



AGENDA

Fiscal Affairs Committee

Tuesday, October 15, 2024

1:30 pm – 3:00pm MST

West Center Room 2 / Zoom

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

Committee: Dale Howard, Nellie Johnson, Bob Quast, Pat Reynolds, Steve Reynolds, Lanny Smith, Priscilla Spurgeon, Marge Garneau (ex-officio), Scott Somers (CEO), David Webster (CFO/Liaison)

Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. **Approve Meeting Minutes:** September 24, 2024
3. **Chair Comments**
4. **Staff Reports**
 - a. September 2024 Financial Report
 - b. GVR Financial Policies
 - c. 2024 Year end projection
 - d. Browning Reserve Study
5. **Business**
 - a. Review and recommend September 2024 financial statements
 - b. Review and recommend GVR Financial Policies
6. **Member Comments**
7. **Adjournment**

Next Meeting: Tuesday, November 19, 2024, 1:30-3:00pm, WC-Rm 2/Zoom



MINUTES

Fiscal Affairs Committee **Tuesday, September 24, 2024** **1:30pm – 3:00pm MST** **West Center Room 2 / 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.

Committee: Carol Crothers, Treasurer and Chair, Dale Howard, Nellie Johnson, Bob Quast, Pat Reynolds, Steve Reynolds, Lanny Smith, Priscilla Spurgeon,

Attendees: Scott Somers (CEO), David Webster (CFO/Liaison), Howey Murray (Controller)

1. **Call to order/Roll Call – Quorum established**
2. **Approve Meeting Minutes:** September 17, 2024
MOTION: Reynolds moved/Howard seconded to approve September 17, 2024 meeting minutes.
Passed: Unanimous
3. **Chair Comments:**
 - Carol Crothers is stepping down from BOD and FAC. Nellie Johnson will act as interim Chair of FAC

MOTION: Johnson moved/Quast seconded to amend agenda and discuss the 3-year forecast.
Passed: Unanimous

4. **Staff Reports:**
 - a. **GVR 2025 Budget Second Draft**
5. **Business**
 - a. **Review and recommend 2025 Capital Budget**

MOTION: Quast moved/Reynolds seconded to remove the \$100,000 surplus assumption from the 3-year projection.
Passed: 6 yes / 1 no (Pat Reynolds)

MOTION: Johnson moved/Reynolds seconded to take the Desert Hills (DH)

steam room out of the 2025 Capital Budget Initiatives and then reduce the \$299,000 for DH locker expansion and steam room by \$50,000 to \$249,000.

Passed: Unanimous

**MOTION: Johnson moved/Quast seconded to start discussions/negotiations with Clubs about an agreed upon amount (percentage) that a club will contribute for club requested capital projects.
Passed: 6 yes / 1 no (Pat Reynolds)**

**MOTION: Johnson moved/Quast seconded to accept and recommend to the board The Browning funding amount of \$1,300,102 for MRR.
Passed: Unanimous**

**MOTION: Johnson moved/Reynolds seconded to recommend to the board to transfer from the Emergency fund any amount over \$500,000 to Initiatives.
Passed: Unanimous**

**MOTION: Quast moved/Howard seconded to adjourn
Passed: Unanimous**

Next Meeting: Tuesday October 15, 2024, 1:30 p.m. to 3:00 p.m. WC #2



**Fiscal Affairs
Financial Report
As of September 30, 2024**

The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through September, 2024 and include the financial statements as of September 30, 2024. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

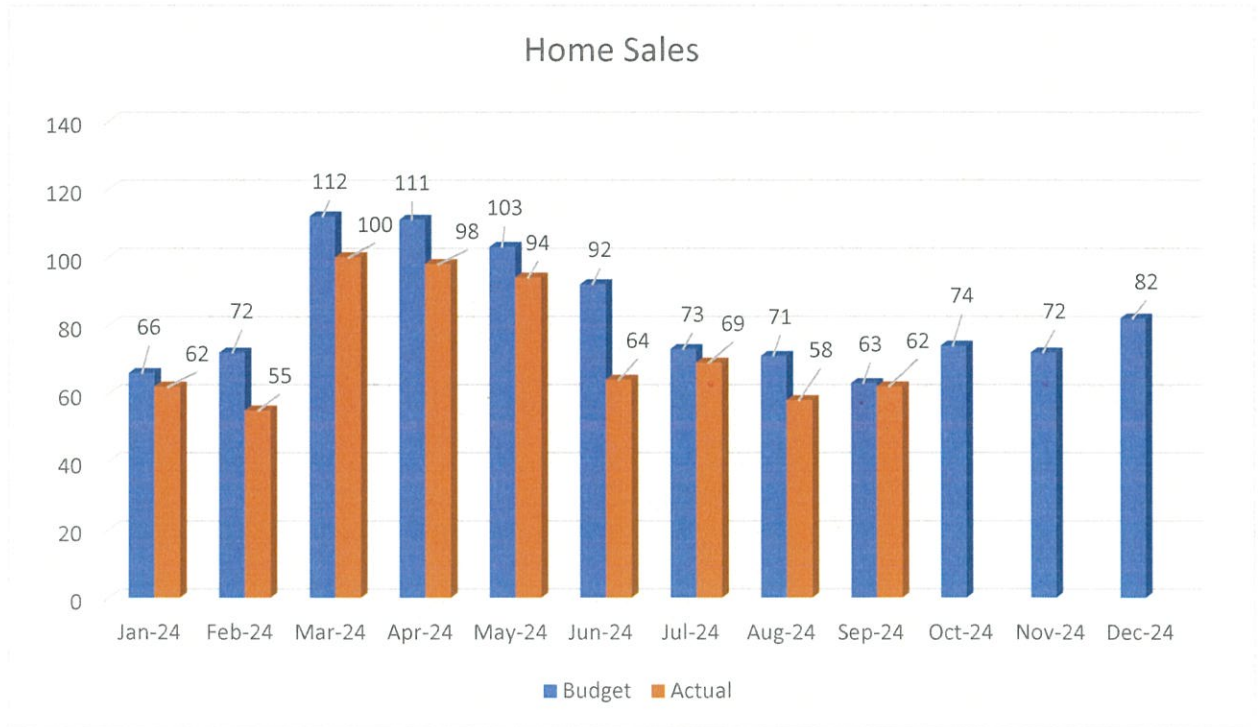
- The following table summarizes the September 30, 2024 total year to date Increase in Net Assets based on GVR’s 2024 Financial Statements:

Month	GVR 2024				Budget Variance	
	Operating Increase Net Assets	Unrealized Gains on Investments	Total Increase in Net Assets	Homes Sold	Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-24	\$145,243	\$20,176	\$165,419	62	(\$58,362)	\$124,803
Feb-24	(\$77,024)	\$126,995	\$49,971	55	(\$21,136)	(\$211,318)
Mar-24	\$91,330	\$152,470	\$243,800	100	\$73,122	(\$60,989)
Apr-24	\$100,779	(\$270,279)	(\$169,500)	98	(\$59,876)	\$27,788
May-24	\$68,182	\$229,361	\$297,543	94	(\$72,867)	(\$4,294)
Jun-24	(\$81)	\$89,472	\$89,391	64	(\$75,917)	(\$64,657)
Jul-24	(\$12,431)	\$244,324	\$231,893	69	(\$17,506)	\$6,483
Aug-24	\$6,901	\$152,000	\$158,901	58	(\$68,446)	\$2,519
Sep-24	\$77,884	\$83,536	\$161,420	62	\$6,203	\$43,902
Oct-24			\$0			
Nov-24			\$0			
Dec-24	\$0	\$0	\$0	0	\$0	\$0
Total YTD '24	\$400,783	\$828,055	\$1,228,838	662	(\$294,785)	(\$135,763)

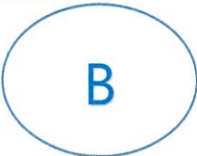
- While the preceding table illustrates the performance for the year 2024 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR’s 2024 budget.



- There were 62 Home Resales during the month of September. This number of sales is 1 (2%) less than budgeted for September and 1 more than September of the prior year. Year to date, GVR is 101 (13%) homes under budget. 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 \$220,235 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through September, 2024.



- The number of homes sold through the tow weeks of October is not available at the time of printing but will be reviewed at the FAC meeting.
- The September 2024 Statement of Financial Position (page 2) reports the Total Net Assets to be \$33,871,927 which is a \$1,189,786 increase for the year (page 2 and 3) and includes \$828,055 of Unrealized Gains on Investments for September 2024 year to date.
- The September 30 Operational cash on hand is \$372,532 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$2,687,053 which is a \$414,795 decrease during the month of September. This larger than normal decrease in Operating Cash is due to an annual commercial



insurance premium that was paid in September. The cash projections for 2024 are on pages 6 and 7.

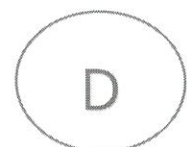
- The Net Fixed Assets are \$22,676,517 as of September 30, 2024 (page 2). Total net Capital Purchases for the year to date are \$2,075,349. The summary report of the Capital Projects is included on page 9.
- Total Current Liabilities are \$2,558,672 (page 2). This includes 3 months of Deferred Dues revenue for 2024.
- Designated Net Assets equal \$10,439,291 (detailed on pages 4 – 5) which reflects a net decrease of \$83,281 for the month of September, 2024. The year-to-date net unrealized investment gain on investments are \$828,055 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$8,694,905 which is 3.7% under budget and 0.2% 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 to date, September 2024.
- The Cash Requirements Reports for 2024 are included on pages 6 through 7. GVR's cash collections and Operating Cash balances are reasonable as projected.
- The total expenses for the year are \$8,333,174 which is \$134,637 (1.6%) over budget and 3% 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 September 30, 2024:



EXPENSES YTD SEPTEMBER 2024

<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	2,614,975	10,552	0.4%	Utilities are year to date over budget by 13% (primarily electric). September utilities were under budget
Program Expenses	463,014	(136,058)	-42%	Recreation Contracts are \$108,908 over budget and are offset with the \$157,662 of Recreational Income over budget
Communications	171,174	(5,112)	-3%	Includes cost for mailings to non-restricted deed residents
Operational Expenses	441,443	61,321	12%	Signage is under budget for 2024 Professional fees are \$32,579 (19%) under budget through September
Corporate Expenses	515,107	81,684	14%	2024
Personnel & Benefits	<u>4,128,587</u>	<u>(147,024)</u>	-4%	Wages 9% over budget and includes custodial labor. Benefits 19% under budget.
TOTAL EXPENSES	<u>8,334,300</u>	<u>(134,637)</u>	<u>-1.6%</u>	For analysis purposes, this total can be reduced by \$108,908 of Recreational Contracts for which there is income to offset these costs

- Of the \$134,637 of total expenses that are greater than budgeted, \$108,908 is for Recreation contracts that are more than budgeted. This is an acceptable overage because the corresponding Recreational Revenue is \$157,662 greater than budgeted.
- The third quarter updated projections are included on page 9. The current projection for 2024 is a deficit of \$91,800.





Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for September 30, 2024. 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.
Statement of Financial Position

As of Date: September 30, 2024 and Dec 31, 2023

	September 30, 2024		Dec 31, 2023		
	Total		Total		
ASSETS					
Current Assets					
Cash/Cash Equivalents		468,610		2,599,548	
Accounts Receivable		303,832		220,589	
Prepaid Expenses		341,454		218,015	
Maintenance Inventory		-		22,003	
Designated Investments (Charles S./SBH)					
Emergency - Fund	636,881	(1)	560,194	(18)	
MRR - Fund	7,771,934	(2)	7,175,602	(19)	
Initiatives - Fund	830,652	(3)	1,750,056	(20)	
Pools & Spas - Fund	1,199,824	(4)	814,765	(21)	
Total Designated Investments (CS/SBH)	10,439,291	(5)	10,300,617	(22)	
Undesignated Invest. (JP Morgan Long Term)	1,907,886	(6)	1,699,386	(23)	
Undesignated Invest. (JP Morgan)	406,635	(7)	1,767,892	(24)	
Investments		12,753,812	(8)	13,767,895	(25)
Total Current Assets		13,867,707		16,828,050	
Fixed Assets					
Contributed Fixed Assets		18,017,085		18,017,085	
Purchased fixed Assets		33,079,385		31,004,036	
Sub-Total		51,096,470		49,021,121	
Less - Accumulated Depreciation		(28,419,953)		(27,464,438)	
Net Fixed Assets		22,676,517	(9)	21,556,682	(26)
Operating Lease ROU, Net of Accum. Amortization		-		-	
Finance Lease ROU, Net of Accum. Amortization		72,483		72,483	
Total Assets		36,616,707		38,457,215	
LIABILITIES					
Current Liabilities					
Accounts Payable		316,998		727,655	
Deferred Dues Fees & Programs		1,906,281		4,533,756	
Accrued Payroll		129,293		156,036	
Compensation Liability		-		-	
MCF Refund Liability		217,230		211,700	
In-Kind Lease Liability -Current		5,000		4,000	
Operating ROU Liability - Current		-		-	
Financing ROU Liability - Current		40,307		40,307	
Total Current Liabilities		2,615,108		5,673,454	
In-Kind Lease Liability - LT		46,667		46,667	
Notes Payable		-		11,000	
Financing ROU Liability - LT		43,954		43,954	
Total Long Term Liabilities		90,621		101,621	
TOTAL NET ASSETS		33,910,978	(10)	32,682,140	(27)
NET ASSETS					
Temporarily Designated:					
Board Designated:					
Emergency	636,881	(11)	560,194	(28)	
Maint - Repair - Replacement	7,771,935	(12)	7,175,602	(29)	
Initiatives	830,652	(13)	1,750,056	(30)	
Pools & Spas	1,199,824	(14)	814,765	(31)	
Sub-Total	10,439,293	(15)	10,300,617		
Unrestricted Net Assets		22,242,848		22,381,524	
Net change Year-to-Date		1,228,838	(16)	-	
Unrestricted Net Assets		23,471,686	(17)	22,381,524	
TOTAL NET ASSETS		33,910,978		32,682,140	



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 9 month period ending September 30, 2024

FY Budget Period: Jan 1, 2024 - Dec 31, 2024

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2023 YTD Actual	2024 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	5,293,416	5,354,428	61,012	1%	5,354,428	5,349,562	4,866	0.1%	7,132,750	1,778,322
LC, Trans., Crd Fees.	557,750	517,259	(40,491)	(7%)	517,259	529,176	(11,917)	(2%)	705,637	188,378
Capital Revenue	2,109,344	1,876,986	(232,358)	(11%)	1,876,986	2,337,590	(460,604)	(20%)	3,039,780	1,162,794
Programs	89,319	185,093	95,774	107%	185,093	72,401	112,691	156%	92,403	(92,690)
Instructional	261,015	333,295	72,281	28%	333,295	280,328	52,968	19%	393,000	59,705
Recreational Revenue	350,334	518,388	168,054	48%	518,388	352,729	165,659	47%	485,403	(32,985)
Investment Income	286,867	339,333	52,466	18%	339,333	319,094	20,240	6%	425,458	86,125
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	35,489	36,630	1,141	3%	36,630	35,320	1,311	4%	47,093	10,463
Comm. Revenue	35,489	36,630	1,141	3%	36,630	35,320	1,311	4%	47,093	10,463
Other Income	63,452	69,338	5,887	9%	69,338	71,731	(2,393)	(3%)	87,072	17,734
Facility Rent	12,629	19,720	7,091	56%	19,720	15,000	4,720	31%	20,000	280
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	3,000	3,000	-	0%	3,000	3,000	-	0%	4,000	1,000
Del Sol Café Revenue	-	-	-	0%	-	16,667	(16,667)	(100%)	25,000	25,000
Other Revenue	79,081	92,058	12,977	16%	92,058	106,398	(14,339)	(13%)	136,072	44,014
Total Revenue	8,712,281	8,735,083	22,802	0%	8,735,083	9,029,868	(294,785)	(3.3%)	11,972,193	3,237,110
Expenses										
Major Proj.-Rep. & Maint.	316,325	379,263	(62,938)	(20%)	379,263	367,104	(12,159)	(3%)	489,203	109,940
Facility Maintenance	244,759	211,864	32,895	13%	211,864	303,246	91,382	30%	405,251	193,387
Fees & Assessments	12,725	4,169	8,556	67%	4,169	4,534	365	8%	5,000	831
Utilities	735,821	788,498	(52,676)	(7%)	788,498	695,767	(92,731)	(13%)	1,000,134	211,636
Depreciation	1,010,549	955,515	55,034	5%	955,515	976,539	21,025	2%	1,275,000	319,485
Furniture & Equipment	265,164	206,180	58,983	22%	206,180	204,825	(1,355)	(1%)	268,945	62,765
Vehicles	83,677	69,486	14,191	17%	69,486	73,512	4,026	5%	98,000	28,514
Facilities & Equipment	2,669,020	2,614,975	54,045	2%	2,614,975	2,625,527	10,552	0%	3,541,533	926,558
Wages	2,852,741	3,273,932	(421,191)	(15%)	3,273,932	3,016,964	(256,968)	(9%)	4,047,812	773,880
Payroll Taxes	220,811	259,519	(38,708)	(18%)	259,519	233,398	(26,121)	(11%)	323,634	64,115
Benefits	659,481	595,136	64,346	10%	595,136	731,200	136,065	19%	964,545	369,409
Personnel	3,733,033	4,128,587	(395,553)	(11%)	4,128,587	3,981,562	(147,024)	(4%)	5,335,990	1,207,404
Food & Catering	20,329	43,113	(22,785)	(112%)	43,113	16,262	(26,851)	(165%)	21,386	(21,727)
Recreation Contracts	263,053	348,237	(85,184)	(32%)	348,237	239,329	(108,908)	(46%)	348,685	448
Bank & Credit Card Fees	68,431	71,664	(3,233)	(5%)	71,664	70,239	(1,425)	(2%)	77,000	5,336
Program	351,813	463,014	(111,201)	(32%)	463,014	325,830	(137,184)	(42%)	447,071	(15,943)
Communications	81,821	81,720	101	0%	81,720	74,035	(7,685)	(10%)	96,023	14,303
Printing	67,492	63,923	3,569	5%	63,923	78,587	14,664	19%	103,183	39,259
Advertising	25,130	25,531	(401)	(2%)	25,531	13,440	(12,091)	(90%)	17,920	(7,611)
Communications	174,443	171,174	3,269	2%	171,174	166,062	(5,112)	(3%)	217,126	45,951
Supplies	407,525	363,126	44,399	11%	363,126	416,597	53,471	13%	558,587	195,461
Postage	7,686	9,791	(2,105)	(27%)	9,791	6,094	(3,697)	(61%)	17,922	8,131
Dues & Subscriptions	10,288	9,974	315	3%	9,974	10,882	908	8%	17,091	7,117
Travel & Entertainment	1,245	551	694	56%	551	1,200	649	54%	1,600	1,049
Other Operating Expense	63,311	58,001	5,310	8%	58,001	67,991	9,990	15%	113,884	55,883
Operations	490,055	441,443	48,612	10%	441,443	502,764	61,321	12%	709,084	267,641
Information Technology	96,242	90,560	5,682	6%	90,560	100,143	9,583	10%	136,781	46,221
Professional Fees	255,007	135,687	119,320	47%	135,687	168,266	32,579	19%	213,816	78,129
Commercial Insurance	223,502	272,755	(49,253)	(22%)	272,755	266,109	(6,646)	(2%)	354,812	82,057
Taxes	77,862	(259)	78,121	100%	(259)	20,550	20,809	101%	33,000	33,259
Conferences & Training	14,220	9,761	4,459	31%	9,761	25,596	15,835	62%	34,127	24,366
Employee Recognition	2,376	6,604	(4,228)	(178%)	6,604	16,128	9,524	59%	21,500	14,896
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	669,208	515,107	154,101	23%	515,107	596,791	81,684	14%	794,036	278,928
Expenses	8,087,573	8,334,300	(246,727)	(3%)	8,334,300	8,198,537	(135,763)	(1.7%)	11,044,839	2,710,539
Gross Surplus(Rev-Exp)	624,708	400,783	(223,925)	(36%)	400,783	831,331	(430,548)	(52%)	927,354	526,571
Net Gain/Loss on Invest.	140,250	828,055	687,805		828,055	-	828,055		-	(828,055)
Net from Operations	764,958	1,228,838	463,880	61%	1,228,838	831,331	397,507		927,354	(301,484)



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

As of Date: September 30, 2024 and Dec 31, 2023

	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	1,228,838 (16)	1,228,838	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	
Principal Transfers							
Transfers For Funding	-	(1,911,427)	-	-	1,220,295	391,732	299,400
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	955,515	(955,515)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	(23,251)	1,784,956	-	(888,290)	(847,977)	-
Purchases Withdrawals Outstanding	-	839,041	-	-	(322,963)	(516,078)	-
Allocations of Net Change components:							
Investment income	-	(200,067)	-	7,150	149,988	23,867	19,061
Investment Expenses	-	57,391	-	(2,959)	(41,968)	(6,988)	(5,476)
Net Gains (Losses) in Investments	-	(659,881)	-	72,496	479,271	36,040	72,074
Net Change to September 30, 2024	1,228,838 (16)	286,159	829,442	76,687	596,333	(919,404)	385,059
Net Assets at, Dec 31, 2023	32,682,140 (27)	824,841	21,556,682 (26)	560,194 (28)	7,175,602 (29)	1,750,056 (30)	814,765 (31)
Net Assets as at, September 30, 2024	33,910,978 (10)	1,111,000	<u>22,386,124</u> (9)	636,881 (11)	7,771,935 (12)	830,652 (13)	1,199,824 (14)
Footnotes refer to Statement of Financial Position and Statement of Activities		<u>23,497,124</u> (17)			10,439,293 (15)		



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2023 (at Market)	<u>13,767,895</u> (25)	<u>3,467,278</u> (24)	560,194 (18)	7,175,602 (19)	1,750,056 (20)	814,765 (21)
Changes since Jan 1, 2023:						
Principal Transfers	1,611,427	(300,000)	-	1,220,295	391,732	299,400
Investment income	329,135	129,068	7,150	149,988	23,867	19,061
Withdrawals	(3,725,308)	(1,150,000)	-	(1,211,253)	(1,364,055)	-
Investment Expenses	(57,391)	-	(2,959)	(41,968)	(6,988)	(5,476)
Net Change for 9 Months	<u>(1,842,138)</u>	<u>(1,320,932)</u>	4,191	117,062	(955,444)	312,985
Balance before Market Change at September 30, 2024	11,925,757	2,146,346	564,385	7,292,664	794,612	1,127,750
9 Months Net Change in Investments Gain/(Loss)	828,055	168,174	72,496	479,271	36,040	72,074
Balance at September 30, 2024 (at Market)	<u>\$ 12,753,812</u> (8)	<u>2,314,520</u> (7)	<u>636,881.19</u> (1)	<u>7,771,935</u> (2)	<u>830,652</u> (3)	<u>1,199,824</u> (4)

10,439,293 (15)

Footnotes refer to Statement of Financial Position and Statement of Activities

GVR Cash Requirements Report

FY 2024

ACTUAL / PROJECTED	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	
Operating Cash at CHASE													
Beginning of Month Balance	2,599,548	687,320	440,036	640,817	832,509	704,891	562,670	528,787	411,298	413,607	522,716	748,008	
Transfer In	-	-	650,000	500,000	400,000	400,000	400,000	700,000	400,000	500,000	-	-	
Transfer Out	(3,519,695)	-	-	-	-	-	-	-	-	-	-	(3,000,000)	
Cash Receipts	2,651,721	600,340	647,937	468,890	441,316	288,357	313,243	363,088	304,281	301,333	981,338	4,188,093	
Cash Disbursements	(1,044,254)	(847,624)	(1,097,156)	(777,198)	(968,934)	(830,577)	(747,127)	(1,180,576)	(701,972)	(692,224)	(756,046)	(787,795)	
Net Operating Cash Flow	1,607,467	(247,284)	(449,219)	(308,308)	(527,618)	(542,220)	(433,884)	(817,488)	(397,691)	(390,891)	225,292	3,400,299	
Ending of Month Balance	687,320	440,036	640,817	832,509	704,891	562,670	528,787	411,298	413,607	522,716	748,008	1,148,306	
Operating Investment Accounts (A&B)													
Beginning of Month Balance	3,467,278	5,479,125	5,521,619	4,935,278	4,388,227	4,039,180	3,651,278	3,340,384	2,690,549	2,314,519	1,818,377	1,821,407	
Transfer In	2,000,000	-	-	-	-	-	-	-	-	-	-	3,000,000	
Transfer Out	-	-	(650,000)	(500,000)	(400,000)	(400,000)	(400,000)	(700,000)	(400,000)	(500,000)	-	(65,600)	
Earned Income on Investmer	11,847	42,495	63,658	(47,051)	50,953	12,098	89,106	50,165	23,970	3,858	3,031	3,036	
Ending of Month Balance	5,479,125	5,521,619	4,935,278	4,388,227	4,039,180	3,651,278	3,340,384	2,690,549	2,314,519	1,818,377	1,821,407	4,758,843	
MRR Reserve													
Beginning of Month Balance	7,175,602	8,347,416	8,293,467	8,299,606	8,138,604	8,018,197	8,074,214	8,044,394	7,935,448	7,771,935	7,564,099	7,409,198	
Transfer In MRR Funding	1,220,295	-	-	-	-	-	-	-	-	-	-	-	
Transfer Out	(68,487)	(134,658)	(93,639)	(29,450)	(280,783)	(18,770)	(162,469)	(202,517)	(233,271)	(222,602)	(169,273)	(39,957)	
Net Earned Income on Invest	20,006	80,709	99,777	(131,552)	160,376	74,788	132,649	93,570	69,758	14,767	14,372	14,077	
Ending of Month Balance	8,347,416	8,293,467	8,299,606	8,138,604	8,018,197	8,074,214	8,044,394	7,935,448	7,771,935	7,564,099	7,409,198	7,383,318	
MRR - B Pool and Spa Replacement Reserve													
Beginning of Month Balance	814,765	1,113,273	1,123,864	1,137,015	1,113,602	1,141,932	1,156,993	1,171,907	1,184,552	1,199,824	1,202,104	1,204,388	
Transfer In MRR B Pool & Spa Funding	299,400	-	-	-	-	-	-	-	-	-	-	-	
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	
Net Earned Income on Invest	(892)	10,591	13,151	(23,413)	28,330	15,061	14,913	12,645	15,272	2,280	2,284	2,288	
Ending of Month Balance	1,113,273	1,123,864	1,137,015	1,113,602	1,141,932	1,156,993	1,171,907	1,184,552	1,199,824	1,202,104	1,204,388	1,206,676	
Initiatives Reserve													
Beginning of Month Balance	1,750,056	1,643,300	1,383,482	1,273,517	1,187,196	755,609	806,294	779,358	771,009	830,651	984,663	1,016,772	
Transfer In	-	-	120,896	55,586	54,003	47,950	36,640	-	76,657	34,365	40,238	65,600	
Other Funding	-	-	-	-	-	-	-	-	-	128,069	-	-	
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-	
Net Earned Income on Invest	(626)	4,766	15,800	(11,871)	17,929	5,246	7,696	7,042	6,936	1,578	1,871	1,932	
Transfer Out	(106,130)	(264,584)	(246,660)	(130,036)	(503,520)	(2,511)	(71,271)	(15,391)	(23,951)	(10,000)	(10,000)	(10,000)	
Ending of Month Balance	1,643,300	1,383,482	1,273,517	1,187,196	755,609	806,294	779,358	771,009	830,651	984,663	1,016,772	1,074,303	
Emergency Reserve													
Beginning of Month Balance	560,194	563,405	582,365	593,810	576,057	595,231	605,865	621,731	631,561	635,772	511,941	515,354	
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer Out	-	-	-	-	-	-	-	-	-	(128,069)	-	-	
Net Earned Income on Invest	3,211	18,960	11,445	(17,753)	19,174	10,633	15,866	9,831	4,210	4,238	3,413	3,436	
Ending of Month Balance	563,405	582,365	593,810	576,057	595,231	605,865	621,731	631,561	635,772	511,941	515,354	518,790	
Total Reserve Accounts													
Total Operating Cash	6,166,445	5,961,655	5,576,095	5,220,736	4,744,071	4,213,948	3,869,171	3,101,847	2,728,126	2,341,092	2,569,415	5,907,149	
Grand Total Cash & Investments	17,833,839	17,344,833	16,880,043	16,236,195	15,255,040	14,857,314	14,486,561	13,624,417	13,166,307	12,603,900	12,715,127	16,090,237	

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GVR Cash Requirements Report

FY 2024

ACTUAL / PROJECTED

Actual Days Oper. Cash on Hand (net of MCF Allowance)

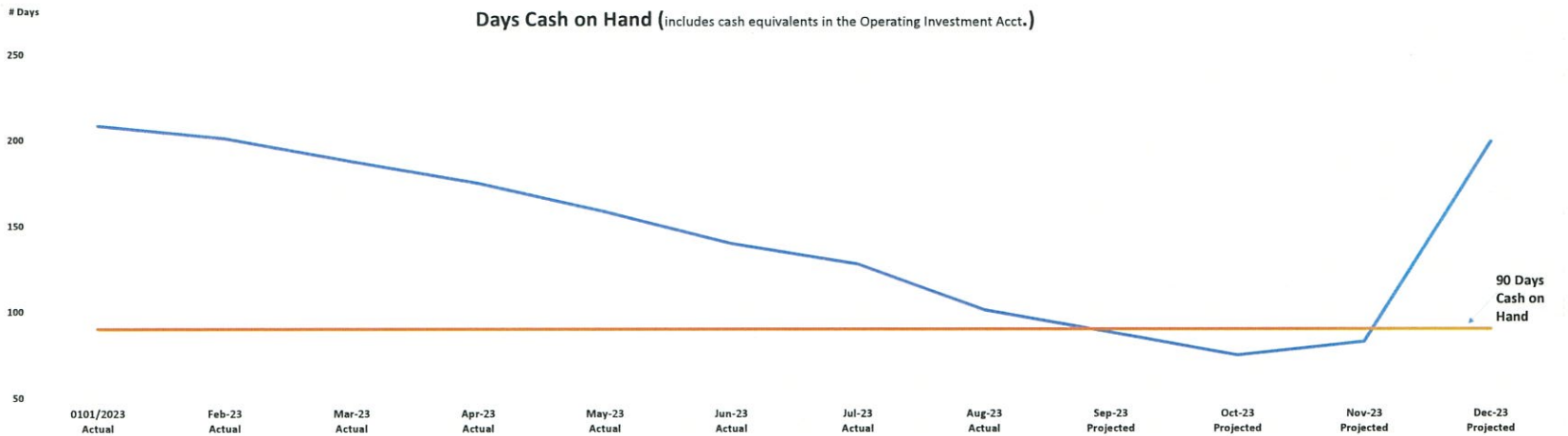
Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Actual Jul-24	Actual Aug-24	Actual Sep-24	Projected Oct-24	Projected Nov-24	Projected Dec-24
208	201	187	175	158	140	128	101	88	74	82	199

January 1, 2024 Beg. Balance:	
Total Reserve Accounts	9,485,852
Total Operating Cash	6,066,826
Grand Total Cash & Investme	15,552,678

Projected Ending Balance 2024	
Total Reserve Accounts	8,976,412
Total Operating Cash	5,907,149
Grand Total Cash & Investments	14,883,561

Operating Cash (CHASE)	6,166,445	5,961,655	5,576,095	5,220,736	4,744,071	4,213,948	3,869,171	3,101,847	2,728,126	2,341,092	2,569,415	5,907,149
Invested Total (SBH & JP MORGAN)	17,146,519	16,904,797	16,239,226	15,403,686	14,550,149	14,294,644	13,957,774	13,213,119	12,752,701	12,081,184	11,967,119	14,941,931

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 MEMBER PROPERTIES MONTLY REPORT

2024	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	YTD
NEW MEMBERS	2	1	4	1	4	-	1	1	2				16
Total Members (2024)	13,852	13,853	13,857	13,858	13,862	13,862	13,863	13,864	13,866	13,866	13,866	13,866	13,866
Members Last Year (2023)	13,825	13,829	13,832	13,833	13,834	13,835	13,837	13,841	13,842	13,844	13,847	13,850	13,850
Members Before 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
Membershi Change Fee	62	55	100	98	94	64	69	58	62	-	-	-	662
Initial Fee	1	-	2	-	3	-	1	1	1	-	-	-	9
Transfer Fee (new build no Initial fee)	1	1	2	1	-	-	-	-	1	-	-	-	6
Transfer Fee (Voluntary Deed Restriction w/Initial fee)	1	-	2	-	3	-	1	1	1	-	-	-	9
Transfer Fee (estate planning)	-	-	1	-	-	-	1	1	1	-	-	-	4
Transfer Fee (resale)	62	55	100	98	94	64	69	58	62	-	-	-	662
Transfer Fee Non-Resale	14	4	-	2	2	-	1	2	-	-	-	-	25
Budget Monthly Resales (2024)	66	72	112	111	103	92	73	71	63	74	72	84	993
Monthly Resales (2024)	62	55	100	98	94	64	69	58	62	-	-	-	662
Monthly Delta Actual vs Budget (2024)	↓ (4)	↓ (17)	↓ (12)	↓ (13)	↓ (9)	↓ (28)	↓ (4)	↓ (13)	↓ (1)				↓ (101)
Monthly Resales Last Year (2023)	75	63	103	118	121	94	83	80	58	75	64	71	1,005
Monthly Resales 2 years prior (2022)	105	88	150	147	126	93	73	56	63	72	67	55	1,095
YTD Budget (2024)	66	138	250	361	464	556	629	700	763	837	909	993	993
YTD Resales (2024)	62	117	217	315	409	473	542	600	662	-	-	-	662
YTD Over/(Under) Budget	↓ (4)	↓ (21)	↓ (33)	↓ (46)	↓ (55)	↓ (83)	↓ (87)	↓ (100)	↓ (101)				↓ (331)
YTD Over/(Under) Budget	(6%)	(15%)	(13%)	(13%)	(12%)	(15%)	(14%)	(14%)	(13%)				(33%)
YTD Resales Last Year (2023)	75	138	241	359	480	574	657	737	795	870	934	1,005	1,005
YTD Resales Before 2 years prior (2022)	105	193	343	490	616	709	782	838	901	973	1,040	1,095	1,095
Total Sales (new and resale) (2024)	64	56	104	99	98	64	70	59	64	-	-	-	678
Total Sales (new and resale) Last Year (2023)	72	65	103	116	118	93	84	76	59	74	67	74	1,001
Total Sales (new and resale) Before 2 years prior (2022)	110	92	158	150	133	96	76	60	66	73	72	60	1,146
MCF Refund	8	6	12	10	20	3	5	3	8	-	-	-	-

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Green Valley Recreation, Inc
Summary of Revenue & Expenditures - Budget to Actual
For Fiscal Year Ending Dec 31, 2024

January through September 2024

	2024 Annual Budget	January - September			Prior Year			PROJECTION FOR TOTAL YEAR 2024				
		YTD Budget	Jan - Sept Actual	% of Variance	FY 2023 3Q YTD	Var. from Prior Year		Projected Aug - Dec 2024	Total Jan- Dec 2024 Projected	Approved Budget 2024	Total Projected Variance	% of Budget Variance
						%	\$					
Revenue:												
Member Dues	\$ 7,132,750	\$ 5,349,562	\$ 5,354,428	0.1%	\$ 5,293,416	1.1%	\$ 61,012	\$ 1,784,314	\$ 7,138,742	\$ 7,132,750	\$ 5,992	0.1%
LC, Trans., Crd Fees.	705,637	529,176	517,259	(2.3%)	557,750	(7.3%)	(40,491)	\$ 188,531	\$ 705,790	\$ 705,637	\$ 153	0.0%
Capital Revenue	3,039,780	2,337,590	1,876,986	(19.7%)	2,109,344	(11.0%)	(232,358)	\$ 627,214	\$ 2,504,200	\$ 3,039,780	\$ (535,580)	(21.4%)
Recreation	485,403	352,729	518,388	47.0%	350,334	48.0%	168,054	\$ 241,798	\$ 760,186	\$ 485,403	\$ 274,783	36.1%
Investment Income	425,458	319,094	339,333	6.3%	286,867	18.3%	52,466	\$ 150,007	\$ 489,340	\$ 425,458	\$ 63,882	13.1%
Communication	47,093	35,320	36,630	3.7%	35,489	3.2%	1,141	\$ 12,289	\$ 48,919	\$ 47,093	\$ 1,826	3.7%
Other Revenue	136,072	106,398	92,058	(13.5%)	79,081	16.4%	12,977	\$ 61,642	\$ 153,700	\$ 136,072	\$ 17,628	11.5%
Total Revenue	11,972,193	9,029,868	8,735,083	(3.3%)	\$ 8,712,281	0.3%	\$ 22,802	\$ 3,065,795	\$ 11,800,878	\$ 11,972,193	\$ (171,315)	(1.5%)
Expenditures:												
Facilities & Equipment NO DEPRECIATION	\$ 2,255,805	\$ 1,648,988	\$ 1,659,461	0.4%	\$ 1,658,472	(0.1%)	\$ (989)	\$ 383,672	\$ 2,043,133	\$ 2,255,805	\$ 212,672	9.4%
Personnel	5,335,990	3,981,562	4,128,587	(3.7%)	3,733,033	(10.6%)	\$ (395,553)	\$ 1,355,296	\$ 5,483,883	\$ 5,335,990	\$ (147,892)	(2.8%)
Program	447,071	325,830	463,014	(42.1%)	351,813	(31.6%)	\$ (111,201)	\$ 203,235	\$ 666,249	\$ 447,071	\$ (219,178)	(49.0%)
Communications	217,126	166,062	171,174	(3.1%)	174,443	1.9%	\$ 3,269	\$ 42,481	\$ 213,655	\$ 217,126	\$ 3,470	1.6%
Operations	709,084	502,764	441,443	12.2%	490,055	9.9%	\$ 48,612	\$ 207,896	\$ 649,339	\$ 709,084	\$ 59,745	8.4%
Corporate Expenses	794,036	596,791	515,107	13.7%	669,208	23.0%	\$ 154,101	\$ 231,023	\$ 746,130	\$ 794,036	\$ 47,905	6.0%
Total Expenditures	9,759,111	7,221,998	7,378,785	(1.7%)	7,077,024	(4.3%)	\$ (301,761)	2,423,603	9,802,388	9,759,111	(43,277)	(0.4%)
Excess Revenues Over Exp.	\$ 2,213,082	\$ 1,807,870	\$ 1,356,298		\$ 1,635,257		\$ (278,959)	\$ 642,192	\$ 1,998,490	\$ 2,213,082	\$ (214,593)	
Transfers and Adjustments:												
Non Reserve Capital Projects	(277,001)	(207,751)	(3,314)					\$ (53,314)	\$ (53,314)	\$ (277,001)	\$ 223,687	80.8%
Remove Income From Reserves	(259,068)	(194,301)	(208,385)					\$ (72,725)	\$ (281,110)	\$ (259,068)	\$ (22,042)	-8.5%
Reserve Funding Initiatives	(610,956)	(458,217)	(337,729)					\$ (193,183)	\$ (530,912)	\$ (610,956)	\$ 80,044	13.1%
Reserve Funding MRR & MRR-B	(1,519,695)	(1,519,695)	(1,519,695)					\$ -	\$ (1,519,695)	\$ (1,519,695)	\$ -	0.0%
MRR Expenses paid by Reserve	371,138	278,354	205,713					\$ 14,028	\$ 219,741	\$ 371,138	\$ (151,397)	40.8%
Deduct Reserve Investment Exp.	82,500	61,875	36,890					\$ 38,110	\$ 75,000	\$ 82,500	\$ (7,500)	9.1%
Modified Accrual Basis Surplus	-	(231,865)	(470,222)					375,108	(91,800)	-	(91,801)	

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.



Fiscal Affairs Committee Meeting

Prepared By: Scott Somers, CEO

Meeting Date: October 15, 2024

Presented By: Scott Somers, CEO

Originating Department: Administration
Action Requested: Review and discuss 4th draft of recommended Finance Policies for inclusion into the CPM; consider recommendation to the Board.
Strategic Plan Goal #4: Cultivate and maintain a sound financial base that generates good value for our members
Background Information: Staff has provided an updated redlined edit of recommended Finance Policies to the Corporate Policy Manual (CPM) based on feedback provided by the FAC. As was previously, the recommended changes can be found in the following sections, which are attached: <ol style="list-style-type: none">1. Edits and relocation of Section 1, Budget Development Policy from the Appendix to Part 5 Fiscal/Accounting, Section 5.2. Section 1.1.7, Other Fees. <i>Please note, staff withdraws its recommendation to amend this language since the existing language section 1.1.7.2. a. – d. all currently call for cost recovery. Please also note that section 1.1.7.2.b is inconsistent with section 1.2.9.A. This needs to be reconciled.</i> Among creating and amending additional policies, these edits amend and incorporate the Capital Improvement Project Policy Process and assessment tool pilot program, and item 4 of the Board Goals for CEO, 2024, into the CPM. <i>Board Goals for CEO, 2024</i> <ol style="list-style-type: none">4. (Capital) Include usage, trade-offs, and justification as part of the annual budget and capital planning process to provide the Board of Directors (BOD) with the necessary information to make capital planning decisions.
Fiscal Impact: No direct fiscal impact.
Fiscal Affairs Committee Options: <ol style="list-style-type: none">1) Review and discuss recommended Finance Policy changes to the CPM; consider recommendation to the Board of directors.
Staff Recommendation: Option 1.
Attachments: <ol style="list-style-type: none">1) Relevant portions of the CPM, redlined

- the trustees of the trust immediately prior to the transfer.
2. A person or legal entity who acquires ownership of a legal or beneficial interest of the GVR property resulting from death, sells it within six (6) months of the date of death will be exempt from the Membership Change Fee (and Transfer Fee) provided they do not elect to utilize the facilities or have Tenants in the property who wish to utilize the facilities.
- B. The Membership Change Fee shall be refunded if the following apply:
1. A Member has owned and occupied a GVR property within 365 days of transfer of title, provided that the Member demonstrates that she/he has moved from one owner-occupied primary GVR residence to another owner-occupied primary GVR residence and has presented GVR with background material showing this was a change in primary residence.
 2. The Member(s) has owned and occupied the GVR property being sold for at least one (1) year.
 3. A tenant card has not been issued on the property within the twelve (12) months immediately prior to the sale of the owner-occupied property.
 4. The Member(s) submit a refund request for the Membership Change Fee. GVR will review the property transaction details to confirm ownership and eligibility for both properties. Refunds will be processed upon verification.
- C. Revenue from the Membership Change Fee may be used as will most effectively further the general purpose of The Corporation to provide for current and future needs. A portion of the revenue from Membership Change Fee is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.

1.1.7 Other Fees

- A. A fee for service is payment for the work involved in an operation that benefits individual members, as distinct from the entire membership. Cost recovery should be based on direct costs, including personnel costs specifically related to delivering the service.
1. The Board has established fees for services:
 - a. **Transfer Fees:** There shall be a charge for the processing of the documents upon a change in the title of a membership property.
 - b. **Tenant Fees:** Upon application, tenant cards shall be issued to a person leasing GVR membership property. There will be a charge for a tenant card.
 2. The authority to establish and modify operational fees is delegated to GVR Administration as part of the ongoing

Commented [SS1]: Staff withdraws this addition since cost recover is already mentioned in 2.a-d

day-to-day management of the organization. Such fees fall in the following broad categories.

- a. **Programmatic Fees:** These fees are established to provide cost recovery of direct expenses related to entertainment, participation, and instructional programs. Whenever possible, the goal is to make the fee-supported programs break-even.
- b. **Facility Fees:** These fees are established to provide cost recovery related exclusively to the use of facility space and/or equipment by outside groups and member usage beyond the basic services of GVR. Such fees include, but are not limited to, reservations, time incremental facility usage, equipment, custodial, technician, and catering. Damage deposits are required.
- c. **Administrative Fees:** These fees are established to provide cost recovery for miscellaneous services provided to members and outside parties. Such fees include but are not limited to, photocopying, facsimile, computer, facility keys, card replacement and publications.
- d. **Processing Fees:** These fees are established to provide cost recovery for labor and overhead generated through business transaction to members and outside parties. Such fees will be attached to all transactional business including, but not limited to, member dues, programs, instructional courses, and rentals.

Commented [SS2]: Same as above comment

Commented [SS3]: Inconsistent with 1.2.9.A since it says Board approves such facility fees. Recommend maintaining this language and amending 1.2.9.A

1.1.8 Member Payment Transactions

Member payment transactions, such as Credit card transaction/service fees are subject to a processing fee.

Commented [SS4]: Change approved by the Board

SECTION 2 - USE OF GVR FACILITIES

1.2.1 Identification Cards

- A. It is the policy of GVR that each authorized user of GVR facilities be issued a GVR membership identification card (ID) as set forth herein.
 1. An ID card shall be issued to each GVR Member, each Assigned Member, each CRCF Resident, and each Life Care Member.
 2. A spouse of a GVR Member shall be issued an ID card unless the spouse has disclaimed interest in the property.
 3. If a GVR property is held in a trust, each trustee shall be issued an ID card unless the trust specifies otherwise.
 4. If a GVR property is owned by a corporation, LLC, or similar entity, an ID card shall be issued to up to two (2) officers or managing partners.
 5. Additional Card Holder:

solicitation of support/opposition regarding candidates or ballot issues, is NOT permitted on GVR property except as follows:

1. Within rented meeting space during the rental period; or
2. In public areas and parking lots of a GVR facility being used as a polling place on election day or as an early voting site during the period of early voting.

1.2.8 Special Uses

- A. Use of Hobby Shops and Studios
 1. Clubs have the right to restrict use of club facilities to club members only.
- B. Use of Kitchens
 1. Kitchens are available for use by reservation only. Kitchens and grills are subject to non-refundable cleaning fees as outlined in the reservation agreement.
 2. GVR kitchens are classified as catering kitchens. Food preparation and cooking is not allowed. Kitchen facilities may be used for warming pre-cooked food or for chilling cold entrées.
- C. Use of Caterers
 1. Users engaging caterers who do not appear on GVR's authorized caterers' list must submit a copy of the caterer's health department issued license at the time the reservation agreement is finalized.
- D. Use of Storage
 1. GVR may provide clubs small storage space, at no cost, if space is available.
 2. Clubs may provide locks, but must provide access capabilities to GVR staff.
 3. GVR is not liable for any property lost, damaged or stolen while in storage.
- E. GVR Pool Management Policies
 1. GVR pools shall operate in compliance with Pima County Code Title 8, Chapter 8.322, "Swimming Pool and Spas," and any other applicable Pima County regulations.
 2. GVR staff has authority to close a swimming pool or spa if they determine that its operation and use presents danger to individuals.
 3. GVR follows the guidelines provided by the National Lightning Safety Institute (NLSI) to determine when to close indoor and outdoor swimming pools, and spas as a safety precaution. Per NLSI guidelines:
 - a. Both outdoor and indoor pools will be evacuated before or when lightning is within five miles.
 - b. At the first signs of thunder or lightning occurring within five miles of an aquatic facility, all pool decks will close until 30 minutes after the last observed thunder or lightning.

1.2.9 Rentals and Fees

- A. ~~The CEO will implement a board approved fee schedule for rental of GVR facilities.~~ The CEO is authorized to waive facility rental fees in special circumstances, as deemed appropriate.
- B. Damage deposits, as identified in operational policy, will be required for rentals by non-GVR members and may be required for member use depending on the nature of the member activity.
- C. Members and groups composed solely of GVR Members are granted up to six no-fee private events (potlucks, parties, dances, HOA socials) per calendar year. These events may be scheduled every other month. Subsequent or more frequent private events will be subject to current rental fees. In all cases, kitchen or grill cleaning fees may be charged. Reservations for socials are limited to six hours.
 - 1. Memorial and celebration of life services for GVR Members or members of their immediate family are not subject to rental fees and do not count toward the annual limit.
 - 2. GVR Clubs are exempt from this annual limit.
- D. GVR is interested in supporting community service events, and may rent its facilities for such events whenever it is practical to do so. A community service event is normally sponsored by a non-profit organization or local government agency.
- E. The CEO may authorize use of GVR facilities on a complimentary or fee basis for any GVR-sponsored or GVR co-sponsored event or activity.
- F. Fees may be charged to recover the cost of any specialized services, events or programs.
- G. Commercial Rentals (rentals by businesses for the purpose of conducting business) are not permitted.

Commented [SS5]: Inconsistent with 1.1.7.2.b. Recommend deleting

SECTION 3 - SUSPENSION OF PRIVILEGES

1.3.1 Suspension for Delinquency

Any GVR Member who has not paid dues, fees or assessments as of the time such payment is due becomes delinquent and shall automatically be declared a 'Member Not in Good Standing.' Any GVR Member Not in Good Standing and his/her Additional Card Holder, Assigned Member and/or Tenants and Guests shall not be entitled to use GVR facilities. The delinquent member shall not hold any office, nor vote in any election. Upon payment of all delinquent dues, penalties, fees, assessments, together with the cost of collection, said member shall be restored to good standing.

1.3.2 Suspension for Conduct

- A. Any cardholder who violates the established rules and regulations of GVR is subject to suspension of privileges. Copies of rules and regulations are posted within GVR facilities.

APPENDIX 1 – BOARD POLICIES

SECTION ~~1-5~~ - BUDGET DEVELOPMENT POLICY

Commented [SS6]: Move to Part 5, Section 5

1.1.1 Objective

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

The financial integrity and security of the organization is of the utmost importance. Resources should be used wisely to ensure adequate funding for services, programs, and facilities to meet the organization's present and future needs.

Written and adopted budget policies have many benefits, such as assisting the Board of Directors and the CEO in the financial management of the organization, saving time and energy when discussing financial matters, engendering member confidence, and providing continuity over time as Directors and staff members change. While these policies may be amended periodically, they will provide the basic foundation and framework for many of the issues and decisions facing the organization. They will promote sound financial management and assist in the organization's stability, efficiency, and effectiveness to accomplish the Strategic Plan, Mission, Vision, Goals and Objectives.

1.1.2 Policy

A. References

1. Bylaws Article III Sections 1-5: Dues and Assessments
2. Bylaws Article VI Section 2: Limits of Authority and Indebtedness
3. Bylaws Article VII Section 4: Responsibilities of Officers
4. CPM Part 1 Section 1: 1.1.1-1.1.6 - Dues and Fees
- ~~5.1. CPM Part 5: Fiscal/Accounting~~
5. CPM Part 4 Section 1: 4.1.2 – Fiscal Authority
 - a. Bylaws Article III Section 1 above states: "Membership dues and operating and capital budgets shall be established by the Board of Directors."
6. CPM Part 4 Section 2: 4.2.1.A.2 and 3 - Responsibilities
- ~~7.1. CPM Part 4 Section 1: 4.1.2 – Fiscal Authority~~
~~Bylaws Article III Section 1 above states: "Membership dues and operating and capital budgets shall be established by the Board of Directors."~~
7. CPM Part 5: Fiscal/Accounting

a:

~~E. B. Schedule for annual budget preparation and approved annual Operating & Capital Budget implementation approval process (structured for a calendar year): Annually, staff will prepare a tentative budget calendar based on a required budget approval of no later than November 15 of each year. Once the annual operating and capital budgets receives Board approval, the CEO is authorized to execute the new budget within all existing policies and parameters.~~

- ~~1. — January/February:
 - a. — CEO/staff will solicit any capital or operational needs from GVR Clubs and programs. A list of operational and capital needs will be developed. Staff will provide cost estimates for these projects.
 - b. — Staff begin the annual Facilities Center Assessments process.~~
- ~~2. — March:
 - a. — The Planning & Evaluation (P&E) Committee reviews and prioritizes Club requests greater than \$2,500 for current Fiscal Year implementation. Projects less than \$2,500 are included in the Center Assessments. Clubs will be notified by P&E (or designee) of the status of their projects (either funded or unfunded).~~
- ~~3. — April/May:
 - a. — Staff prepare, prioritize and provide cost estimates for Center Assessments' maintenance and capital replacement project lists.~~
- ~~4. — June/July:
 - a. — CEO/staff prepare operations and capital budgets.~~
- ~~5. — August/September:
 - a. — Staff provides recommendations for Center Assessments' priorities from Center Assessments and Reserve Study. (maintenance and capital replacements)
 - b. — P&E Committee considers 10 Year Strategic Master Plan projects for upcoming fiscal year.
 - c. — FAC considers staff proposal for fiscal year operating budget, and schedule of dues and fees. After review, FAC will forward to the Board with the recommendation that the budget be accepted as presented.
 - d. — FAC considers P&E Committee recommendations for new capital improvement projects from the 10 Year Strategic Master Plan.
 - e. — Staff determines and notifies the P&E Committee of budget available for capital club requests for the following calendar year.~~
- ~~6. — September/October:
 - a. — The Board will approve the Schedule of Dues and Assessments; the Board reviews and approves annual operating and capital budgets.
 - b. — The Board will have an approved budget available~~

- for execution no later than November 15.
- ~~7.2. Approved Annual Operating & Capital Budget Implementation:~~
- ~~a. Once the annual operating and capital budget is approved, the CEO will execute the budgets within the overall budget totals. Any proposed additions to the annual budget after approval by the Board will be forwarded to the Board for authorization prior to execution.~~

Commented [SS7]: See 1.1.3 Limitations

C. **Balanced Operating Budget**

~~GVR shall annually adopt a balanced budget where operating revenues are equal to, or exceed, operating expenditures. Any increase in expenses, decrease in revenues, or combination of the two that would result in a budget deficit will require revision, rather than spending unappropriated surpluses or designated contingencies to support ongoing operations. Any year end operating surpluses will either remain in the Operations Fund, be transferred to a Reserve Fund, or will be available for "one-time only" expenditures. Non-recurring revenue sources should not be used to fund ongoing operational expenses.~~ Decreases in spending should be placed in the following order when cutback or contingency plans are necessary:

1. Non-Reserve Capital Projects
2. Nonessential hiring for staff vacancies
3. Other Nonessential expenses
4. Training and travel Expenses
- 4.5. Decreases in transfers to reserve accounts, with Board approval

D. **Capital Improvement Program and Capital Budget**

1. The Capital Budget is the annual appropriations for capital projects and acquisitions, which are approved by the Board of Directors. A Capital Improvement Program (CIP) is a forecast of major capital projects over a selected period of time. If a capital project remains a high priority, it is eventually placed in the Capital Budget for funding approval by the Board. The first year of the Capital Improvement Program becomes the basis for the Capital Budget. Both shall be prepared and adopted as part of the annual budget process. Board approval of the Capital Improvement Program (CIP) indicates not only the Board's acceptance of the CIP, but also its recognition that the document represents the general direction that the organization plans to take in meeting future capital needs.

2. Preliminary planning and design for a capital project, excluding Maintenance, Repair, and Replacement Reserve Fund (MRR-A only) projects, since they are addressed separately, typically occurs before the project is approved; the cost for this work is usually charged to the appropriate fund, but may be charged to the Operations Fund. If the project is approved, the preliminary planning and design costs for it may be charged to the project, with the project budget reimbursing the fund to which the work was originally charged. If a project is not approved, the cost of the preliminary planning and design for it are absorbed by the fund originally charged.

3. **Policy and Process**

The Board of Directors, advisory committees, and staff consider any master plans, needs assessments, feasibility studies, the strategic plan, member surveys, etc. when assessing and prioritizing projects.

Staff develops the recommended Five-Year Capital Improvement Plan (CIP) and the Capital Budget (the first year of the CIP, including estimated costs). However, any member in good standing may submit a proposal for a capital improvement project. There are two paths to fund capital improvement projects:

Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL IMPROVEMENT PROJECTS - Each year, when the budget allows, GVR will earmark an identified amount in the Non-Reserve Capital Budget for the purpose of funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

Round 1: January 1, with funding allocated and scheduled April 1

Round 2: June 1, with funding allocated and scheduled September 1

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.

2. Is the proposed project:

i. unplanned and unbudgeted?

ii. under an estimated cost of \$50,000?

- iii. anticipated to begin in current year?
- iv. not included in the MRR Reserve study?
- v. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT PROJECTS - Each year, GVR staff will develop a recommended Five-Year Capital Improvement Plan (CIP) and Capital Budget accordingly for such capital improvement projects from capital reserve funds and capital non-reserve funds. Funding and inception of these projects begin in subsequent years. These projects tend to be larger in scope and require significant planning.

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. anticipated to begin in a future year?
 - iii. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

Assessment Phase

Staff completes the Capital Improvement Project Assessment (include in Appendix or approved by the Board annually?) for all completed and timely applications.

The following apply only to Type I Capital Improvement Projects:

1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.

2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

The following apply only to Type II Capital Improvement Projects:

1. Upon annual staff assessment and recommendation of projects and plans, Staff presents the recommended Five-Year Capital Improvement Plan (CIP) to the Planning and Evaluation Committee (P&E). The P&E Committee develops a recommendation of the Five-Year Capital Improvement Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.
2. Staff presents the recommended Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Fiscal Affairs Committee (FAC). The FAC develops funding recommendations of the Five-Year Capital Improvement Plan (CIP) and the Capital Budget to the Board of Directors during the annual budget approval process.
3. Staff presents the P & E and FAC recommendations to the Board of Directors, and notes any discrepancies with staff recommendations, of the Five-Year Capital Improvement Plan (CIP) and the Capital Budget. The Board of Directors considers approval of the Five-Year Capital Improvement Plan (CIP) and Capital Budget as part of the annual budget approval process.

Project Planning

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents any concept drawings and associated cost estimates to the Board of Directors for approval.

5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.
6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

4. **Prioritizing**

1. Project prioritization is based on the following:
Experience based judgment – based on the judgement of professional staff, governing board members, committee members, members, etc.
2. Broad categories of need
 - a. High: projects that are essential and impending
 - b. Medium: essential but do not need to be funded immediately
 - c. Low: create benefit but not enough to merit inclusion.

5. **Miscellaneous**

Financial forecasting shall be utilized when developing the CIP to ensure a financially sound program.
Estimated costs should include inflation, planning and architectural fees, legal fees, permitting, etc. Estimated project timelines and anticipated funding sources should be identified. Carryover funds for capital projects from one year are put into the next year's budget and approved again by the Board of Directors.

E. Budget Document

The Operating and Capital Budgets shall serve as the annual financial plan for the organization. They will serve as a policy document of the Board of Directors for implementing Board goals and objectives.

The budget will focus on policy issues and will summarize expenditures at the Personnel, Materials and Services, Capital, and Interfund Transfer Level.

Multi-year revenue and operating cost projections shall be prepared and included in the Budget Document to identify impact on resources.

1.1.3 Limitations

- A. The CEO is guided by references cited in the Policy Statement in developing dues and assessments. These should not be exceeded unless approved by the Board.
- B. The CEO is guided by the development process cited in ~~Appendix 1 Section 1:1.1.2. From time to time the CEO will apprise the Board of the status of the budgets being developed.~~
- C. Once approved by the Board, the CEO ~~may~~ will execute the annual budgets within the overall budgeted amount. In no case may total expenditures of a particular fund exceed that which is appropriated by the Board of Directors without a budget amendment.
- D. The CEO may shift amounts between line items within the Board-approved Operations Budget to meet current or anticipated needs. ~~Any line item that is decreased or increased by more than 15% or \$15,000, whichever is greater, should be reported to the Board.~~
- E. The status of Reserve Funds will be reported in the annual budget development process. After Board approval, Reserve Funds will be an integral part of GVR budget development. With the exception of the MRR-A Fund, capital line items require a budget amendment to exceed Board appropriated amounts. The CEO is encouraged to bring the most appropriate funds and their execution forward for approval.

SECTION ~~2-1~~ - GVR FACILITIES POLICY STATEMENT

1.2.1 Resolution

- A. **WHEREAS**, Green Valley Recreation, Inc. (GVR) recognizes that planning and development of all GVR facilities and dedicated space is predicated on 'Peak Season' use; and
- B. **WHEREAS**, The Corporation also acknowledges that all of its facilities and dedicated space were established with great intention and financial commitment for sanctioned GVR Club, sport, and other activities 'that enhances the quality of our members' lives' (*from GVR Mission Statement*); and
- C. **WHEREAS**, periodic review of member facilities and dedicated space use is strategically important to ensure that member needs are consistently met; and
- D. **WHEREAS**, any re-appropriation or rededication of existing spaces or facilities can only occur when circumstances of