					
Board Designated:					
Emergency	536,596	(11)	490,701	(28)	
Maint - Repair - Replacement	7,052,908	(12)	7,043,208	(29)	
Initiatives	1,679,031	(13)	2,531,557	(30)	
Pools & Spas	797,365	(14)	576,963	(31)	
Sub-Total	10,065,900	(15)	10,642,430		
Unrestricted Net Assets		21,214,701		20,638,172	
Net change Year-to-Date		1,313,326	(16)	-	
Unrestricted Net Assets		22,528,027	(17)	20,638,172	
TOTAL NET ASSETS		32,593,927		31,280,602	



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Summary Statement of Activities

Preliminary

YTD Period: 12 month period ending December 31, 2023

FY Budget Period: Jan 1, 2023 - Dec 31, 2023

	PRIOR YEAR COMPARISON				%	BUDGET COMPARISON				%	Fiscal Year Budget	Remaining FY Budget
	2022 YTD Actual	2023 YTD Actual	Year to Year Variance			YTD Actual	YTD Budget	YTD Variance				
Revenue												
Member Dues	6,947,340	7,051,415	104,075	1%	7,051,415	7,055,850	(4,435)	(0.1%)	7,055,850	4,435		
LC, Trans., Crd Fees.	785,602	730,959	(54,642)	(7%)	730,959	757,041	(26,082)	(3%)	757,137	26,178		
Capital Revenue	3,099,400	2,755,960	(343,440)	(11%)	2,755,960	3,328,040	(572,080)	(17%)	3,328,040	572,080		
Programs	90,824	108,268	17,444	19%	108,268	225,310	(117,042)	(52%)	225,310	117,042		
Instructional	310,729	403,550	92,821	30%	403,550	333,997	69,553	21%	333,997	(69,553)		
Recreational Revenue	401,553	511,818	110,265	27%	511,818	559,307	(47,489)	(8%)	559,307	47,489		
Investment Income	372,078	396,733	24,655	7%	396,733	286,884	109,849	38%	286,884	(109,849)		
Advertising Income	-	-	-	0%	-	-	-	0%	-	-		
Cell Tower Lease Inc.	43,105	47,478	4,374	10%	47,478	34,195	13,283	39%	34,195	(13,283)		
Comm. Revenue	43,105	47,478	4,374	10%	47,478	34,195	13,283	38%	34,195	(13,283)		
Other Income	87,111	89,835	2,725	3%	89,835	80,281	9,554	12%	80,281	(9,554)		
Facility Rent	21,163	16,822	(4,341)	(21%)	16,822	6,000	10,822	180%	6,000	(10,822)		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	4,000	4,000	-	0%	4,000	-	4,000	0%	-	(4,000)		
Contributed Income	-	-	-	0%	-	3,698	(3,698)	(100%)	3,698	3,698		
Other Revenue	112,273	110,657	(1,616)	(1%)	110,657	89,979	20,678	23%	89,979	(20,678)		
Total Revenue	11,761,351	11,605,021	(156,331)	(1%)	11,605,021	12,111,296	(506,276)	(4.2%)	12,111,392	506,372		
Expenses												
Major Proj.-Rep. & Maint.	252,621	417,097	(164,477)	(65%)	417,097	478,281	61,183	13%	478,281	61,183		
Facility Maintenance	235,823	378,682	(142,859)	(61%)	378,682	228,478	(150,204)	(66%)	228,478	(150,204)		
Fees & Assessments	15,423	14,905	518	3%	14,905	30,725	15,820	51%	30,725	15,820		
Utilities	951,134	1,054,433	(103,299)	(11%)	1,054,433	927,331	(127,102)	(14%)	938,066	(116,367)		
Depreciation	1,595,311	1,314,923	280,388	18%	1,314,923	1,409,492	94,569	7%	1,409,492	94,569		
Furniture & Equipment	204,662	344,709	(140,047)	(68%)	344,709	268,444	(76,265)	(28%)	268,444	(76,265)		
Vehicles	88,254	107,351	(19,098)	(22%)	107,351	101,012	(6,340)	(6%)	101,012	(6,340)		
Facilities & Equipment	3,343,228	3,632,101	(288,873)	(9%)	3,632,101	3,443,763	(188,338)	(5%)	3,454,498	(177,603)		
Wages	3,924,322	3,917,694	6,628	0%	3,917,694	4,336,945	419,251	10%	4,336,945	419,251		
Payroll Taxes	296,565	308,553	(11,988)	(4%)	308,553	347,276	38,724	11%	347,276	38,724		
Benefits	922,239	900,053	22,186	2%	900,053	1,039,668	139,615	13%	1,039,758	139,705		
Personnel	5,143,126	5,126,300	16,826	0%	5,126,300	5,723,890	597,590	10%	5,723,980	597,680		
Food & Catering	26,193	30,836	(4,643)	(18%)	30,836	32,211	1,375	4%	32,211	1,375		
Recreation Contracts	375,954	368,360	7,594	2%	368,360	413,188	44,828	11%	413,188	44,828		
Bank & Credit Card Fees	61,743	71,182	(9,439)	(15%)	71,182	71,896	714	1%	71,896	714		
Program	463,890	470,378	(6,488)	(1%)	470,378	517,295	46,917	9%	517,295	46,917		
Communications	107,705	104,443	3,262	3%	104,443	107,974	3,531	3%	107,974	3,531		
Printing	82,151	81,124	1,027	1%	81,124	104,407	23,283	22%	104,407	23,283		
Advertising	19,285	28,280	(8,995)	(47%)	28,280	22,524	(5,756)	(26%)	22,524	(5,756)		
Communications	209,141	213,847	(4,706)	(2%)	213,847	234,905	21,058	9%	234,905	21,058		
Supplies	418,998	551,543	(132,545)	(32%)	551,543	424,090	(127,453)	(30%)	424,090	(127,453)		
Postage	18,212	17,587	625	3%	17,587	20,909	3,322	16%	20,909	3,322		
Dues & Subscriptions	15,623	15,671	(49)	(0%)	15,671	16,710	1,039	6%	16,710	1,039		
Travel & Entertainment	1,560	2,313	(753)	(48%)	2,313	10,700	8,388	78%	10,700	8,388		
Other Operating Expense	138,129	86,543	51,587	37%	86,543	128,622	42,079	33%	128,622	42,079		
Operations	592,522	673,657	(81,134)	(14%)	673,657	601,031	(72,625)	(12%)	601,031	(72,625)		
Information Technology	88,338	139,173	(50,835)	(58%)	139,173	115,638	(23,535)	(20%)	115,638	(23,535)		
Professional Fees	239,207	303,668	(64,461)	(27%)	303,668	148,393	(155,276)	(105%)	148,393	(155,276)		
Commercial Insurance	338,380	340,565	(2,185)	(1%)	340,565	321,601	(18,963)	(6%)	321,601	(18,963)		
Taxes	53,308	77,862	(24,554)	(46%)	77,862	30,026	(47,836)	(159%)	30,026	(47,836)		
Conferences & Training	26,507	14,894	11,613	44%	14,894	39,515	24,621	62%	39,515	24,621		
Employee Recognition	14,111	13,872	240	2%	13,872	20,731	6,859	33%	20,731	6,859		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
Corporate Expenses	759,851	890,033	(130,183)	(17%)	890,033	675,904	(214,130)	(32%)	675,904	(214,130)		
Expenses	10,511,758	11,006,316	(494,558)	(5%)	11,006,316	11,196,787	190,471	1.7%	11,207,612	201,296		
Gross Surplus(Rev-Exp)	1,249,593	598,705	(650,888)	(52%)	598,705	914,510	(315,805)	(35%)	903,781	305,076		
Net. Gain/Loss on Invest.	(1,812,339)	740,774	2,553,113		740,774	-	740,774		-	(740,774)		
Net from Operations	(562,746)	1,339,478	1,902,225	(338%)	1,339,478	914,510	424,969		903,781	(435,698)		



Green Valley Recreation, Inc.
Statement of Changes in Net Assets

Preliminary

As of Date: December 31, 2023 and Dec 31, 2022

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	1,267,408 ⁽¹⁶⁾	1,267,408	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(2,010,094)	-	-	1,179,941	540,748	289,405
Transfers Prev. Yr. Surplus	-	(428,596)	-	-	-	428,596	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	707,361	(707,361)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	701,952	2,850,069	-	(1,359,303)	(2,090,941)	(101,777)
Purchases Withdrawals Outstanding	(0)	89,577	-	-	(285,466)	201,899	(6,010)
Allocations of Net Change components:							
Investment income	-	(303,421)	-	9,140	210,673	64,427	19,180
Investment Expenses	-	141,163	-	(3,410)	(115,974)	(16,555)	(5,224)
Net Gains (Losses) in Investments	-	(659,267)	-	63,762	462,495	90,783	42,227
Net Change to December 31, 2023	1,267,408 ⁽¹⁶⁾	(493,917)	2,142,708	69,493	92,366	(781,043)	237,801
Net Assets at, Dec 31, 2022	31,280,602 ⁽²⁷⁾	1,461,058	19,177,114 ⁽²⁶⁾	490,701 ⁽²⁸⁾	7,043,208 ⁽²⁹⁾	2,531,557 ⁽³⁰⁾	576,963 ⁽³¹⁾
Net Assets as at, December 31, 2023	32,548,010 ⁽¹⁰⁾	967,141	21,319,822 ⁽⁹⁾	560,194 ⁽¹¹⁾	7,135,574 ⁽¹²⁾	1,750,514 ⁽¹³⁾	814,765 ⁽¹⁴⁾
		22,286,963 ⁽¹⁷⁾		10,261,047 ⁽¹⁵⁾			

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 Current Month End

Preliminary

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2022 (at Market)	15,569,933 ⁽²⁵⁾	4,927,503 ⁽²⁴⁾	490,701 ⁽¹⁸⁾	7,043,208 ⁽¹⁹⁾	2,531,557 ⁽²⁰⁾	576,963 ⁽²¹⁾
Changes since Jan 1, 2022:						
Principal Transfers	4,938,690	2,500,000	-	1,179,941	969,344	289,405
Investment income	460,556	157,134	9,140	210,673	64,427	19,180
Withdrawals	(7,841,598)	(4,200,000)	-	(1,644,769)	(1,889,042)	(107,787)
Investment Expenses	(141,163)	-	(3,410)	(115,974)	(16,555)	(5,224)
Net Change for 12 Months	(2,583,515)	(1,542,866)	5,731	(370,129)	(871,826)	195,575
Balance before Market Change at December 31, 2023	12,986,418	3,384,638	496,432	6,673,079	1,659,731	772,538
12 Months Net Change in Investments Gain/(Loss)	741,908	82,641	63,762	462,495	90,783	42,227
Balance at December 31, 2023 (at Market)	\$ 13,728,325 ⁽⁸⁾	3,467,278 ⁽⁷⁾	560,194.16 ⁽¹⁾	7,135,574 ⁽²⁾	1,750,514 ⁽³⁾	814,765 ⁽⁴⁾

10,261,047 ⁽¹⁶⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

**GVR Cash Requirements Report
FY 2023**

ACTUAL / PROJECTED	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Actual May-23	Actual Jun-23	Actual Jul-23	Actual Aug-23	Actual Sep-23	Actual Oct-23	Actual Nov-23	Actual Dec-23
Operating Cash at CHASE												
Beginning of Month Balance	1,732,899	1,018,815	648,376	777,034	1,023,657	371,046	443,671	385,170	378,103	380,860	464,969	280,501
Transfer In	-	-	500,000	500,000	-	500,000	750,000	500,000	500,000	500,000	400,000	-
Transfer Out	(750,000)	-	-	-	(428,596)	-	-	-	-	-	-	(1,750,000)
Cash Receipts	2,286,308	530,427	577,300	505,058	486,974	430,912	334,863	320,524	333,242	276,333	307,648	4,911,091
Cash Disbursements	(2,250,392)	(900,866)	(948,641)	(758,435)	(710,989)	(858,286)	(1,143,365)	(827,590)	(830,485)	(692,224)	(892,115)	(945,888)
Net Operating Cash Flow	35,916	(370,439)	(371,341)	(253,377)	(224,015)	(427,374)	(808,502)	(507,066)	(497,243)	(415,891)	(584,467)	3,965,203
Ending of Month Balance	1,018,815	648,376	777,034	1,023,657	371,046	443,671	385,170	378,103	380,860	464,969	280,501	2,495,704
Operating Investment Accounts (A&B)												
Beginning of Month Balance	4,927,503	5,724,202	5,695,146	5,216,974	4,740,774	4,711,374	4,286,021	3,590,510	3,077,307	2,526,288	2,000,670	1,693,999
Transfer In	750,000	-	-	-	-	-	-	-	-	-	-	1,750,000
Transfer Out	-	-	(500,000)	(500,000)	-	(500,000)	(750,000)	(500,000)	(500,000)	(500,000)	(400,000)	(50,000)
Earned Income on Investment	46,700	(29,057)	21,828	23,801	(29,400)	74,647	54,488	(13,203)	(51,019)	(25,618)	93,330	73,278
Ending of Month Balance	5,724,202	5,695,146	5,216,974	4,740,774	4,711,374	4,286,021	3,590,510	3,077,307	2,526,288	2,000,670	1,693,999	3,467,278
MRR Reserve												
Beginning of Month Balance	7,043,208	8,385,340	8,231,946	8,355,614	8,327,496	8,105,414	7,830,922	7,740,025	7,656,769	7,289,851	7,005,158	7,114,569
Transfer In MRR Funding	1,179,941	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(31,472)	(15,862)	(748)	(75,342)	(191,235)	(397,011)	(153,631)	(54,596)	(240,380)	(222,602)	(159,728)	(102,159)
Net Earned Income on Investment	193,663	(137,532)	124,416	47,224	(30,848)	122,520	62,734	(28,660)	(126,538)	(62,091)	269,139	184,825
Ending of Month Balance	8,385,340	8,231,946	8,355,614	8,327,496	8,105,414	7,830,922	7,740,025	7,656,769	7,289,851	7,005,158	7,114,569	7,197,235
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	576,962	874,533	764,121	770,016	771,949	772,172	786,409	793,030	789,376	778,141	772,131	797,364
Transfer In MRR B Pool & Spa Funding	289,405	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	(107,787)	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	8,166	(2,625)	5,895	1,933	223	14,237	6,621	(3,654)	(11,235)	(6,010)	25,233	17,401.00
Ending of Month Balance	874,533	764,121	770,016	771,949	772,172	786,409	793,030	789,376	778,141	772,131	797,364	814,765
Initiatives Reserve												
Beginning of Month Balance	2,531,557	2,608,205	2,541,688	2,402,584	2,190,874	2,637,756	2,280,946	1,794,577	1,795,126	1,772,782	1,646,940	1,679,032
Transfer In	35,211	31,173	29,034	56,951	65,557	65,122	50,528	44,805	45,207	34,365	44,225	38,570
Other Funding	-	-	-	-	428,596	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	42,650	(36,317)	42,749	14,608	(4,985)	15,113	10,396	(2,867)	(18,647)	(5,819)	48,905	33,059
Transfer Out	(1,213)	(61,373)	(210,887)	(283,269)	(42,285)	(437,046)	(547,293)	(41,389)	(48,904)	(154,388)	(61,038)	(146)
Ending of Month Balance	2,608,205	2,541,688	2,402,584	2,190,874	2,637,756	2,280,946	1,794,577	1,795,126	1,772,782	1,646,940	1,679,032	1,750,515
Emergency Reserve												
Beginning of Month Balance	490,701	511,059	498,837	504,049	508,409	506,456	527,867	538,247	532,104	513,273	503,055	536,595
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	20,358	(12,221)	5,212	4,359	(1,953)	21,411	10,380	(6,143)	(18,831)	(10,218)	33,540	23,599
Ending of Month Balance	511,059	498,837	504,049	508,409	506,456	527,867	538,247	532,104	513,273	503,055	536,595	560,194
Total Reserve Accounts	12,379,137	12,036,593	12,032,264	11,798,728	12,021,799	11,426,144	10,865,879	10,773,375	10,354,047	9,927,284	10,127,560	10,322,709
Total Operating Cash	6,743,017	6,343,521	5,994,008	5,764,431	5,082,420	4,729,693	3,975,679	3,455,410	2,907,148	2,465,638	1,974,500	5,962,981
Grand Total Cash & Investments	19,122,154	18,380,114	18,026,272	17,563,160	17,104,218	16,155,837	14,841,559	14,228,785	13,261,195	12,392,923	12,102,061	16,285,691

**GVR Cash Requirements Report
FY 2023**

ACTUAL / PROJECTED

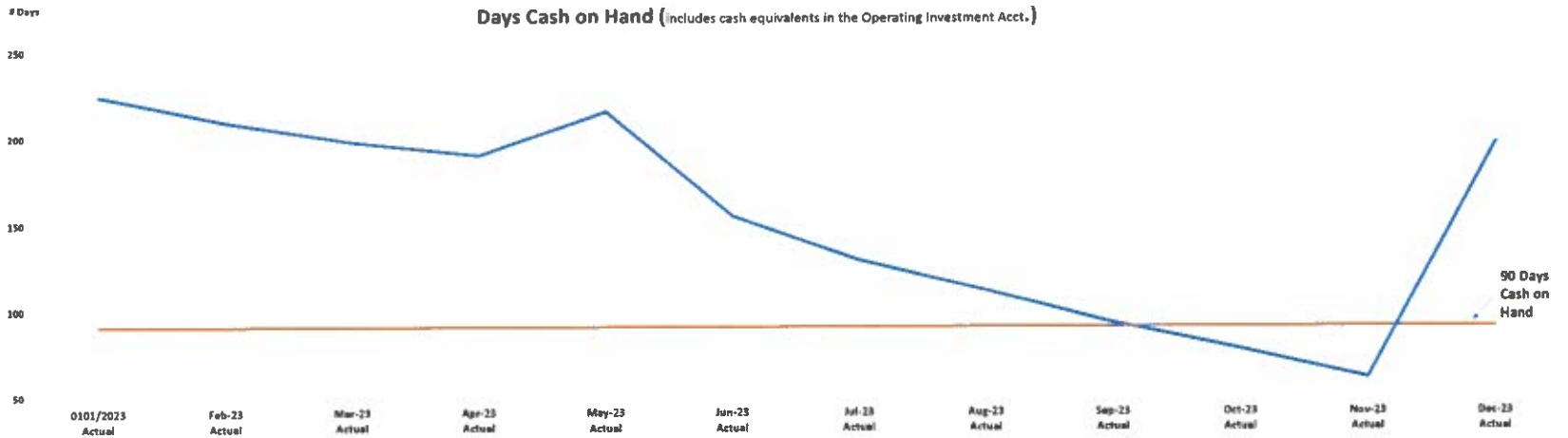
	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Actual May-23	Actual Jun-23	Actual Jul-23	Actual Aug-23	Actual Sep-23	Actual Oct-23	Actual Nov-23	Actual Dec-23
Actual Days Oper. Cash on Hand (net of MCF Allowance)	224	209	197	190	215	154	129	111	92	77	60	196

January 1, 2023 Beg. Balance:	
Total Reserve Accounts	10,065,466
Total Operating Cash	6,660,402
Grand Total Cash & Investments	16,725,868

Projected Ending Balance 2023	
Total Reserve Accounts	9,507,944
Total Operating Cash	5,962,981
Grand Total Cash & Investments	15,470,925

Operating Cash (CHASE)	6,743,017	6,343,521	5,994,008	5,764,431	5,082,420	4,729,693	3,975,679	3,455,410	2,907,148	2,465,638	1,974,500	5,962,981
Invested Total (SBH & JP MORGAN)	18,103,339	17,731,738	17,249,237	16,539,503	16,733,173	15,712,165	14,456,389	13,850,682	12,880,335	11,927,954	11,821,559	13,789,987

The Cash Requirements Report is for projecting cash balances of the Operating and Designated Cash Accounts only. This report is exclusively for the purpose of determining cash requirements and short term investment planning.



**GVR Cash Requirements Report
FY 2024**

ACTUAL / PROJECTED	Projected Jan-24	Projected Feb-24	Projected Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Projected Nov-24	Projected Dec-24
Operating Cash at CHASE												
Beginning of Month Balance	2,495,704	1,173,726	803,286	931,945	1,028,568	654,552	727,178	968,676	961,610	964,367	1,048,475	1,673,767
Transfer In	-	-	500,000	500,000	-	500,000	750,000	500,000	500,000	500,000	400,000	-
Transfer Out	(2,000,000)	-	-	-	-	-	-	-	-	-	-	(3,000,000)
Cash Receipts	1,938,409	780,427	577,300	505,058	486,974	430,912	334,863	320,524	333,242	276,333	981,338	4,088,093
Cash Disbursements	(1,260,387)	(1,150,866)	(948,641)	(908,435)	(860,989)	(858,286)	(843,365)	(827,590)	(830,485)	(692,224)	(756,046)	(787,795)
Net Operating Cash Flow	678,022	(370,439)	(371,341)	(403,377)	(374,015)	(427,374)	(508,502)	(507,066)	(497,243)	(415,891)	225,292	3,300,299
Ending of Month Balance	1,173,726	803,286	931,945	1,028,568	654,552	727,178	968,676	961,610	964,367	1,048,475	1,673,767	1,974,066
Operating Investment Accounts (A&B)												
Beginning of Month Balance	3,467,278	5,473,056	5,482,178	4,991,315	4,499,634	4,507,133	4,014,645	3,271,336	2,776,788	2,281,416	1,785,219	1,347,957
Transfer In	2,000,000	-	-	-	-	-	-	-	-	-	-	3,000,000
Transfer Out	-	-	(500,000)	(500,000)	-	(500,000)	(750,000)	(500,000)	(500,000)	(500,000)	(440,238)	(65,600)
Earned Income on Investment	5,779	9,122	9,137	8,319	7,499	7,512	6,691	5,452	4,628	3,802	2,975	2,247
Ending of Month Balance	5,473,056	5,482,178	4,991,315	4,499,634	4,507,133	4,014,645	3,271,336	2,776,788	2,281,416	1,785,219	1,347,957	4,284,603
MRR Reserve												
Beginning of Month Balance	7,197,235	8,399,733	8,399,830	8,415,042	8,355,688	8,180,329	7,798,861	7,660,048	7,620,006	7,394,104	7,185,551	7,029,930
Transfer In MRR Funding	1,220,295	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(31,472)	(15,862)	(748)	(75,342)	(191,235)	(397,011)	(153,631)	(54,596)	(240,380)	(222,602)	(169,273)	(39,957)
Net Earned Income on Investment	13,675	15,959	15,960	15,989	15,876	15,543	14,818	14,554	14,478	14,049	13,653	13,357
Ending of Month Balance	8,399,733	8,399,830	8,415,042	8,355,688	8,180,329	7,798,861	7,660,048	7,620,006	7,394,104	7,185,551	7,029,930	7,003,330
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	814,765	1,115,714	1,117,833	1,119,957	1,122,085	1,124,217	1,126,353	1,128,493	1,130,637	1,132,786	1,134,938	1,137,094
Transfer In MRR B Pool & Spa Funding	299,400	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	1,548	2,120	2,124	2,128	2,132	2,136	2,140	2,144	2,148	2,152	2,156	2,160
Ending of Month Balance	1,115,714	1,117,833	1,119,957	1,122,085	1,124,217	1,126,353	1,128,493	1,130,637	1,132,786	1,134,938	1,137,094	1,139,255
Initiatives Reserve												
Beginning of Month Balance	1,750,515	1,708,635	1,662,638	1,614,414	1,594,016	1,582,185	1,569,897	1,542,991	1,510,311	1,477,971	1,434,727	1,397,274
Transfer In	35,211	31,173	29,034	56,951	65,557	65,122	50,528	44,805	45,207	34,365	40,238	65,600
Other Funding	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	3,326	3,246	3,159	3,067	3,029	3,006	2,983	2,932	2,870	2,808	2,726	2,655
Transfer Out	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)	(80,417)
Ending of Month Balance	1,708,635	1,662,638	1,614,414	1,594,016	1,582,185	1,569,897	1,542,991	1,510,311	1,477,971	1,434,727	1,397,274	1,385,112
Emergency Reserve												
Beginning of Month Balance	560,194	580,552	568,331	573,542	577,902	575,949	597,360	607,740	601,597	582,766	572,548	575,793
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	20,358	(12,221)	5,212	4,359	(1,953)	21,411	10,380	(6,143)	(18,831)	(10,218)	3,244	3,263
Ending of Month Balance	580,552	568,331	573,542	577,902	575,949	597,360	607,740	601,597	582,766	572,548	575,793	579,056
Total Reserve Accounts												
Total Operating Cash	6,646,782	6,285,464	5,923,260	5,528,202	5,161,686	4,741,823	4,240,012	3,738,398	3,245,783	2,833,694	3,021,724	6,258,669
Grand Total Cash & Investments	18,451,415	18,034,097	17,646,216	17,177,893	16,624,366	15,834,294	15,179,284	14,600,950	13,833,410	13,161,458	13,161,815	16,365,422



**GVR Cash Requirements Report
FY 2024**

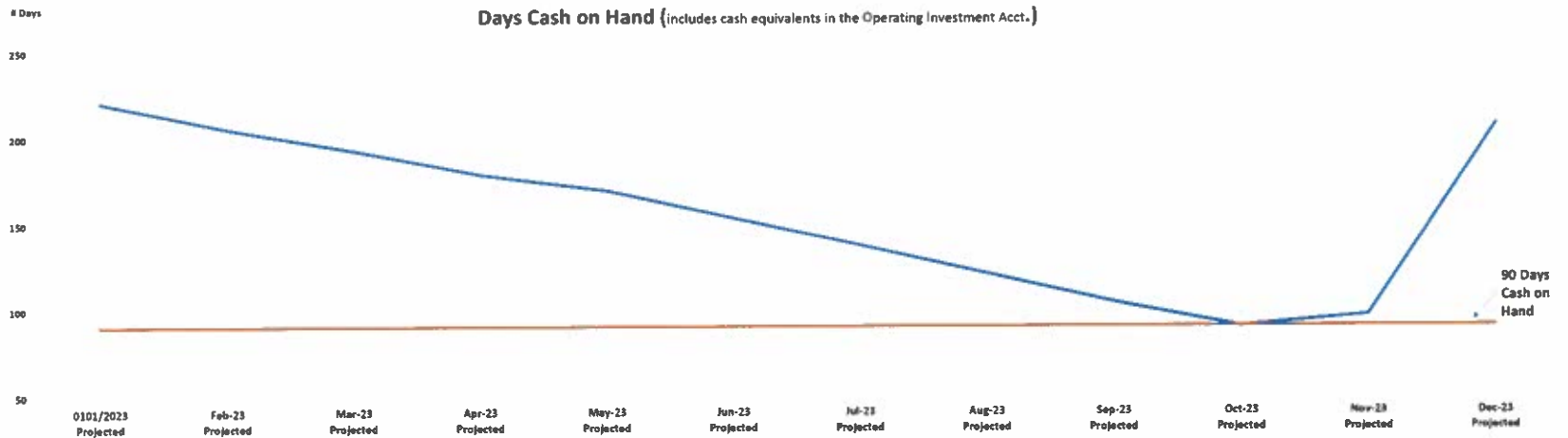
ACTUAL / PROJECTED	Projected Jan-24	Projected Feb-24	Projected Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Projected Nov-24	Projected Dec-24
Actual Days Oper. Cash on Hand (net of MCF Allowance)	220	205	193	178	169	153	137	121	104	90	96	207

January 1, 2024 Beg. Balance:	
Total Reserve Accounts	9,507,944
Total Operating Cash	5,962,981
Grand Total Cash & Investments	15,470,925

Projected Ending Balance 2024	
Total Reserve Accounts	8,967,498
Total Operating Cash	6,258,669
Grand Total Cash & Investments	15,226,167

Operating Cash (CHASE)	6,646,782	6,285,464	5,923,260	5,528,202	5,161,686	4,741,823	4,240,012	3,738,398	3,245,783	2,833,694	3,021,724	6,258,669
Invested Total (SBH & JP MORGAN)	17,277,690	17,230,810	16,714,271	16,149,326	15,969,814	15,107,116	14,210,608	13,639,340	12,869,043	12,112,983	11,488,048	14,391,356

The Cash Requirements Report is for projecting cash balances of the Operating and Designated Cash Accounts only. This report is exclusively for the purpose of determining cash requirements and short term investment planning.



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GVR MEMBER PROPERTIES MONTHLY REPORT

2023	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	YTD
NEW MEMBERS	2	4	3	1	1	1	1	4	1	-	-	-	18
Total Members (2023)	13,825	13,829	13,832	13,833	13,834	13,835	13,836	13,840	13,841	13,841	13,841	13,841	13,841
Members Last Year (2022)	13,781	13,789	13,792	13,799	13,802	13,805	13,809	13,812	13,813	13,818	13,823	13,823	13,823
Members Before Last Year (2021)	13,721	13,726	13,730	13,733	13,738	13,741	13,746	13,751	13,757	13,762	13,767	13,772	13,772
Membershi Change Fee	75	63	103	118	121	94	83	80	58	75	64	-	934
Initial Fee	1	3	2	-	1	1	1	1	1	1	2	-	14
Transfer Fee (new build no Initial fee)	1	1	1	1	-	-	-	3	-	1	1	-	9
Transfer Fee (new build w/Initial fee)	1	2	1	-	-	-	1	-	-	-	2	-	7
Transfer Fee (estate planning)	-	-	2	-	-	-	2	-	-	1	-	-	5
Transfer Fee (resale)	70	61	100	115	117	92	82	72	58	72	61	-	900
Transfer Fee Non-Resale	9	5	6	3	8	4	4	12	2	4	7	-	64
Budget Monthly Resales (2023)	82	86	140	112	114	105	84	77	67	82	76	88	1,113
Monthly Resales (2023)	70	61	100	115	117	92	82	72	58	72	64	71	974
Monthly Delta Actual vs Budget (2022)	↓ (12)	↓ (25)	↓ (40)	↑ 3	↑ 3	↓ (13)	↓ (2)	↓ (5)	↓ (9)	↓ (10)	↓ (12)	↓ (17)	↓ (139)
Monthly Resales Last Year (2022)	105	88	150	147	126	93	73	56	63	72	67	55	1,095
Monthly Resales 2 years prior (2021)	74	88	148	138	138	136	114	76	74	73	98	110	1,267
YTD Budget (2023)	82	168	308	420	534	639	723	800	867	949	1,025	1,113	1,113
YTD Resales (2023)	70	131	231	346	463	555	637	709	767	839	903	974	974
YTD Over/(Under) Budget	↓ (12)	↓ (37)	↓ (77)	↓ (74)	↓ (71)	↓ (84)	↓ (86)	↓ (91)	↓ (100)	↓ (110)	↓ (122)	↓ (139)	↓ (139)
YTD Over/(Under) Budget	(15%)	(22%)	(25%)	(18%)	(13%)	(13%)	(12%)	(11%)	(12%)	(12%)	(12%)	(12%)	(12%)
YTD Resales Last Year (2022)	105	193	343	490	616	709	782	838	901	973	1,040	1,095	1,095
YTD Resales Before 2 years prior (2021)	74	162	310	448	586	722	836	912	986	1,059	1,157	1,267	1,267
Total Sales (new and resale) (2023)	72	65	103	116	118	93	83	76	59	72	64	71	992
Total Sales (new and resale) Last Year (2022)	110	92	158	150	133	96	76	60	66	73	72	60	1,146
Total Sales (new and resale) Before 2 years prior (2021)	77	93	152	141	143	139	119	81	80	78	103	115	1,321
PACF Refund	9	6	9	10	7	7	7	3	6	5	6	6	78

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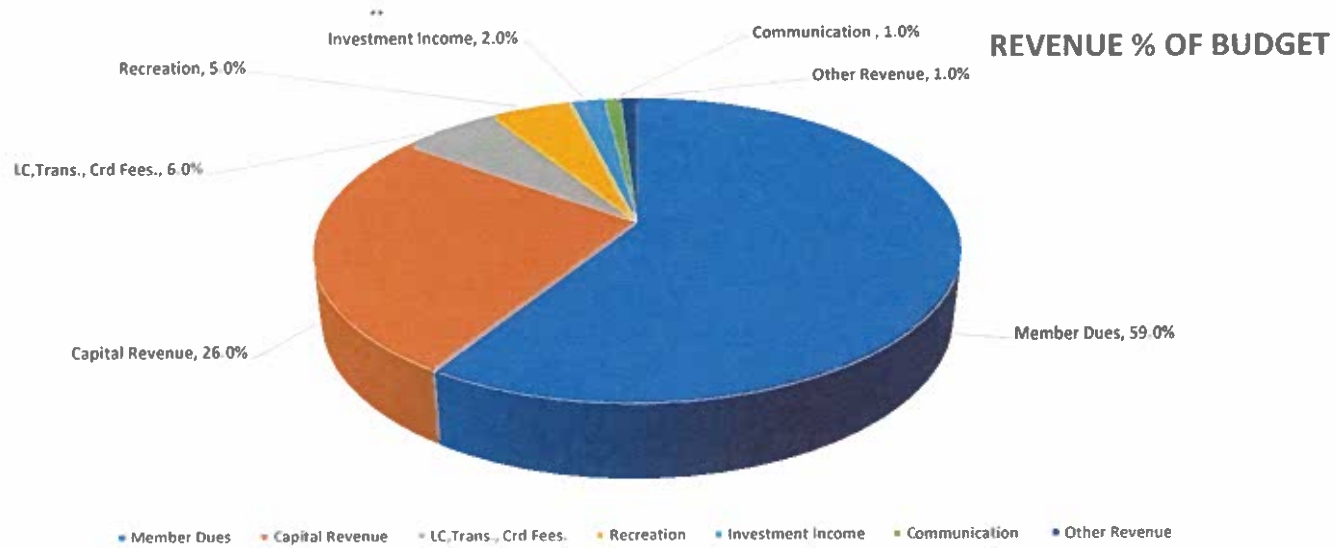
Green Valley Recreation, Inc
 Summary of Revenue & Expenditures - Budget to Actual
 For Fiscal Year Ending Dec 31, 2023

Areliminary

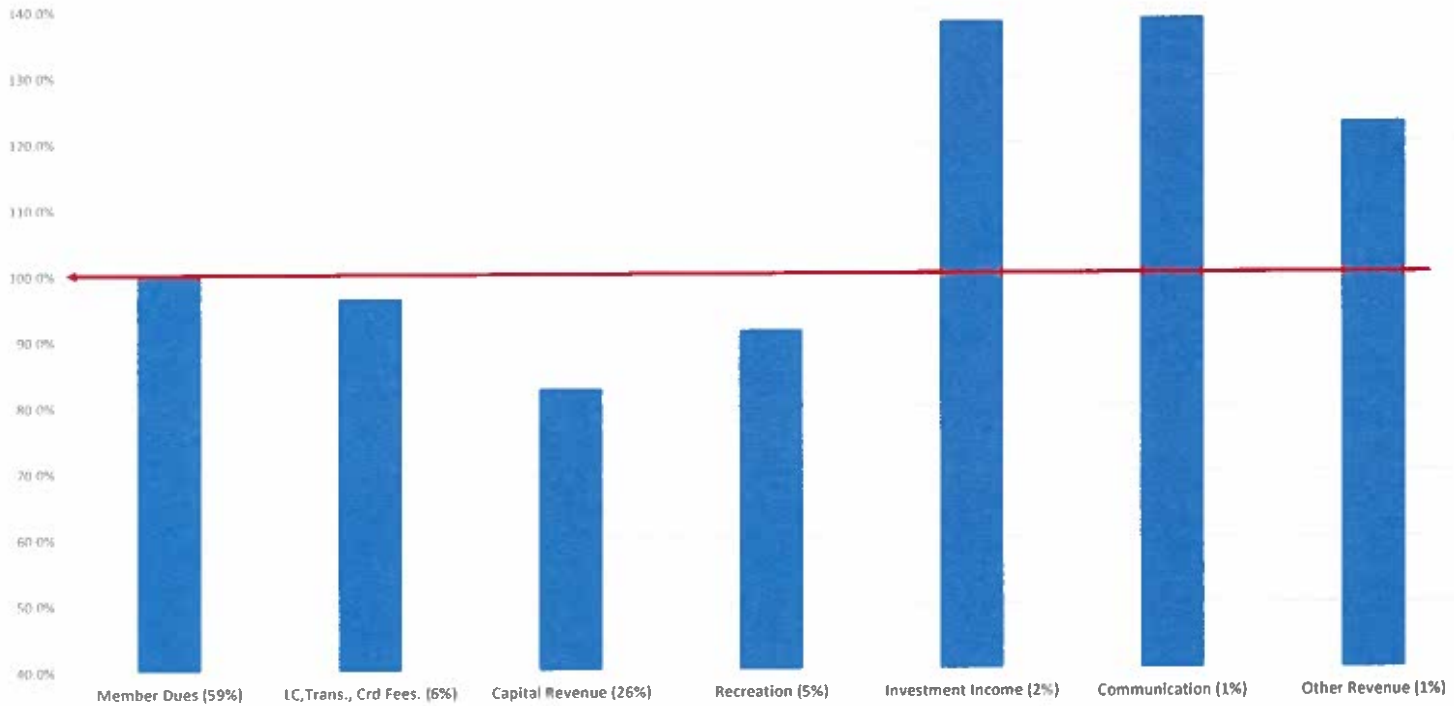
Quarterly Board Report January - December 2023

	2023 Annual Budget	January - December 2023			Prior Year		
		YTD Budget	Actual 4Q YTD	% of Variance	FY 2022 4Q YTD	Var. from Prior Year	
						%	\$
Revenue:							
Member Dues	\$ 7,055,850	\$ 7,055,850	\$ 7,051,415	(0.1%)	\$ 6,947,340	1.5%	\$ 104,075
LC,Trans., Crd Fees.	757,137	757,041	730,959	(3.4%)	785,602	(7.0%)	(54,642)
Capital Revenue	3,328,040	3,328,040	2,755,960	(17.2%)	3,099,400	(11.1%)	(343,440)
Recreation	559,307	559,307	511,818	(8.5%)	401,553	27.5%	110,265
Investment Income	286,884	286,884	396,733	38.3%	372,078	6.6%	24,655
Communication	34,195	34,195	47,478	38.8%	43,105	10.1%	4,374
Other Revenue	89,979	89,979	110,668	23.0%	112,273	(1.4%)	(1,605)
Total Revenue	12,111,392	12,111,296	11,605,032	(4.2%)	\$ 11,761,351	(1.3%)	\$ (156,320)
Expenditures:							
Facilities & Equipment NO DEPRECIATION	\$ 2,034,278	\$ 2,034,271	\$ 2,310,505	(7.4%)	\$ 1,747,916	(32.2%)	\$ (562,589)
Personnel	5,723,980	5,723,890	5,126,300	10.4%	5,143,126	0.3%	\$ 16,826
Program	517,295	517,295	470,378	9.1%	463,890	(1.4%)	\$ (6,488)
Communications	234,905	234,905	213,847	9.0%	209,141	(2.3%)	\$ (4,706)
Operations	601,031	601,031	679,468	(13.1%)	592,522	(14.7%)	\$ (86,946)
Corporate Expenses	675,904	675,904	890,908	(31.8%)	759,851	(17.2%)	\$ (131,058)
Total Expenditures	9,787,392	9,787,295	9,691,407	1.1%	8,916,447	(8.7%)	\$ (774,960)
Excess Revenues Over Exp.	\$ 2,324,001	\$ 2,324,002	\$ 1,913,625		\$ 2,844,905		\$ (931,280)
Transfers and Adjustments:							
Non Reserve Capital Projects	(308,000)	(308,000)	(47,980)				
Remove Income From Reserves	(247,772)	(247,772)	(240,309)				
Reserve Funding Initiatives	(670,625)	(670,625)	(559,835)				
Reserve Funding MRR & MRR-B	(1,469,344)	(1,469,344)	(1,469,344)				
MRR Expenses paid by Reserve	285,239	285,238	240,111				
Deduct Reserve Investment Exp.	86,501	86,501	83,297				
Modified Accrual Basis Surplus	-	(0)	(80,435)				

This report is not a GAAP compliant statement. Non cash adjustments such as Depreciation of Fixed Assets have been removed to establish a Modified Accrual report. The purpose of this report is to give a high level summary of GVRs performance for comparison to the Zero Surplus Budget goal for the fiscal year.

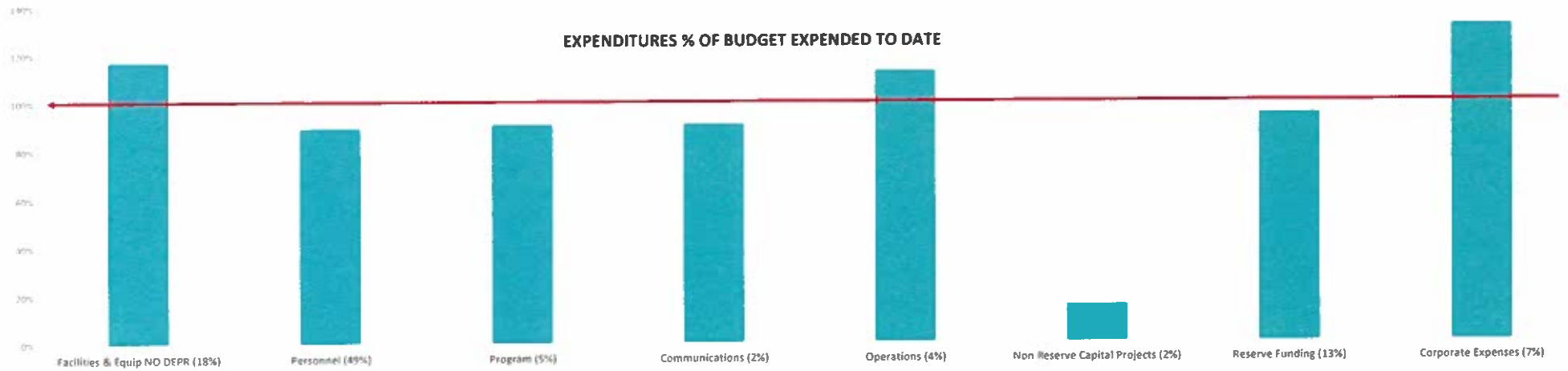
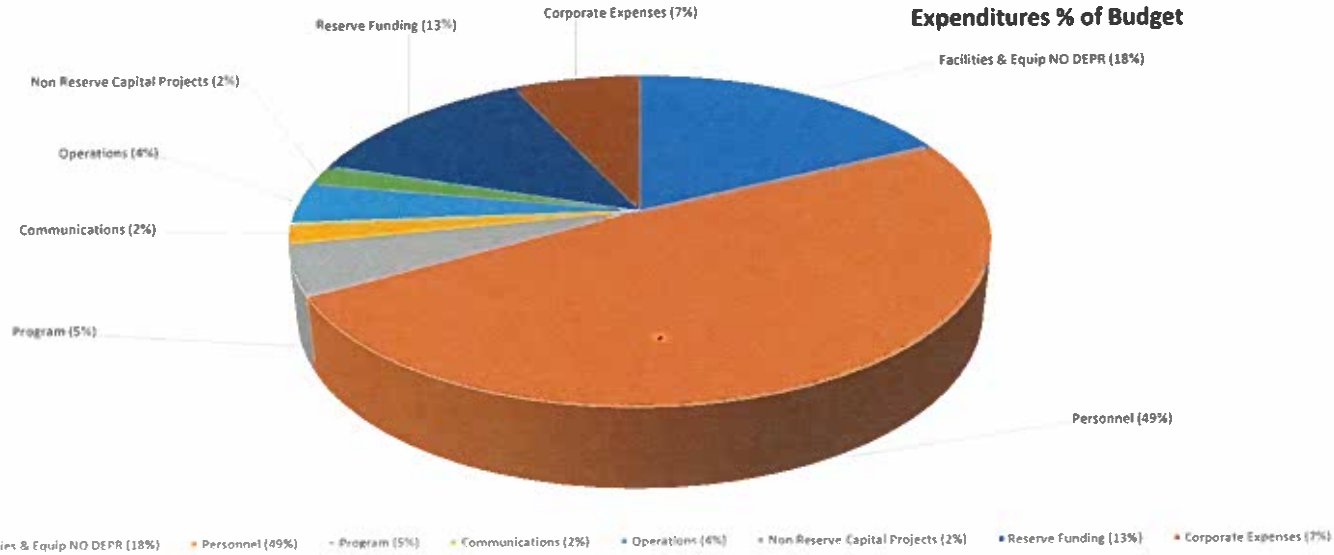


Revenue % of Budget Received to Date



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Green Valley Recreation
Quarterly Board Report January - December 2023





Green Valley Recreation, Inc
Statement of Financial Position
December 31, 2023

Preliminary

	Current December 31, 2023	Prior Year December 31, 2022	Increase (Decrease)	
Assets				
Total Operating Cash	5,962,983	6,660,402	(697,420)	(10%)
Accounts Receivable (net)	170,053	197,896	(27,844)	(14%)
Designated Investments	10,300,617	10,642,430	(341,813)	(3%)
Prepaid Expenses & Inventory	240,017	230,307	9,710	4%
Total Current Assets	16,673,670	17,731,035	(1,057,366)	(6%)
Fixed Assets				
Net Fixed Assets	21,319,822	19,177,114	2,142,708	11%
Oper. & Finance ROU	111,822	111,822		
Total Assets	38,105,313	37,019,971	1,085,342	3%
Liabilities				
Accounts Payables	490,967	514,060	(23,093)	(4%)
Deffered Dues & Fees	4,679,950	4,684,821	(4,871)	(0%)
Compensation Liability	-	-	-	0%
Short Term Liabilities	251,458	394,561	(143,103)	(36%)
Long Term Liabilities	134,928	(145,928)	280,856	(192%)
Total Liabilities	5,557,303	5,447,513	109,790	2%
Total Net Assets	32,548,010	31,572,458	975,552	3%
Net Assets				
Board Designated Net Assets	10,261,047	13,092,238	(2,831,191)	(22%)
Unrestricted Net Assets	21,019,555	18,758,980	2,260,575	12%
Net Change Year-To-Date	1,267,408	(278,760)	1,546,168	555%
Total Net Assets	32,548,010	31,572,458	975,552	3.09%



MEMO

TO: Scott Somers, CEO
 FROM: David Webster, CFO
 DATE: January 10, 2024
 RE: 2023 Surplus Preliminary Calculation

This memo provides us with the first draft of the 2023 Surplus calculation. Completing only 7 working days after the year end, we have to be aware that these are preliminary numbers and are subject to change with additional information from reconciliations, audit and invoices that have not been received. With that said, here is the **preliminary** calculation:

	2023 Budget	2023 Actual	Variance	%	Comments
REVENUE					
Member Dues	\$7,055,850	\$7,051,415	\$(4,435)	(0.1)%	Dues 2023
Fees	\$757,137	\$730,959	\$(26,178)	(3.6)%	Home sales
Capital Revenue	\$3,328,040	\$2,755,960	\$(572,080)	(20.8)%	Lower than budgeted home sales
Recreation	\$559,307	\$511,818	\$(47,489)	(9.3)%	Offset with program exp.
Investment Inc.	\$286,884	\$396,733	\$109,849	27.7%	Primarily reserve accts.
Communication	\$34,195	\$47,478	\$13,283	28.0%	Cell towers
Other Revenue	\$89,979	\$110,657	\$20,678	18.7%	Pmt. Plan and late fees
TOTAL REVENUE	\$12,111,392	\$11,605,020	\$(506,372)	(4.4)%	Primarily home sales
EXPENSES					
Facilities	\$3,443,761	\$3,632,101	\$(188,340)	(5.2)%	Includes additional custodial contracts
Personnel	\$5,723,980	\$5,126,300	\$597,680	11.7%	Wages & Benefits
Program	\$517,295	\$470,378	\$46,917	10.0%	Primarily instructional
Communications	\$234,905	\$213,847	\$21,058	9.8%	Primarily Telecommunications
Operations	\$601,031	\$673,657	\$(72,626)	(10.8)%	Custodial & Pool supplies
Corporate Exp.	\$675,904	\$890,033	\$(214,129)	(24.1)%	Insurance, Legal & Professional
TOTAL EXPENSE	\$11,196,876	\$10,934,358	\$190,560	1.7%	Primarily Personnel

	2023 Budget	2023 Actual	Variance	%	Comments
SURPLUS CALC					
In Kind Revenue	\$0	\$(4,000)	\$(4,000)	%	Non-Cash Revenue
Non-Reserve Capital	\$(308,000)	\$(43,980)	\$264,020	85.7%	NRC purchases paused
Reserve Income	\$(247,772)	\$(240,309)	\$7,463	(3.0)%	Investment Income remains with reserves
Initiatives Funding	\$(670,625)	\$(559,835)	\$110,790	(16.5)%	Less transfer to Initiatives Due to lower home sales
MRR Funding	\$(1,469,346)	\$(1,469,346)	\$0	%	Funded with operating cash
MRR Expenses	\$285,239	\$240,111	\$(45,128)	(15.8)%	Paid directly from MRR
Reserve Invest- ment Expenses	\$86,501	\$83,297	\$(3,204)	(3.7)%	Investment Expenses remain with reserves
Depreciation	\$1,409,492	\$1,314,923	\$(94,569)	(6.7)%	Non-cash expense
TOTAL SURPLUS ADJUSTMENTS	\$(914,511)	\$(679,139)	\$235,372	25.7%	Adjustments required to determine GVR Surplus
SURPLUS	\$0	\$(80,435)	\$(80,435)		GVR Surplus Formula

We can see that although GVR had a \$572,080 shortfall in Capital Revenue, we achieved savings in Personnel costs and Non-Reserve Capital projects which helped to result in a net Deficit of only \$80,435.

Section 3.3.2.E. of the CPM states that the Fiscal Affairs Committee is responsible for recommending the disposition of Operational Surplus or Deficit. After reviewing the Cash Requirements Report for 2024, it is my position that GVR does not need to make any transfers at this time.



Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: November 30, 2023 and Dec 31, 2022

	November 30, 2023		Dec 31, 2022	
	Total		Total	
ASSETS				
Current Assets				
Cash/Cash Equivalents		230,501		1,732,899
Accounts Receivable		221,157		197,896
Prepaid Expenses		235,999		207,263
Maintenance Inventory		22,003		23,044
Designated Investments (Charles S./SBH)				
Emergency - Fund	536,596	(1)	490,701	(18)
MRR - Fund	7,070,186	(2)	7,043,208	(19)
Initiatives - Fund	1,679,406	(3)	2,531,557	(20)
Pools & Spas - Fund	797,365	(4)	576,963	(21)
Total Designated Investments (CS/SBH)	10,083,553	(5)	10,642,430	(22)
Undesignated Invest. (JP Morgan Long Term)	1,625,511	(6)	1,565,673	(23)
Undesignated Invest. (JP Morgan)	67,488	(7)	3,361,830	(24)
Investments		11,776,552		15,569,933
Total Current Assets		12,486,213		17,731,035
Fixed Assets				
Contributed Fixed Assets		18,017,085		18,017,085
Purchased fixed Assets		30,593,133		27,908,195
Sub-Total		48,610,218		45,925,280
Less - Accumulated Depreciation		(27,355,490)		(26,748,166)
Net Fixed Assets		21,254,728		19,177,114
Operating Lease ROU, Net of Accum. Amortization		467		467
Finance Lease ROU, Net of Accum. Amortization		111,355		111,355
Total Assets		33,852,763		37,019,971
LIABILITIES				
Current Liabilities				
Accounts Payable		332,196		514,060
Deferred Dues Fees & Programs		649,984		4,684,821
Accrued Payroll		223,570		153,683
Compensation Liability		-		-
MCF Refund Liability		211,700		197,120
In-Kind Lease Liability -Current		333		4,000
Operating ROU Liability - Current		439		439
Financing ROU Liability - Current		39,319		39,319
Total Current Liabilities		1,457,541		5,593,441
In-Kind Lease Liability - LT		50,667		50,667
Notes Payable		-		11,000
Financing ROU Liability - LT		84,261		84,261
Total Long Term Liabilities		134,928		145,928
TOTAL NET ASSETS		32,260,294		31,280,602
NET ASSETS				
Temporarily Designated:				
Board Designated:				
Emergency	536,596	(14)	490,701	(28)
Maint - Repair - Replacement	7,052,908	(12)	7,043,208	(29)
Initiatives	1,679,031	(13)	2,531,557	(30)
Pools & Spas	797,365	(14)	576,963	(31)
Sub-Total	10,065,900	(15)	10,642,430	
Unrestricted Net Assets		21,214,701		20,638,172
Net change Year-to-Date		979,692		-
Unrestricted Net Assets		22,194,393		20,638,172
TOTAL NET ASSETS		32,260,294		31,280,602



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 11 month period ending November 30, 2023

FY Budget Period: Jan 1, 2023 - Dec 31, 2023

	PRIOR YEAR COMPARISON				%	BUDGET COMPARISON				%	Fiscal Year Budget	Remaining FY Budget
	2022 YTD Actual	2023 YTD Actual	Year to Year Variance			YTD Actual	YTD Budget	YTD Variance				
Revenue												
Member Dues	6,391,693	6,468,083	76,390	1%	6,468,083	6,467,863	220	0.0%	7,055,850	587,767		
LC, Trans., Crd Fees.	720,867	667,315	(53,352)	(7%)	667,315	686,206	(18,891)	(3%)	757,137	89,822		
Capital Revenue	2,925,327	2,518,244	(407,083)	(14%)	2,518,244	3,064,907	(546,663)	(18%)	3,328,040	809,796		
Programs	77,412	104,411	26,999	35%	104,411	192,014	(87,603)	(46%)	225,310	120,899		
Instructional	290,733	383,130	92,397	32%	383,130	316,286	66,843	21%	333,997	(49,133)		
Recreational Revenue	368,145	487,541	119,396	32%	487,541	508,301	(20,760)	(4%)	559,307	71,766		
Investment Income	329,038	367,195	38,157	12%	367,195	249,235	117,960	47%	286,884	(80,312)		
Advertising Income	-	-	-	0%	-	-	-	0%	-	-		
Cell Tower Lease Inc.	39,232	43,482	4,250	11%	43,482	31,366	12,116	39%	34,195	(9,287)		
Comm. Revenue	39,232	43,482	4,250	11%	43,482	31,366	12,116	39%	34,195	(9,287)		
Other Income	82,506	85,834	3,328	4%	85,834	74,293	11,541	16%	80,281	(5,553)		
Facility Rent	18,128	16,622	(1,506)	(8%)	16,622	5,544	11,078	200%	6,000	(10,622)		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	3,667	3,667	-	0%	3,667	-	3,667	0%	-	(3,667)		
Contributed Income	-	-	-	0%	-	3,365	(3,365)	(100%)	3,698	3,698		
Other Revenue	104,300	106,123	1,822	2%	106,123	83,203	22,920	28%	89,979	(16,143)		
Total Revenue	10,878,402	10,657,982	(220,420)	(2%)	10,657,982	11,091,080	(433,097)	(3.9%)	12,111,392	1,453,410		
Expenses												
Major Proj.-Rep. & Maint.	218,834	399,182	(180,348)	(82%)	399,182	413,494	14,312	3%	478,281	79,098		
Facility Maintenance	212,977	331,155	(118,178)	(55%)	331,155	212,683	(118,472)	(56%)	228,478	(102,677)		
Fees & Assessments	22,718	14,815	7,903	35%	14,815	27,121	12,306	45%	30,725	15,910		
Utilities	841,829	961,108	(119,479)	(14%)	961,108	868,072	(93,036)	(11%)	938,066	(23,041)		
Depreciation	1,432,805	1,214,886	217,919	15%	1,214,886	1,292,034	77,149	6%	1,409,492	194,606		
Furniture & Equipment	258,316	333,230	(74,914)	(29%)	333,230	233,087	(100,143)	(43%)	268,444	(64,786)		
Vehicles	78,389	97,696	(19,306)	(25%)	97,696	88,060	(9,636)	(11%)	101,012	3,316		
Facilities & Equipment	3,065,669	3,352,072	(286,403)	(9%)	3,352,072	3,134,551	(217,521)	(7%)	3,454,498	102,426		
Wages	3,500,349	3,563,011	(62,662)	(2%)	3,563,011	3,901,351	338,340	9%	4,336,945	773,934		
Payroll Taxes	268,174	283,302	(15,128)	(6%)	283,302	312,789	29,487	9%	347,276	63,974		
Benefits	870,303	817,789	52,514	6%	817,789	955,132	137,343	14%	1,039,758	221,969		
Personnel	4,638,827	4,664,102	(25,275)	(1%)	4,664,102	5,169,272	505,170	10%	5,723,980	1,059,878		
Food & Catering	22,771	29,435	(6,664)	(29%)	29,435	30,506	1,071	4%	32,211	2,776		
Recreation Contracts	336,739	341,871	(5,132)	(2%)	341,871	364,859	22,988	6%	413,188	71,317		
Bank & Credit Card Fees	59,141	71,152	(12,011)	(20%)	71,152	68,906	(2,246)	(3%)	71,896	744		
Program	418,651	442,459	(23,808)	(6%)	442,459	464,271	21,813	5%	517,295	74,836		
Communications	99,981	95,358	4,623	5%	95,358	96,924	1,566	2%	107,974	12,616		
Printing	72,670	77,328	(4,657)	(6%)	77,328	102,722	25,395	25%	104,407	27,079		
Advertising	17,895	25,130	(7,235)	(40%)	25,130	20,024	(5,106)	(25%)	22,524	(2,606)		
Communications	190,547	197,816	(7,269)	(4%)	197,816	219,670	21,854	10%	234,905	37,089		
Supplies	364,101	512,909	(148,807)	(41%)	512,909	384,039	(128,870)	(34%)	424,090	(88,819)		
Postage	17,866	17,012	854	5%	17,012	19,463	2,451	13%	20,909	3,897		
Dues & Subscriptions	13,660	13,340	320	2%	13,340	15,704	2,364	15%	16,710	3,370		
Travel & Entertainment	1,071	2,313	(1,242)	(116%)	2,313	10,421	8,108	78%	10,700	8,388		
Other Operating Expense	85,384	85,528	(144)	(0%)	85,528	106,069	20,541	19%	128,622	43,094		
Operations	482,082	631,101	(149,020)	(31%)	631,101	535,695	(95,406)	(18%)	601,031	(30,070)		
Information Technology	73,360	115,867	(42,507)	(58%)	115,867	109,096	(6,771)	(6%)	115,638	(229)		
Professional Fees	220,738	294,560	(73,821)	(33%)	294,560	141,880	(152,680)	(108%)	148,393	(146,167)		
Commercial Insurance	335,824	311,396	24,428	7%	311,396	294,232	(17,164)	(6%)	321,601	10,206		
Taxes	52,192	77,862	(25,670)	(49%)	77,862	15,962	(61,900)	(388%)	30,026	(47,836)		
Conferences & Training	24,856	14,894	9,962	40%	14,894	36,222	21,328	59%	39,515	24,621		
Employee Recognition	5,461	13,872	(8,411)	(154%)	13,872	18,304	4,433	24%	20,731	6,859		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
Corporate Expenses	712,431	828,450	(116,019)	(16%)	828,450	615,696	(212,754)	(35%)	675,904	(152,546)		
Expenses	9,508,205	10,115,999	(607,794)	(6%)	10,115,999	10,139,156	23,157	0.2%	11,207,612	1,091,612		
Gross Surplus(Rev-Exp)	1,370,197	541,983	(828,214)	(60%)	541,983	951,924	(409,941)	(43%)	903,781	361,798		
Net Gain/Loss on Invest.	(1,595,673)	437,709	2,033,382		437,709	-	437,709		-	(437,709)		
Net from Operations	(225,477)	979,692	1,205,169	(534%)	979,692	951,924	27,768		903,781	(75,911)		



Green Valley Recreation, Inc.
Statement of Changes in Net Assets

As of Date: November 30, 2023 and Dec 31, 2022

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	979,692 ⁽¹⁶⁾	979,692	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,971,524)	-	-	1,179,941	502,178	289,405
Transfers Prev. Yr. Surplus	-	(428,596)	-	-	-	428,596	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	607,323	(607,323)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	701,952	2,684,938	-	(1,300,573)	(1,984,541)	(101,777)
Purchases Withdrawals Outstanding	(0)	152,402	-	-	(242,037)	95,645	(6,010)
Allocations of Net Change components:							
Investment income	-	(284,057)	-	7,298	197,101	61,805	17,854
Investment Expenses	-	141,160	-	(3,409)	(115,972)	(16,555)	(5,224)
Net Gains (Losses) in Investments	-	(419,745)	-	42,006	291,241	60,346	26,153
Net Change to November 30, 2023	979,692 ⁽¹⁶⁾	(521,393)	2,077,615	45,894	9,701	(852,526)	220,402
Net Assets at, Dec 31, 2022	31,280,602 ⁽²⁷⁾	1,461,058	19,177,114 ⁽²⁶⁾	490,701 ⁽²⁸⁾	7,043,208 ⁽²⁹⁾	2,531,557 ⁽³⁰⁾	576,963 ⁽³¹⁾
Net Assets as at, November 30, 2023	32,260,294 ⁽¹⁰⁾	939,665	21,254,728 ⁽⁹⁾	536,596 ⁽¹¹⁾	7,052,908 ⁽¹²⁾	1,679,031 ⁽¹³⁾	797,365 ⁽¹⁴⁾
		22,194,393 ⁽¹⁷⁾			10,065,900 ⁽¹⁵⁾		

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	Pools & Spas Reserve Fund
Balance Dec 31, 2022 (at Market)	15,569,933 ⁽²⁵⁾	4,927,503 ⁽²⁴⁾	490,701 ⁽¹⁸⁾	7,043,208 ⁽¹⁹⁾	2,531,557 ⁽²⁰⁾	576,963 ⁽²¹⁾
Changes since Jan 1, 2022:						
Principal Transfers	3,150,120	750,000	-	1,179,941	930,774	289,405
Investment income	430,621	146,563	7,298	197,101	61,805	17,854
Withdrawals	(7,689,292)	(4,150,000)	-	(1,542,610)	(1,888,896)	(107,787)
Investment Expenses	(141,160)	-	(3,409)	(115,972)	(16,555)	(5,224)
Net Change for 11 Months	(4,249,712)	(3,253,437)	3,889	(281,540)	(912,872)	194,249
Balance before Market Change at November 30, 2023	11,320,222	1,674,067	494,590	6,761,668	1,618,685	771,212
11 Months Net Change in Investments Gain/(Loss)	439,678	19,932	42,006	291,241	60,346	26,153
Balance at November 30, 2023 (at Market)	\$ 11,759,899 ⁽⁸⁾	1,693,999 ⁽⁶⁾ ⁽⁷⁾	536,595.60 ⁽¹⁾	7,052,908 ⁽²⁾	1,679,031 ⁽³⁾	797,365 ⁽⁴⁾

10,065,900 ⁽¹⁵⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

FAC Subcommittee Report:

Status Report on *Proposed Draft Business Plan for the Development of a Del Sol Clubhouse Cafe*

FAC: January 16, 2024

GVR Board: January 17, 2024



Proposed Business Plan for Development of a Del Sol Clubhouse Cafe

Presentation Contents and Order:

- Genesis of the Concept
- Subcommittee and it's approach
- Description of the Café
- Description of the Space
- Market Research
- Marketing and Sales Strategy
- Policy Changes
- Staffing
- Market Survey
- Financial Pro Forma Assumptions & Projections
- Service Delivery Options
- Market Survey
- Next Steps and Timetable

Concept of a Café As Part of a Social Gathering Place

Prior Strategic plans and Ad Hoc Committees Identified the need for a social gathering place /café since 2015

Cy 2015 Strategic Master Plan Report



Pg 5 of the Executive Summary; “During the Community Outreach process, a recurring theme was Members’ request for a cafe, smoothie bar or similar space that fosters spontaneous community gathering. **However, operating a GVR café or cafe would finally provide members with, a comfortable available space to gather with friends**



Pg 9 included a survey on page 9 of other retirement communities across the country that had cafes

Key Points from Steve Wilhelm’s Cy 2018 Ad Hoc Committee

- Members completed a field survey of area cafes and compilation of data
- Findings included
 - A Great Good Place (GGP) or social gathering place within a GVR Clubhouse is a member amenity;
 - Social metrics, not financial metrics
 - Del Sol Clubhouse with a café is a GGP: it creates a reason to come to Clubhouse
 - **Staffing is critical to form relationships with customers;**
- Volunteers can be used to enhance the services; doesn’t replace direct staff
- Board and Management absolutely committed to success;



A 2018 GVR Ad Hoc Committee also looked at the concept of The Great Good Place



The Great Good Place (GGP) Concept developed and published by urban sociologist Ray Oldenburg



Refers to spaces “beyond the home (the first place) and work (the second place) where people gather, socialize and build a sense of community”



Typically, Great Good places offer neutral, accessible environments like cafes, parks libraries



These places play a crucial role in fostering a sense of belonging and social cohesion within a community

Overview of Subcommittee- Methodology

Members of the Subcommittee

1	Nellie	Johnson	Chair of Subcommittee/Fiscal Affairs(FAC)
2	Pat	Reynolds	FAC
3	Betsy	Walton	GVR member
3	Eric	Sullword	GVR Member
4	Bob	Quast	GVR member
5	Maribet h	Kwaskeski	GVR Member
6	Jim	Carden	Ex-officio- FAC Chair
7	Scott	Sumers	Ex-Officio GVR CEO
8	David	Webster	GVR CFO
9	Howie	Murray	GVR Staff

Data Collection Methodology and Need for Market Study to Validate

- Data Collection/Analysis methodology
 - Data from GVR reports on households and clubs
 - ✓ Onsite observations and interviews with staff from competing cafes
 - ✓ Some assumptions based on past experience of opening buildings and start up operations of Subcommittee members
- Review of Cy 2018 Ad hoc Committee's work and CY 2015 Strategic Plan
- Market Survey /Validation Review
 - Market Survey was prepared and sent out after the January 8th meeting

Business Plan Draft Review – December 27, 2023: Subcommittee Meetings of Jan 3 and Jan 8

Mission and Strategic plan:



GVR's mission is “to provide excellent facilities and services that create opportunities for recreation, social activities, and leisure. education to enhance the quality of our members’ lives”



2022 Strategic Plan Goal One “provide excellent facilities for members to participate in a variety of active and social opportunities”.



Initiative: 1.4 “to expand/repurpose facilities to promote and encourage social gathering, including the exploration of opening a cafe”

Del Sol Club House and the Café:

- Club House is different from the other GVR recreational centers
- **Neighborhood Social Gathering place** and drop-in center; Lead Staff person (café manager is crucial to its success) per the Great Good Place concept
- Cafe is an integral part of Del Sol- as a social center
- While it is intended to be **an amenity** for its members, it is desired that revenues from the Café support the Café as much as possible; breaks even by 11th month because it doesn't include rent and utilities
- Prior studies noted a desire for a cafe (2015) and a social gathering place in Cy 2018

Description of Cafe



Café is an integral part of Del Sol Clubhouse; acts as a magnet to encourage social gatherings; it is a warm and welcoming atmosphere where customers are not rushed



It is a business that is licensed as a food preparation café. Like Starbucks, it is not a full-service restaurant



The intent is to make sufficient money to cover the costs of the beverage and food offerings



Café hours would be limited to 7-3 pm and offer a limited menu of beverages and food items



Café space would be used for activities and special events after the café closes; Open access to the Del Sol Clubhouse would be between 5:30am -9 pm



Consistent staffing is crucial to developing social relationships. The café would employ staff and not rely on volunteers for basic operations. However, the Clubhouse can become a catalyst for using volunteers for other activities



We are assuming and want to encourage customers to stay longer than at normal cafes because this reinforces social gathering concept. Posada Java and Sun City have the same philosophy



Prices will be affordable. Recommendation: Potentially offer coffee to everyone for a nominal amount, such as \$1.00, to encourage the social gathering place concept

Vision and Goals of Del Sol Clubhouse with Café

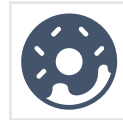
Draft Vision Statement



Green Valley Recreation (GVR), by its very definition, is a Social Organization. What better way to highlight this fact than to encompass all aspects of social interaction with the Del Sol Clubhouse. This Clubhouse will be offering a proposed Billiards Room, Game Room and now the potential inclusion of the Del Sol Café where members, guests and even non-members can come for coffee, food and good conversation while enjoying the views.



The Del Sol Café is but a part of this overall plan where neighbors, groups and clubs can meet up to enjoy a good cup of coffee, or a bowl of hot soup on a winters day or sit back and relax with friends after taking a walk through the park or down Camino Del Sol Road



This is the embodiment of the social atmosphere that GVR provides to all.

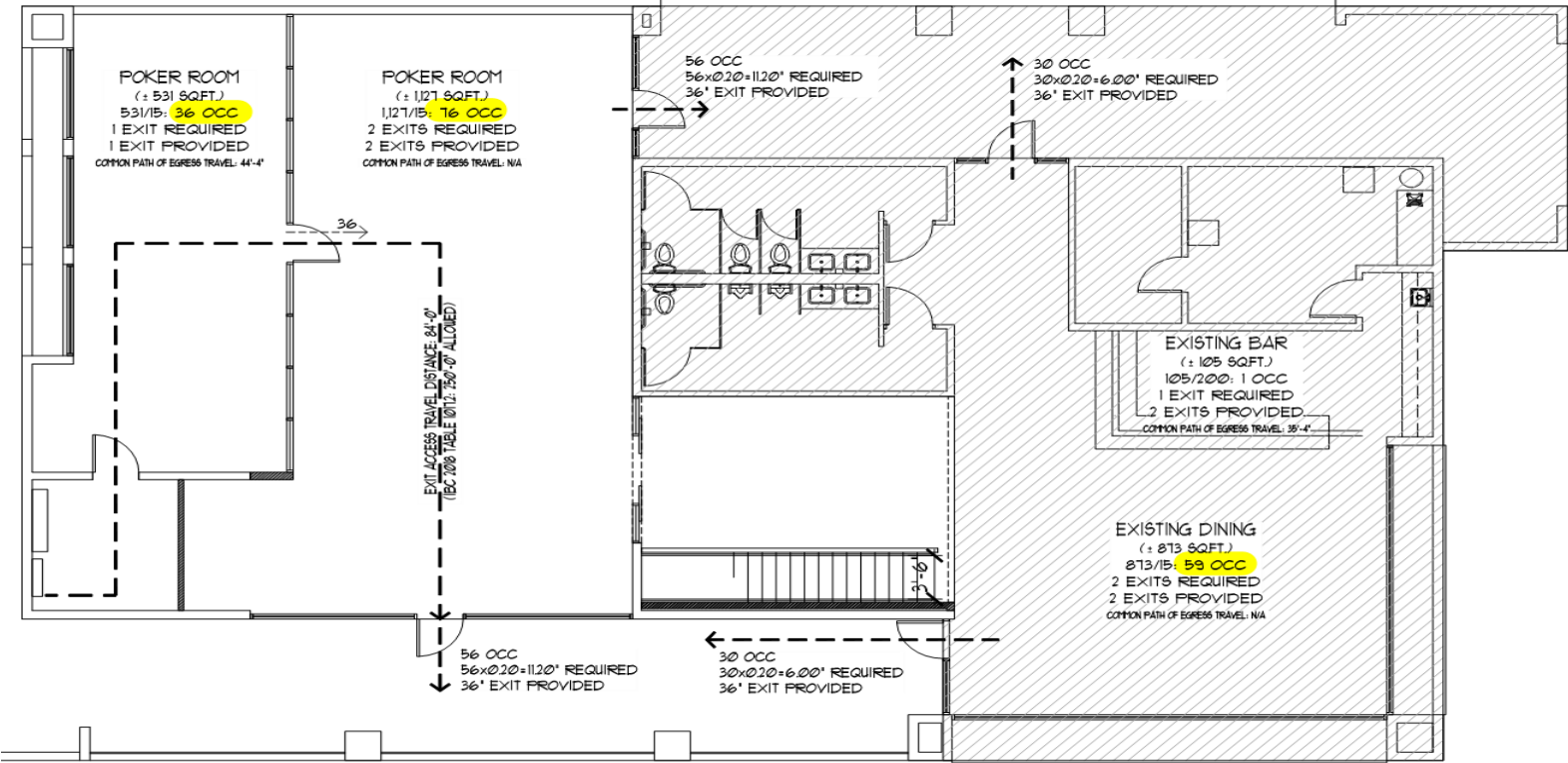
Proposed Goals of Del Sol Bistro Café

- Provide a gathering spot for the GVR membership and others that offers an updated and accessible space for member events and activities and the ability to commune around limited food and beverage offerings
- Develop a greater sense of community by establishing stronger relationships with the GVR members and its club, thus helping to sustain the cafe operation
- Provide the café as an amenity whose purpose is to provide a gathering place, rather than a revenue generator for GVR



Space: Architectural Drawing of Del Sol – First Floor

Front /Parking lot



January 3, 2023

Café Space: First Floor



Main café space: limited hours with select food and beverage items

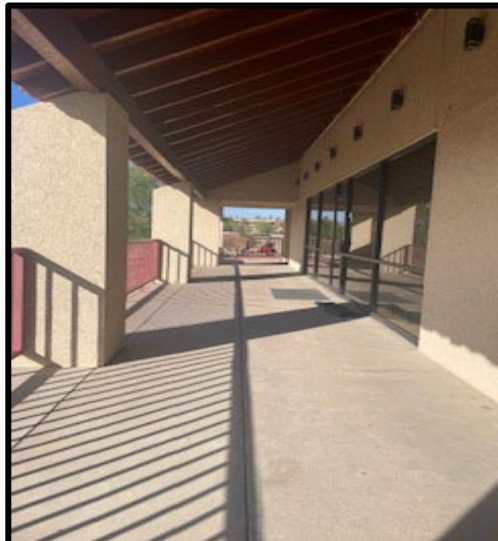
After hours: Drop in space/activities

Alcove: use as café space; glass doors open into game room/multipurpose area



Café Space: First Floor /Patios/Review of Seating Capacity

Front Patio



Rear patio

	Licensed Occupancy	Seating Capacity
Main area	59	42
Alcove	?	14
Front Patio	24	12
Rear Patio	24	12
Total	107	80



Subcommittee's Market Research – Findings Incorporated into Proposed Business Plan

Initial Competitive Assessment

- Starbucks in GV and Sahuarita
- Moqah in GV
- Madera Canyon Café in Quail Creek,
- Mountain View Café, in GV
- **Posada Java (La Posada Campus)**
- **The Bistro in Sun City, AZ (Oro Valley)**

Process

- Information obtained by:
 - ✓ Interviews with Staff/Manager
 - ✓ Secret Shopper experience and observations during different parts of the day
 - ✓ Internet search
- Looked for the following elements:
 - ✓ Indoor seating/outdoor patio seating;
 - ✓ Open 6-8 hours covering breakfast/lunch;
 - ✓ Only operates 6 days a week
 - ✓ and a single shift staffing pattern
- **Most similar to GVR are
Bistro in Sun City and Posada Java**



Competitive Assessment Findings - La Posada Findings

- Understand the senior market and the need to develop a strong sense of community and relationship with the customer
- The cafe is an extension of a larger mission of the entire retirement community
- Adapted Space to accommodate mobility issues;
- Open 7-4pm except Sundays
- Patio seating/warm interior atmosphere/don't rush the customer; it is a **social gathering place**
- Market serves 75% Green Valley and 25% La Posada; Changed since COVID

Marketing Strategy:

- **Direct relationship with customers; consider them friends and family; provides “outing” for residents**
- Target to La Posada residents and general community
- Not significantly impacted in summer months; target specific events; onsite concerts; knitting /card groups;
- Accommodates pet friendly
- Accommodates Bikers (have bike stands and repair kits)

Competitive Analysis Findings – Sun City Bistro

Interviews with CEO and CFO

- Structured as **an amenity** to their retirement community and supports their overall mission
- Aim is to add value to the member
- Primary focus is not as a business to make a profit
- Tried to arrange a tour in December; not able to fit in schedules. Could schedule a tour in Jan/Feb.

Background

- Located in Sun City, Oro Valley
- 2488 Housing Units serving about 4,000 residents
- Café and Lounge hours varies; 7 am to 8 pm
- Located in Clubhouse that has a lounge, restaurant; and patio oversees golf course
- It is a designated/preferred café and lounge for residents

Pictures of Sun City Bistro



Inside seating area with walk up window

Outside patio



Primary Target Market for Del Sol Café

Preferred Customers from Geographic area



Destination Café shop

- Target all other GVR Households
- Approach GVR Foundation for funds to create funding/donation card for persons with limited financial means;
- Review ways to serve GVR's aging population with limited mobility or declining mental capacity; work with groups, such as Friends in Deed, Alzheimer's Association, and Silver Springs, that have large passenger vans
- Propose allowing non-GVR members access to café for nominal daily fee

Market and Sales Strategy

Preferred Customers from Geographic area



Target market to GVR households in 85622 area



Market to Churches and businesses



Get estimate of use of Canoa Hills Trail Park from Sheriff's Auxiliary



GVR Rec Centers (Canoa Hills, Canoa Ranch, Desert Hills)



Connect with the Billiards Club since it is the primary user of the lower level of Del Sol



Outreach to HOA's

Destination cafe

Social drop-in center to meet friends

Planned Club events for GVR's 62 clubs, (9,000 members) especially for the social clubs

Organically grow activities with clubs;

Sponsor special events to maximize usage of space (build on Thursday nights)

Generate interest/special events for people to want to come to Del Sol Café; outside areas offer opportunities for concerts

Gathering place for members to bring adult children/grandchildren to enjoy Del Sol Club House

Potential Changes to the Corporate Policy Manual

Pet Policy

- Corporate Policy Manual to be amended to include pets on the front patio and rear patios; (similar to Posada Java) at all hours
- Meets the needs of GVR members who own pets
- Opens customer base and helps to financially support the Café

Allow non GRV members to use the café only

- Change CPM to allow non GVR people to use café only for a recommended daily token fee of 25 cents
- Other areas in the Clubhouse are secure and require guest passes, which we propose be purchased at the café
- Changing CPM for this GVR Center recognizes Del Sol Club as a unique entity- **a clubhouse**
- Café is a business enterprise; needs to maximize revenues to benefit café and GVR overall

Staffing model based on paid staff not volunteers

GVR Use of Volunteers

- GVR has 95 arts and entertainment volunteers, and they receive a free ticket; the Arts and Entertainment supervisor manages these volunteers
- Before the advent of the key cards, GVR used volunteers as fitness and pool monitors
- Café would be staffed by paid staff; volunteers could be used to enhance activities but would not be used to provide and oversee daily café operations

Reasons not to use Volunteers to Staff Café

- Volunteers will **not** provide:
 - Reliable maintenance and monitoring of equipment;
 - Thorough and reliable clean up of bathrooms, general and kitchen areas;
 - Consistent greeting and ability to build relationships;
 - Screening of non GVR members who need to pay an additional fee;
- A responsible approach to collecting money for food and beverages and for how that money might be used and accounted.
- It creates an insurance and licensing risk because we are not allowed to consistently serve food and beverages without AZ licensing. If we do it too much, it may open GVR up to scrutiny regarding AZ and IRS sales and UBIT taxes.
- Using volunteers and not employees to provide a daily food service puts GVR at risk for violation of and inability to assure compliance with safety, fire, and county facility licensing codes and requirements.
- Sun City suggested not using volunteers as it creates problems amongst the residents; not worth it.
- Costs would be incurred for training and monitoring

Summary of Financial Proforma /Options

Key Variables /model option

- Seating Capacity – 80 seating capacity
- **Customer time at café: assumed 1 hr. 15 minutes**
- Number of Days Open: 6 days
- Hours Per day: 8 hours 7 am-3 pm
- Purchase price per customer: range from \$5.00 to \$6.00
- Growth is phased in each month
- Staffing model:
 - The role of Café Manager is as 75% working manager, 25% administrative/marketing to community/GVR clubs etc
 - 2 FTE's – staff for 3 employees during busy cycle (9:00-11:30)
- Cost of Goods Sold:40% of customers revenue; based on Sun City

Key Results

- Break even in month 11 because café doesn't pay rent and utilities
- Proforma assumes the café sustainable at 30% of seating capacity or, on average, 154 customers per day.
- Assumes café manager oversees Café and space after hours;
 - 75% working manager
 - 15% café administrative
 - 10% after-hours (3pm- 9Pm) activity/event coordination with GVR Events coordinate/and Clubs Coordinator;
- **Option is to offer \$1.00 coffee/tea to all customers (could do all day or select hours 7-9 am to provide Del Sol Café as social gathering place**

Summary of Three-Year Projections

	Placeholder Budget Annualized	Year 1 Proforma	2nd Year	3rd Year
Revenues	\$ 33,333	\$ 200,588	\$ 287,935	\$ 296,360
Expenses staff	\$ 108,800	\$ 120,091	\$ 122,635	\$ 124,112
Expenses all other	\$ -	\$ 98,048	\$ 140,001	\$ 144,129
Preopening	\$ -	\$ 7,268	\$ -	
Total Expenses		\$ 225,408	\$ 261,178	\$ 268,242
Net	\$ (75,467)	\$ (24,820)	\$ 26,758	\$ 28,118

Model Option assumes full use of café space at full seating capacity and a portion of the café manager's time is for marketing outreach/building relationship

Café Options and Other Service Delivery Option

Café Model refinements

- Utilize lower seating capacity to start in first three months and then gradually expand to 80
- Change the days from 6 to 5
- Reduce the hours from 8 to 4 or 5 hours per day
- Staffing pattern: assumes manager is a working manager but administrative time is needed in any option
- Adjust FTE's – staff for 2 -employees during busy cycle (9:00-11:30)
- Cost of Goods Sold – based on Sun City's guidance of 40% of customer revenue.

Vending Machines only

- Doesn't create a direct relationship with customer; not a warm atmosphere
- Costs
 - Purchase of machines because volumes aren't sufficient to support leased machines
 - Staff needed to purchase and replenish beverages and food products machines
 - Revenue stream is limited; wouldn't support the costs
 - Market results from survey will help determine if customers prefer this option

Market Survey

Intent of Survey

- The intent of the survey is to survey the GVR membership to identify the extent of interest in and potential use of a limited food and beverage offering within the Del Sol GVR Clubhouse. This is a preliminary market survey and, therefore, is simple with limited questions. Specific objectives are to:
 - Keep it simple with a limited number of questions, none of which are open-ended, to ensure a quick turnaround time, minimize completion burden and streamline the evaluation of findings.
 - Identify familiarity with the Del Sol Clubhouse and what it has to offer.
 - Assess the extent of interest in a food and beverage offering.
 - Identify potential use of services (how often, what, and when/times?).
- Issues related to funding, operationalization and pricing are not part of this survey.

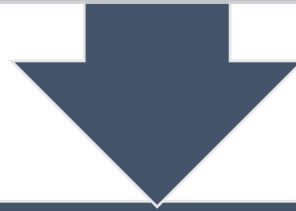
Target Population

- Since this GVR does not have access to non GVR household emails (all of whom reside in zip code 85614), this will be a GVR member-only survey.
- **Ideally, we need to survey by individuals in each household and not by household only to get a more reliable response.**
- A reliable response rate should be a minimum of 5% but, ideally, 10% or more of emails sent.

Market Study- Validate Assumptions/Next Steps

To expedite this, we are proposing an aggressive time frame. If we want a quick turnaround, we need a very limited and focused survey with no more than one open-ended question.

Survey approved by Committee by January 9 and tested by January 12 th ;	January 12 survey: GVR sends out survey with due date of due date of January 31.	Reminder to complete a survey, along with original January 16 verbiage, sent on January 24.	Survey closed on February 1.	Survey responses analyzed and a report developed to the Committee by February 7 th
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Business plan and pro forma revised as needed to reflect survey findings by February 9th to send out to FAC and GVR working session or Board: Decision by March 1st.

Next Steps and Timetable for Del Sol Clubhouse and Cafe

- Obtain input from Fiscal Affairs and GVR Board members at their upcoming Committee and Board work session (Jan 16 and Jan 17)
- Complete the market survey by Feb 1st
- The subcommittee meets the week of Feb 8th; and refines the business plan based on the results and other input; releases the final report

DEL SOL BISTRO

	Dec	Jan	Feb	March	April	May	June
Del Sol Parking lot repaving/other							Done
Approval of Café Business plan Fiscal Affairs, Board Affairs and the GVR Board			Feb 28th				
Start prep of operational plan for café option							open
Complete build out of café/storage area							open
OPEN							x-or sooner

Additional Slides

Products and Services

Purchase of Products /Food Trucks

- Due to low volume, may be difficult to get a food supplier to deliver items
- Assume manager will need to oversee purchase/pick up of items until the business grows
- Food Trucks; Used to supplement lunch options and for special events

Menu and pricing

- Keep prices affordable
- Offer a selection of beverages and limited food items for both breakfast and lunch;
- Option is to offer \$1.00 coffee/tea to all customers (could do all day or select hours 7-9 am

of Customers by Time of Day for First Month



Gradual phase in of Customer Volume

	1 month	2 month	3 month	4 month	5 month	6 month	7 month	8 month	9 month	10 month	11 month	12 month
on average, % d	15%	15%	15%	20%	20%	20%	25%	25%	25%	25%	30%	30%
daily	77	77	77	102	102	102	128	128	128	128	154	154