



AGENDA

Fiscal Affairs Committee

Tuesday, January 21, 2025

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: Nellie Johnson (FAC Chair), Kathi Bachelor (Assistant Treasurer), Dale Howard, 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:** December 17, 2024
3. **Chair Comments**
4. **Business**
 - a. Review December 2024 preliminary financial statements
 - b. Review and discuss 2024 Year End Preliminary Reports
 - c. FAC Motions discussion / CPM Changes
 - a. MRR Part A
 - b. MRR Part B
 - d. Procurement Policy Changes
 - e. Facilities Management Update on Energy
 - a. Delay Energy Audit
 - b. Spas Initiative
5. **Member Comments**
6. **Adjournment**

Next Meeting: Tuesday, February 18, 2025, 1:30-3:00pm, WC-Rm 2/Zoom



MINUTES

Fiscal Affairs Committee Tuesday, December 17, 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: Nellie Johnson, Treasurer and Chair, Kathy Bachelor Assistant Treasurer, Dale Howard, Pat Reynolds, Lanny Smith, Priscilla Spurgeon,

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

Board Members Present: none

Committee Members absent: Bob Quast, Steve Reynolds

1. **Call to order/Roll Call – Quorum established (Bob Quast and Steve Reynolds not present)**

Motion: Johnson moved/Bachelor seconded to amend the agenda and add bylaw changes under new business.

Passed: Unanimous

2. **Approve Meeting Minutes:** November 19,2024

Motion: Johnson moved to amend the November 19 meeting minutes and include Pat Reynolds not present

Passed: Unanimous

Motion: Johnson moved to amend the meeting minutes as shown in the handout "Modify Minutes" (attached)

Passed: Unanimous

Modify Minutes:

1. Section 3: Chair Comments: strike second bullet point: and insert: board approved the budget fee and budget timetable amendments to the CPM. Proposed changes to the Capital Improvement Process will be recommended to the Board at the January board meeting.
2. Section 5: Business: Strike the language in motion from: add back into the CIP 5 to the end of paragraph and insert :

Miscellaneous: _____

Financial forecasting shall be utilized when developing the CIP to ensure a financially sound program
Estimated costs shall include inflation planning and architectural fees, legal fees, permitting, etc. Estimated project timelines and anticipated funding sources should be identified. Funding for approved or in progress capital budgets carryover from one year to the next until completion.

Motion: Johnson moved/Spurgeon seconded to accept the November 17th meeting minutes as amended.
Passed: Unanimous

3. **Chair Comments:**

4. **Staff Reports:**

- MCF fee underbudget for November
- Appears December MCF fees will be approximately 15% underbudget
- Expense variance for November (\$67,123) resulted from pre-paid expense that was expensed in November, but that occurred in September
- GVR has a strong cash position
- Staff agreed to add definitions (on website) for example "fully funded" and "total replacement cost"

5. **Business**

- Review and recommend November 2024 financial statements
- Review and discuss 202 projections
- Review MRRB Report and discuss CPM Appendix Section 1 part 1.5.3.
- Discuss and approve policy funding targets in 5.3.1. of the CPM regarding the target balance for MRR-A

Motion: Smith Moved/Bachelor seconded to accept November Financial Report
Passed: Unanimous

Motion: Smith moved/Reynolds seconded to recommend 5.3.1 option 1
Passed: Unanimous

5.3.1 Maintenance, Repair & Replacement Reserve Fund (MRR- A)

- A. **Purpose:**
This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.
- B. **Target Balance:**
This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study. The target balance shall be a minimum of 25% of the total + current replacement cost with an upper target of at or about 70% of the fully funded balance calculated within the annual reserve study.

Or

The target balance shall be a minimum of ~~on all~~ about 50% of the fully funded balance with an upper target of at or about 70% of the fully funded balance calculated within the Annual Reserve Study

Motion: Johnson moved/Reynolds seconded to recommend Browning Reserve Company as GVR reserve study provider and provide full on-site inspection

Passed: Unanimous

CPM

Appendix 1 – Board Policies

Section 5 – GVR Reserve Study Policy

1.5.3 Annual Reserve Study

- A. During the third quarter of the current budget year, GVR staff and the FAC shall recommend and the Board shall approve a Reserve Study provider and the type of Reserve Study to be performed during the first quarter of the next budget year.
- B. During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR’s annual budget.
- C. GVR shall annually make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.

Motion: Johnson moved/ seconded to raise the requirement for a second check signer from \$2,500 to \$10,000

Passed: 5-1

6. Member Comments: one member made comments

7. Adjournment

Meeting adjourned without a motion

Next Meeting: Tuesday January 21, 2025, 1:30 p.m. to 3:00 p.m. WC #2

DRAFT



Fiscal Affairs
Financial Report
As of December 31, 2024

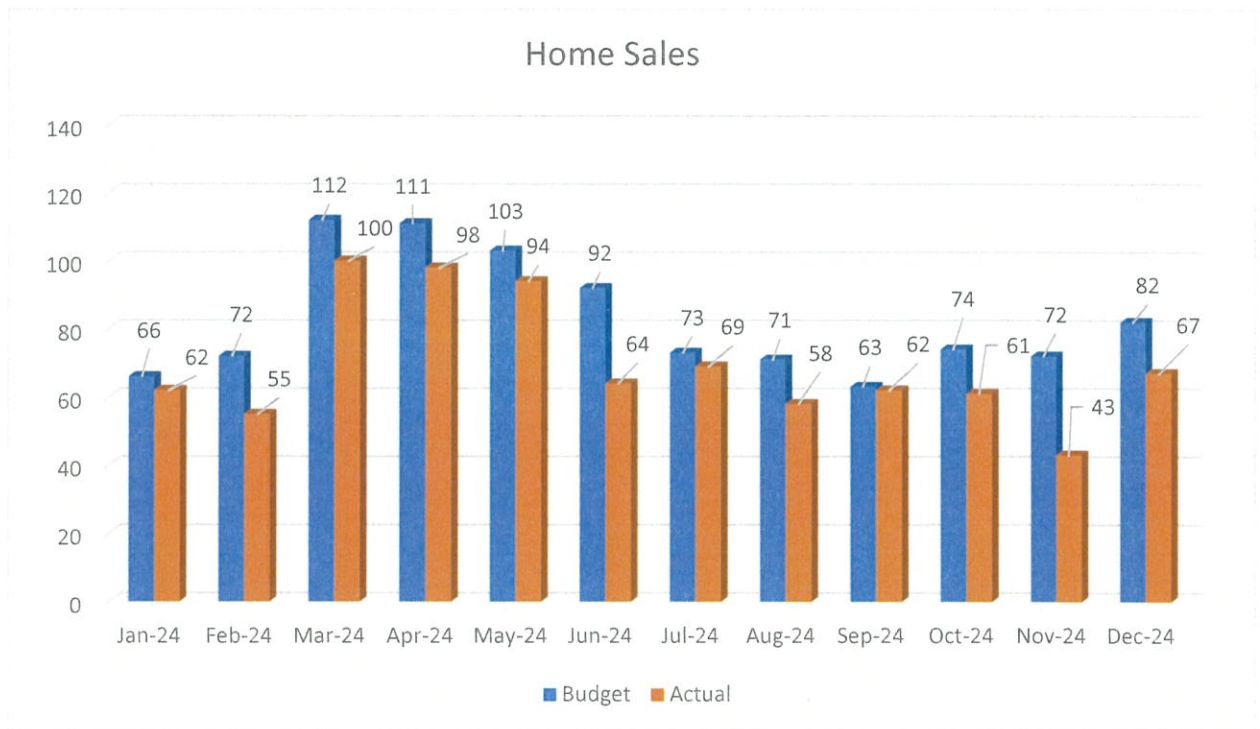
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through December, 2024 and include the financial statements as of December 31, 2024. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

- The following table summarizes the December 31, 2024 total year to date Increase in Net Assets based on GVR's 2024 Financial Statements:

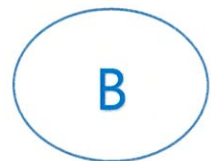
| Month | GVR 2024 | | | Homes Sold | Budget Variance | |
|----------------------|-------------------------------|---------------------------------|------------------------------|-------------------|---|--|
| | Operating Increase Net Assets | Unrealized Gains on Investments | Total Increase in Net Assets | | 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 | \$104,307 | (\$147,667) | (\$43,360) | 61 | \$90,806 | (\$2,224) |
| Nov-24 | (\$127,525) | \$226,360 | \$98,835 | 43 | (\$102,782) | (\$67,123) |
| Dec-24 | (\$67,115) | (\$194,726) | (\$261,841) | 67 | (\$28,539) | (\$87,223) |
| Total YTD '24 | <u>\$310,450</u> | <u>\$712,022</u> | <u>\$1,022,472</u> | <u>833</u> | <u>(\$335,300)</u> | <u>(\$292,333)</u> |

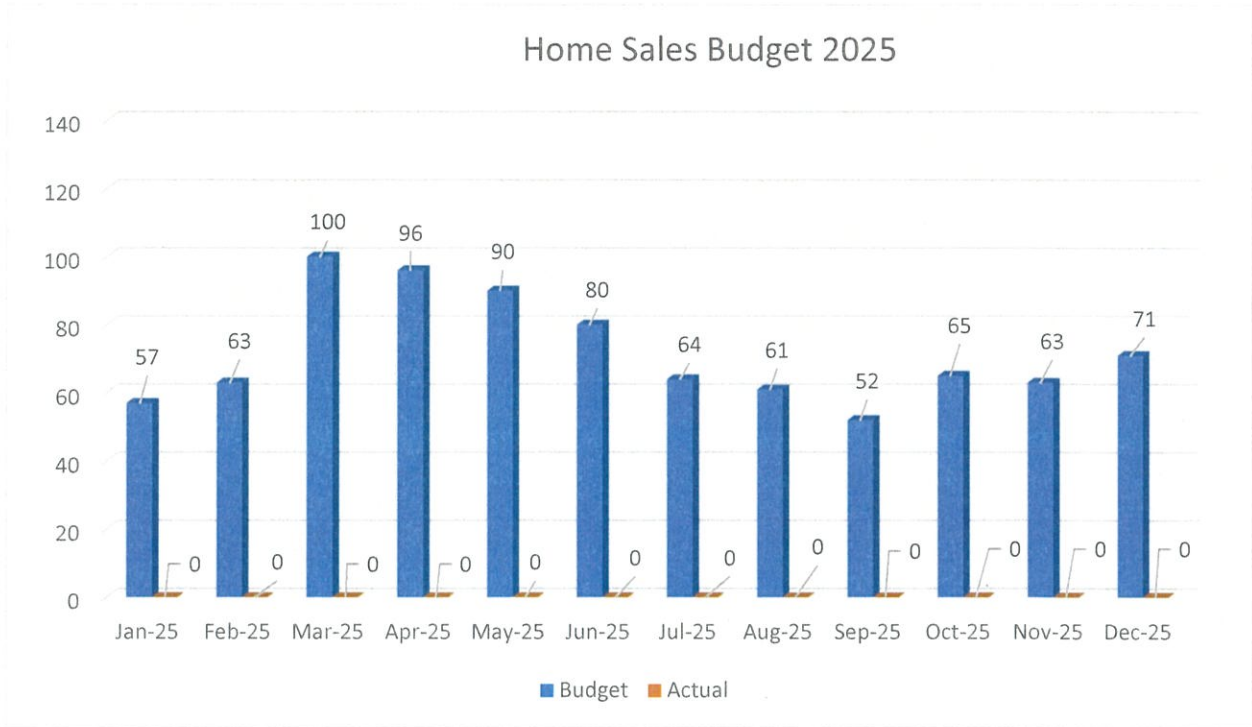


- While the preceding table illustrates the performance for the year 2024 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR's 2024 budget.
- There were 67 Home Resales during the month of December. This number of sales is 17 (20%) less than budgeted for December and 13 more than December of the prior year. Year to date, GVR is 160 (16%) 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 pages 6 and 7 and the current allowance is \$195,000 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through December, 2024.



- The number of homes sold through the first two weeks of January are 31 and we expect another 38 by the end of the month for a total of 69 homes during January 2025. The budget for January is 57 and the surplus will result in 12 (21%) homes in excess of budget. This is a good start for 2025. The following graph illustrates the budgeted home sales for 2025:





- The December 2024 Statement of Financial Position (page 2) reports the Total Net Assets to be \$33,704,612 which is a \$1,022,472 increase for the year (page 2 and 3) and includes \$712,022 of Unrealized Gains on Investments for December 2024 year to date.
- The December 31 Operational cash on hand is \$2,606,550 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$4,623,596 which is a \$2,408,003 increase during the month of December. The cash projections for 2024 and 2025 are on pages 8 through 11.
- The Net Fixed Assets are \$22,428,409 as of December 31, 2024 (page 2). Total net Capital Purchases for the year to date are \$2,164,440. The summary report of the Capital Improvement Projects for the next 5 years is included on page 11.
- Total Current Liabilities are \$4,233,984 (page 2). This includes 12 months of Deferred Dues revenue for 2025.
- Designated Net Assets equal \$10,442,936 (detailed on pages 4 – 5) which reflects a net increase of \$142,242 for the month of December, 2024. The year-to-date net unrealized investment gain on investments are \$712,022 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$11,636,797 which is 2.8% under budget and 0.3% less than the prior year. The primary



driver of this negative variance is the Capital Revenue being under budget by 611,304 due to the lower than predicted sale of homes year to date, December 2024.

- The Cash Requirements Reports for 2024 are included on pages 6 through 9. GVR’s cash collections and Operating Cash balances are reasonable as projected. However, the calculated days of cash on hand dropped below the 90 day benchmark during the months of September through December 2024.
- The total expenses for the year are \$11,326,347 which is \$292,333 (2.6%) over budget and 2.9% 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, 2024:

| EXPENSES YTD DECEMBER 2024 | | | | |
|-----------------------------------|--------------------------|-----------------------------|---------------------|---|
| <u>Expense Category</u> | <u>Total Expenses</u> | <u>Variance Pos. (Neg.)</u> | <u>%</u> | <u>Summary</u> |
| Facilities & Equipment | 3,528,600 | 2,198 | 0.1% | Utilities are year to date over budget by 13% (primarily electric). |
| Program Expenses | 642,498 | (195,427) | -44% | Recreation Contracts are \$168,284 over budget and are offset with the \$288,400 of Recreational Income over budget |
| Communi-cations | 231,646 | (14,520) | -7% | Includes cost for mailings to non-restricted deed residents |
| Operational Expenses | 604,948 | 104,136 | 15% | Signage and supplies are under budget for 2024 |
| Corporate Expenses | 744,818 | 49,218 | 6% | Professional fees are \$38,138 (19%) under budget through November 2024 |
| Personnel & Benefits | <u>5,573,838</u> | <u>(237,938)</u> | -4% | Wages 9% over budget and includes custodial labor. Benefits 16% under budget. |
| TOTAL EXPENSES | <u>11,326,348</u> | <u>(292,333)</u> | <u>-2.6%</u> | For analysis purposes, this total can be reduced by \$167,827 of Recreational Contracts for which there is income to offset these costs |

- Of the \$292,333 of total expenses that are greater than budgeted, \$167,827 is for Recreation contracts that are more than budgeted. This is an acceptable overage because the corresponding Recreational Revenue is \$288,400 greater than budgeted.
- The five year Capital Improvement report is included on page 12.
- The December 31, 2024 Capital Projects Report is on page 13.



- The Preliminary Deficit calculation is included on page 14 and reports an estimated 2025 deficit of \$219,850.
- The quarterly board report is included on pages 15 through 19.
- An internal memo discussing the MRR A and MRR B reserve funds is included on pages 20 through 22.
- CPM Section 3 Part 5 Reserve Policy is included on pages 23 through 27.
- Additional reports relating to MRR A and MRR B are included on pages 28 through 36.
- A copy of the staff report relating to Procurement is included on page 37 through 46.



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Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for December 31, 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: December 31, 2024 and Dec 31, 2023

| | December 31, 2024 | Dec 31, 2023 |
|---|------------------------|------------------------|
| | Total | Total |
| ASSETS | | |
| Current Assets | | |
| Cash/Cash Equivalents | 2,606,550 | 2,599,548 |
| Accounts Receivable | 199,906 | 220,589 |
| Prepaid Expenses | 261,887 | 218,015 |
| Maintenance Inventory | - | 22,003 |
| Designated Investments (Charles S./SBH) | | |
| Emergency - Fund | 635,469 (1) | 560,194 (18) |
| MRR - Fund | 7,611,492 (2) | 7,175,602 (19) |
| Initiatives - Fund | 995,332 (3) | 1,750,056 (20) |
| Pools & Spas - Fund | 1,200,643 (4) | 814,765 (21) |
| Total Designated Investments (CS/SBH) | 10,442,936 (5) | 10,300,617 (22) |
| Undesignated Invest. (JP Morgan Long Term) | 1,008,091 (6) | 1,699,386 (23) |
| Undesignated Invest. (JP Morgan) | 1,008,955 (7) | 1,767,892 (24) |
| Investments | 12,459,982 (8) | 13,767,895 (25) |
| Total Current Assets | 15,528,325 | 16,828,050 |
| Fixed Assets | | |
| Contributed Fixed Assets | 18,017,085 | 18,017,085 |
| Purchased fixed Assets | 33,168,476 | 31,004,036 |
| Sub-Total | 51,185,561 | 49,021,121 |
| Less - Accumulated Depreciation | (28,757,151) | (27,464,438) |
| Net Fixed Assets | 22,428,409 (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 | 38,029,217 | 38,457,215 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 377,167 | 727,655 |
| Deferred Dues Fees & Programs | 3,358,745 | 4,533,756 |
| Accrued Payroll | 258,765 | 156,036 |
| Compensation Liability | - | - |
| MCF Refund Liability | 195,000 | 211,700 |
| In-Kind Lease Liability -Current | 4,000 | 4,000 |
| Operating ROU Liability - Current | - | - |
| Financing ROU Liability - Current | 40,307 | 40,307 |
| Total Current Liabilities | 4,233,984 | 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 | 33,704,612 (10) | 32,682,140 (27) |
| NET ASSETS | | |
| Temporarily Designated: | | |
| Board Designated: | | |
| Emergency | 648,310 (11) | 560,194 (28) |
| Maint - Repair - Replacement | 7,621,406 (12) | 7,175,602 (29) |
| Initiatives | 948,057 (13) | 1,750,056 (30) |
| Pools & Spas | 1,226,153 (14) | 814,765 (31) |
| Sub-Total | 10,443,926 (15) | 10,300,617 |
| Unrestricted Net Assets | 22,238,215 | 22,381,524 |
| Net change Year-to-Date | 1,022,472 (16) | - |
| Unrestricted Net Assets | 23,260,686 (17) | 22,381,524 |
| TOTAL NET ASSETS | 33,704,612 | 32,682,140 |



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 12 month period ending December 31, 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 | 7,051,930 | 7,134,340 | 82,410 | 1% | 7,134,340 | 7,132,750 | 1,590 | 0.0% | 7,132,750 | (1,590) |
| L.C.,Trans., Crd Fees. | 740,844 | 685,399 | (55,444) | (7%) | 685,399 | 705,541 | (20,142) | (3%) | 705,637 | 20,238 |
| Capital Revenue | 2,753,060 | 2,428,476 | (324,584) | (12%) | 2,428,476 | 3,039,780 | (611,304) | (20%) | 3,039,780 | 611,304 |
| Programs | 108,503 | 276,359 | 167,856 | 155% | 276,359 | 92,403 | 183,956 | 199% | 92,403 | (183,956) |
| Instructional | 405,592 | 497,444 | 91,852 | 23% | 497,444 | 393,000 | 104,444 | 27% | 393,000 | (104,444) |
| Recreational Revenue | 514,095 | 773,803 | 259,708 | 51% | 773,803 | 485,403 | 288,400 | 59% | 485,403 | (288,400) |
| Investment Income | 456,354 | 426,501 | (29,853) | (7%) | 426,501 | 425,458 | 1,042 | 0% | 425,458 | (1,042) |
| Advertising Income | - | - | - | 0% | - | - | - | 0% | - | - |
| Cell Tower Lease Inc. | 47,478 | 49,004 | 1,525 | 3% | 49,004 | 47,093 | 1,911 | 4% | 47,093 | (1,911) |
| Comm. Revenue | 47,478 | 49,004 | 1,525 | 3% | 49,004 | 47,093 | 1,911 | 4% | 47,093 | (1,911) |
| Other Income | 86,482 | 108,450 | 21,968 | 25% | 108,450 | 87,072 | 21,378 | 25% | 87,072 | (21,378) |
| Facility Rent | 16,822 | 26,825 | 10,003 | 59% | 26,825 | 20,000 | 6,825 | 34% | 20,000 | (6,825) |
| Marketing Events | - | - | - | 0% | - | - | - | 0% | - | - |
| In-Kind Contributions | 4,000 | 4,000 | (0) | (0%) | 4,000 | 4,000 | (0) | (0%) | 4,000 | 0 |
| Del Sol Café Revenue | - | - | - | 0% | - | 25,000 | (25,000) | (100%) | 25,000 | 25,000 |
| Other Revenue | 107,304 | 139,275 | 31,971 | 30% | 139,275 | 136,072 | 3,203 | 2% | 136,072 | (3,203) |
| Total Revenue | 11,671,065 | 11,636,797 | (34,268) | (0%) | 11,636,797 | 11,972,097 | (335,300) | (2.8%) | 11,972,193 | 335,396 |
| Expenses | | | | | | | | | | |
| Major Proj.-Rep. & Maint. | 426,871 | 429,907 | (3,036) | (1%) | 429,907 | 489,203 | 59,295 | 12% | 489,203 | 59,295 |
| Facility Maintenance | 408,591 | 327,496 | 81,095 | 20% | 327,496 | 405,251 | 77,755 | 19% | 405,251 | 77,755 |
| Fees & Assessments | 14,905 | 4,314 | 10,591 | 71% | 4,314 | 5,000 | 686 | 14% | 5,000 | 686 |
| Utilities | 1,081,395 | 1,120,304 | (38,909) | (4%) | 1,120,304 | 989,399 | (130,905) | (13%) | 1,000,134 | (120,170) |
| Depreciation | 1,362,706 | 1,292,713 | 69,993 | 5% | 1,292,713 | 1,275,000 | (17,713) | (1%) | 1,275,000 | (17,713) |
| Furniture & Equipment | 298,233 | 263,847 | 34,386 | 12% | 263,847 | 268,945 | 5,098 | 2% | 268,945 | 5,098 |
| Vehicles | 96,330 | 90,018 | 6,312 | 7% | 90,018 | 98,000 | 7,982 | 8% | 98,000 | 7,982 |
| Facilities & Equipment | 3,689,031 | 3,528,600 | 160,431 | 4% | 3,528,600 | 3,530,798 | 2,198 | 0% | 3,541,533 | 12,933 |
| Wages | 3,837,632 | 4,426,821 | (589,189) | (15%) | 4,426,821 | 4,047,812 | (379,009) | (9%) | 4,047,812 | (379,009) |
| Payroll Taxes | 288,685 | 339,006 | (50,321) | (17%) | 339,006 | 323,634 | (15,372) | (5%) | 323,634 | (15,372) |
| Benefits | 888,922 | 808,011 | 80,911 | 9% | 808,011 | 964,455 | 156,444 | 16% | 964,545 | 156,534 |
| Personnel | 5,015,239 | 5,573,838 | (558,599) | (11%) | 5,573,838 | 5,335,900 | (237,938) | (4%) | 5,335,990 | (237,848) |
| Food & Catering | 30,936 | 47,818 | (16,883) | (55%) | 47,818 | 21,386 | (26,433) | (124%) | 21,386 | (26,433) |
| Recreation Contracts | 368,360 | 516,512 | (148,153) | (40%) | 516,512 | 348,685 | (167,827) | (48%) | 348,685 | (167,827) |
| Bank & Credit Card Fees | 73,550 | 78,167 | (4,617) | (6%) | 78,167 | 77,000 | (1,167) | (2%) | 77,000 | (1,167) |
| Program | 472,846 | 642,498 | (169,652) | (36%) | 642,498 | 447,071 | (195,427) | (44%) | 447,071 | (195,427) |
| Communications | 104,443 | 114,861 | (10,418) | (10%) | 114,861 | 96,023 | (18,838) | (20%) | 96,023 | (18,838) |
| Printing | 81,655 | 87,754 | (6,099) | (7%) | 87,754 | 103,183 | 15,429 | 15% | 103,183 | 15,429 |
| Advertising | 28,380 | 29,031 | (651) | (2%) | 29,031 | 17,920 | (11,111) | (62%) | 17,920 | (11,111) |
| Communications | 214,478 | 231,646 | (17,168) | (8%) | 231,646 | 217,126 | (14,520) | (7%) | 217,126 | (14,520) |
| Supplies | 547,041 | 475,328 | 71,713 | 13% | 475,328 | 558,587 | 83,259 | 15% | 558,587 | 83,259 |
| Postage | 17,587 | 9,932 | 7,655 | 44% | 9,932 | 17,922 | 7,990 | 45% | 17,922 | 7,990 |
| Dues & Subscriptions | 13,564 | 16,618 | (3,055) | (23%) | 16,618 | 17,091 | 473 | 3% | 17,091 | 473 |
| Travel & Entertainment | 2,340 | 975 | 1,365 | 58% | 975 | 1,600 | 625 | 39% | 1,600 | 625 |
| Other Operating Expense | 124,799 | 102,095 | 22,704 | 18% | 102,095 | 113,884 | 11,790 | 10% | 113,884 | 11,790 |
| Operations | 705,330 | 604,948 | 100,383 | 14% | 604,948 | 709,084 | 104,136 | 15% | 709,084 | 104,136 |
| Information Technology | 161,641 | 117,982 | 43,659 | 27% | 117,982 | 136,781 | 18,799 | 14% | 136,781 | 18,799 |
| Professional Fees | 304,543 | 192,244 | 112,299 | 37% | 192,244 | 213,816 | 21,572 | 10% | 213,816 | 21,572 |
| Commercial Insurance | 340,565 | 366,271 | (25,707) | (8%) | 366,271 | 354,812 | (11,459) | (3%) | 354,812 | (11,459) |
| Taxes | 77,862 | 43,758 | 34,104 | 44% | 43,758 | 33,000 | (10,758) | (33%) | 33,000 | (10,758) |
| Conferences & Training | 14,894 | 11,238 | 3,655 | 25% | 11,238 | 34,127 | 22,889 | 67% | 34,127 | 22,889 |
| Employee Recognition | 13,872 | 13,324 | 547 | 4% | 13,324 | 21,500 | 8,176 | 38% | 21,500 | 8,176 |
| Provision for Bad Debt | - | - | - | 0% | - | - | - | 0% | - | - |
| Corporate Expenses | 913,376 | 744,818 | 168,558 | 18% | 744,818 | 794,036 | 49,218 | 6% | 794,036 | 49,218 |
| Expenses | 11,010,300 | 11,326,347 | (316,047) | (3%) | 11,326,347 | 11,034,014 | (292,333) | (2.6%) | 11,044,839 | (281,508) |
| Gross Surplus(Rev-Exp) | 660,765 | 310,450 | (350,315) | (53%) | 310,450 | 938,083 | (627,633) | (67%) | 927,354 | 616,904 |
| Net Gain/Loss on Invest. | 740,774 | 712,022 | (28,752) | | 712,022 | - | 712,022 | | - | (712,022) |
| Net from Operations | 1,401,539 | 1,022,472 | (379,067) | (27%) | 1,022,472 | 938,083 | 84,389 | | 927,354 | (95,118) |



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

As of Date: December 31, 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 | 1,022,472 (16) | 1,022,472 | - | - | - | - | - |
| Transfers between unrestricted and reserves: | | | | | | | |
| Reserve Study Allocation | - | - | - | - | - | - | - |
| Principal Transfers | | | | | | | |
| Transfers For Funding | - | (2,058,216) | - | - | 1,227,040 | 531,776 | 299,400 |
| Transfers Prev. Yr. Surplus | - | - | - | - | - | - | - |
| Transfers Curr. Yr. Surplus | - | - | - | - | - | - | - |
| Transfers Between Funds | - | - | - | - | - | - | - |
| Depreciation | - | 1,292,713 | (1,292,713) | - | - | - | - |
| Disposal of Fixed Assets | - | - | - | - | - | - | - |
| Purchase & Contributed Fixed Assets | - | (41,681) | 1,874,047 | - | (989,067) | (849,807) | - |
| Purchases Withdrawals Outstanding | - | 877,400 | - | - | (335,116) | (540,644) | (1,640) |
| Allocations of Net Change components: | | | | | | | |
| Investment income | - | (263,573) | - | 9,097 | 200,088 | 28,629 | 25,758 |
| Investment Expenses | - | 164,677 | - | (4,012) | (144,555) | (8,517) | (7,594) |
| Net Gains (Losses) in Investments | - | (702,471) | - | 83,030 | 487,414 | 36,563 | 95,465 |
| Net Change to December 31, 2024 | 1,022,472 (16) | 291,321 | 581,334 | 88,115 | 445,804 | (801,999) | 411,388 |
| 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, December 31, 2024 | 33,704,612 (10) | 1,116,162 | <u>22,138,016</u> (9) | 648,310 (11) | 7,621,406 (12) | 948,057 (13) | 1,226,153 (14) |
| Footnotes refer to Statement of Financial Position and Statement of Activities | | <u>23,254,178</u> (17) | | 10,443,926 (15) | | | |

4



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 | 2,657,951 | 599,735 | - | 1,227,040 | 531,776 | 299,400 |
| Investment income | 400,547 | 136,974 | 9,097 | 200,088 | 28,629 | 25,758 |
| Withdrawals | (6,066,009) | (3,349,735) | - | (1,324,184) | (1,390,450) | (1,640) |
| Investment Expenses | (164,677) | - | (4,012) | (144,555) | (8,517) | (7,594) |
| Net Change for 12 Months | <u>(3,172,188)</u> | <u>(2,613,026)</u> | 5,086 | <u>(41,610)</u> | <u>(838,562)</u> | 315,924 |
| Balance before Market Change at December 31, 2024 | 10,595,707 | 854,252 | 565,280 | 7,133,992 | 911,494 | 1,130,689 |
| 12 Months Net Change in Investments Gain/(Loss) | <u>906,748</u> | 204,277 | 83,030 | 487,414 | 36,563 | 95,465 |
| Balance at December 31, 2024 (at Market) | <u>\$ 11,502,455</u> (8) | <u>1,058,530</u> (7) ⁽⁶⁾ | <u>648,309.59</u> (1) | <u>7,621,406</u> (2) | <u>948,057</u> (3) | <u>1,226,153</u> (4) |

10,443,926 (15)

Footnotes refer to Statement of Financial Position and Statement of Activities



GVR MEMBER PROPERTIES MONTHLY 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 | 5 | 1 | - | 22 |
| Total Members (2024) | 13,852 | 13,853 | 13,857 | 13,858 | 13,862 | 13,862 | 13,863 | 13,864 | 13,866 | 13,871 | 13,872 | 13,872 | 13,872 |
| 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 | 61 | 43 | 67 | 833 |
| Initial Fee | 1 | - | 2 | - | 3 | - | 1 | 1 | 1 | 2 | 1 | - | 12 |
| Transfer Fee (new build no Initial fee) | 1 | 1 | 2 | 1 | - | - | - | - | 1 | 3 | - | - | 9 |
| Transfer Fee (Voluntary Deed Restriction w/Initial fee) | 1 | - | 2 | - | 3 | - | 1 | 1 | 1 | 2 | 1 | - | 12 |
| Transfer Fee (estate planning) | - | - | 1 | - | - | - | 1 | 1 | 1 | 3 | - | 1 | 8 |
| Transfer Fee (resale) | 62 | 55 | 100 | 98 | 94 | 64 | 69 | 58 | 62 | 61 | 43 | 67 | 833 |
| Transfer Fee Non-Resale | 14 | 4 | - | 2 | 2 | - | 1 | 2 | - | 3 | 2 | 8 | 38 |
| 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 | 61 | 43 | 67 | 833 |
| Monthly Delta Actual vs Budget (2024) | ↓ (4) ↓ | ↓ (17) ↓ | ↓ (12) ↓ | ↓ (13) ↓ | ↓ (9) ↓ | ↓ (28) ↓ | ↓ (4) ↓ | ↓ (13) ↓ | ↓ (1) ↓ | ↓ (13) ↓ | ↓ (29) ↓ | ↓ (17) ↓ | ↓ (160) ↓ |
| 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 | 723 | 766 | 833 | 833 |
| YTD Over/(Under) Budget | ↓ (4) ↓ | ↓ (21) ↓ | ↓ (33) ↓ | ↓ (46) ↓ | ↓ (55) ↓ | ↓ (83) ↓ | ↓ (87) ↓ | ↓ (100) ↓ | ↓ (101) ↓ | ↓ (114) ↓ | ↓ (143) ↓ | ↓ (160) ↓ | ↓ (160) ↓ |
| YTD Over/(Under) Budget | (6%) | (15%) | (13%) | (13%) | (12%) | (15%) | (14%) | (14%) | (13%) | (14%) | (16%) | (16%) | (16%) |
| 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 | 66 | 44 | 67 | 855 |
| 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 | 5 | 6 | 12 | 98 |

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GVR MEMBER PROPERTIES MONTHLY REPORT

| 2025 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | YTD |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| NEW MEMBERS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Members (2025) | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 | 13,872 |
| Members Last Year (2024) | 13,852 | 13,853 | 13,857 | 13,858 | 13,862 | 13,862 | 13,863 | 13,864 | 13,866 | 13,871 | 13,872 | 13,872 | 13,872 |
| Members Before 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 |
| Membershi Change Fee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Initial Fee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Fee (new build no Initial fee) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Fee (Voluntary Deed Restriction w/Initial fee) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Fee (estate planning) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Fee (resale) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Fee Non-Resale | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Budget Monthly Resales (2025) | 57 | 63 | 100 | 96 | 90 | 80 | 64 | 61 | 52 | 65 | 63 | 71 | 862 |
| Monthly Resales (2025) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Monthly Delta Actual vs Budget (2024) | | | | | | | | | | | | | ⇒ 0 |
| Monthly Resales Last Year (2024) | 62 | 55 | 100 | 98 | 94 | 64 | 69 | 58 | 62 | 61 | 43 | 67 | 833 |
| Monthly Resales 2 years prior (2023) | 75 | 63 | 103 | 118 | 121 | 94 | 83 | 80 | 58 | 75 | 64 | 71 | 1,005 |
| YTD Budget (2025) | 57 | 120 | 220 | 316 | 406 | 486 | 550 | 611 | 663 | 728 | 791 | 862 | 862 |
| YTD Resales (2025) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| YTD Over/(Under) Budget | | | | | | | | | | | | | |
| YTD Resales Last Year (2024) | 62 | 117 | 217 | 315 | 409 | 473 | 542 | 600 | 662 | 723 | 766 | 833 | 833 |
| YTD Resales Before 2 years prior (2023) | 75 | 138 | 241 | 359 | 480 | 574 | 657 | 737 | 795 | 870 | 934 | 1,005 | 1,005 |
| Total Sales (new and resale) (2025) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Sales (new and resale) Last Year (2024) | 64 | 56 | 104 | 99 | 98 | 64 | 70 | 59 | 64 | 66 | 44 | 67 | 855 |
| Total Sales (new and resale) Before 2 years prior (2023) | 72 | 65 | 103 | 116 | 118 | 93 | 84 | 76 | 59 | 74 | 67 | 74 | 1,001 |
| MCF Refund | | | | | | | | | | | | | - |

N

GVR Cash Requirements Report

FY 2024

| ACTUAL / PROJECTED | 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 | Actual Oct-24 | Actual Nov-24 | Actual 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 | 707,619 | 639,255 |
| Transfer In | - | - | 650,000 | 500,000 | 400,000 | 400,000 | 400,000 | 700,000 | 400,000 | 800,000 | 500,000 | - |
| Transfer Out | (3,519,695) | - | - | - | - | - | - | - | - | - | - | (1,000,000) |
| Cash Receipts | 2,651,721 | 600,340 | 647,937 | 468,890 | 441,316 | 288,357 | 313,243 | 363,088 | 304,281 | 308,399 | 255,412 | 3,848,126 |
| Cash Disbursements | (1,044,254) | (847,624) | (1,097,156) | (777,198) | (968,934) | (830,577) | (747,127) | (1,180,576) | (701,972) | (814,387) | (823,775) | (880,831) |
| Net Operating Cash Flow | 1,607,467 | (247,284) | (449,219) | (308,308) | (527,618) | (542,220) | (433,884) | (817,488) | (397,691) | (505,988) | (568,363) | 2,967,295 |
| Ending of Month Balance | 687,320 | 440,036 | 640,817 | 832,509 | 704,891 | 562,670 | 528,787 | 411,298 | 413,607 | 707,619 | 639,255 | 2,606,550 |
| 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 | 1,507,974 | 1,058,529 |
| Transfer In | 2,000,000 | - | - | - | - | - | - | - | - | - | - | 1,000,000 |
| Transfer Out | - | - | (650,000) | (500,000) | (400,000) | (400,000) | (400,000) | (700,000) | (400,000) | (800,000) | (500,000) | - |
| Earned Income on Investmer | 11,847 | 42,495 | 63,658 | (47,051) | 50,953 | 12,098 | 89,106 | 50,165 | 23,970 | (6,546) | 50,556 | (41,484) |
| 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 | 1,507,974 | 1,058,529 | 2,017,045 |
| 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 | 7,629,293 | 7,710,031 |
| Transfer In MRR Funding | 1,220,295 | - | - | - | - | - | - | - | - | 6,745 | - | - |
| Transfer Out | (68,487) | (134,658) | (93,639) | (29,450) | (280,783) | (18,770) | (162,469) | (202,517) | (233,271) | (60,102) | (52,829) | (24,759) |
| Net Earned Income on Invest | 20,006 | 80,709 | 99,777 | (131,552) | 160,376 | 74,788 | 132,649 | 93,570 | 69,758 | (89,285) | 133,567 | (73,780) |
| 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 | 7,629,293 | 7,710,031 | 7,611,492 |
| 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 | 1,187,315 | 1,226,153 |
| Transfer In MRR B Pool & Spa Funding | 299,400 | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Out | - | - | - | - | - | - | - | - | - | - | (1,640) | - |
| Net Earned Income on Invest | (892) | 10,591 | 13,151 | (23,413) | 28,330 | 15,061 | 14,913 | 12,645 | 15,272 | (12,509) | 40,478 | (25,510) |
| 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 | 1,187,315 | 1,226,153 | 1,200,643 |
| 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 | 887,354 | 948,244 |
| Transfer In | - | - | 120,896 | 55,586 | 54,003 | 47,950 | 36,640 | - | 46,094 | 64,333 | 75,711 | 47,540 |
| Other Funding | - | - | - | - | - | - | - | - | 30,563 | - | - | - |
| Other Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Earned Income on Invest | (626) | 4,766 | 15,800 | (11,871) | 17,929 | 5,246 | 7,696 | 7,042 | 6,936 | (5,801) | 9,745 | (3,050) |
| Transfer Out | (106,130) | (264,584) | (246,660) | (130,036) | (503,520) | (2,511) | (71,271) | (15,391) | (23,951) | (1,829) | (24,566) | 2,597 |
| 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 | 887,354 | 948,244 | 995,331 |
| Emergency Reserve | | | | | | | | | | | | |
| Beginning of Month Balance | 560,194 | 563,405 | 582,365 | 593,810 | 576,057 | 595,231 | 605,865 | 621,731 | 631,561 | 636,879 | 625,392 | 648,310 |
| Transfer In | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Out | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Earned Income on Invest | 3,211 | 18,960 | 11,445 | (17,753) | 19,174 | 10,633 | 15,866 | 9,831 | 5,318 | (11,487) | 22,918 | (12,840) |
| Ending of Month Balance | 563,405 | 582,365 | 593,810 | 576,057 | 595,231 | 605,865 | 621,731 | 631,561 | 636,879 | 625,392 | 648,310 | 635,469 |
| 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 | 2,215,592 | 1,697,784 | 4,623,595 |
| 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 | 13,167,415 | 12,544,946 | 12,230,522 | 15,066,530 |

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GVR Cash Requirements Report
FY 2024

ACTUAL / PROJECTED

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

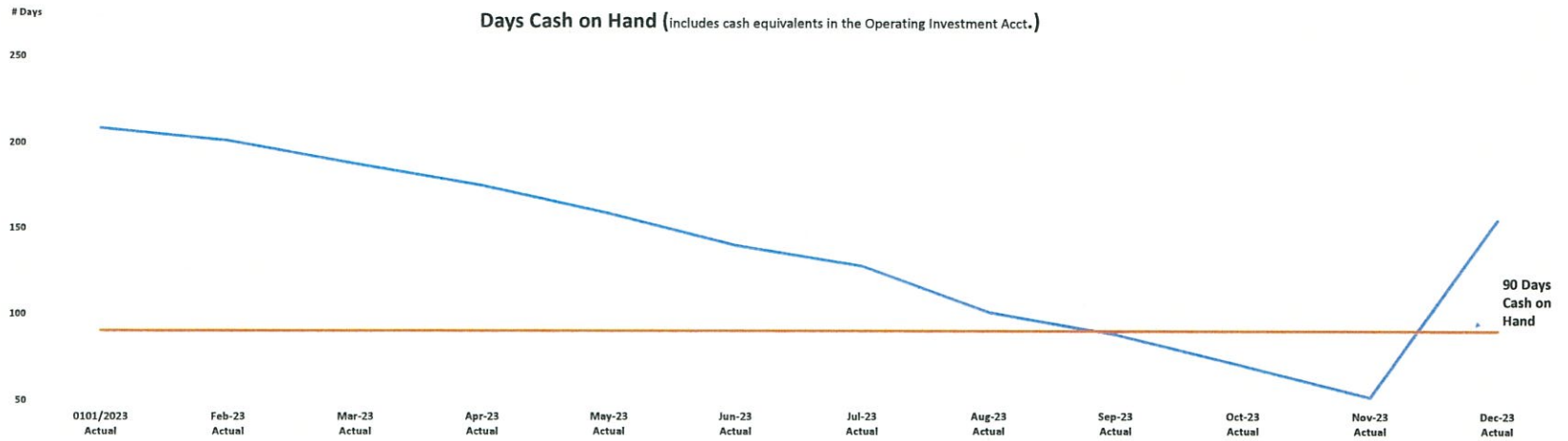
| Actual Jan-24 | Actual Feb-24 | Actual Mar-24 | Actual Apr-24 | Actual May-24 | Actual Jun-24 | Actual Jul-24 | Actual Aug-24 | Actual Sep-24 | Actual Oct-24 | Actual Nov-24 | Actual Dec-24 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 208 | 201 | 187 | 175 | 158 | 140 | 128 | 101 | 88 | 70 | 52 | 155 |

| | |
|-------------------------------|------------|
| 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 | 9,242,293 |
| Total Operating Cash | 4,623,595 |
| Grand Total Cash & Investments | 13,865,887 |

| | | | | | | | | | | | | |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 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 | 2,215,592 | 1,697,784 | 4,623,595 |
| 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 | 12,753,808 | 11,837,328 | 11,591,267 | 12,459,980 |

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 Cash Requirements Report

FY 2025

| ACTUAL / PROJECTED | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>Jan-25</u> | <u>Feb-25</u> | <u>Mar-25</u> | <u>Apr-25</u> | <u>May-25</u> | <u>Jun-25</u> | <u>Jul-25</u> | <u>Aug-25</u> | <u>Sep-25</u> | <u>Oct-25</u> | <u>Nov-25</u> | <u>Dec-25</u> |
| Operating Cash at CHASE | | | | | | | | | | | | |
| Beginning of Month Balance | 2,606,550 | 2,665,940 | 631,614 | 534,225 | 710,711 | 724,134 | 974,494 | 816,274 | 1,003,572 | 980,058 | 882,669 | 710,973 |
| Transfer In | - | - | - | 400,000 | 300,000 | 400,000 | 600,000 | 400,000 | - | - | - | - |
| Transfer Out | (1,620,460) | (2,000,000) | - | - | - | - | - | - | - | - | - | (3,500,000) |
| Cash Receipts | 2,970,260 | 756,753 | 693,690 | 567,565 | 504,502 | 641,439 | 578,377 | 578,377 | 767,565 | 693,690 | 630,628 | 3,229,707 |
| Cash Disbursements | (1,290,410) | (791,079) | (791,079) | (791,079) | (791,079) | (791,079) | (1,336,597) | (791,079) | (791,079) | (791,079) | (802,324) | (804,688) |
| Net Operating Cash Flow | 1,679,850 | (34,326) | (97,389) | (223,514) | (286,577) | (149,640) | (758,220) | (212,702) | (23,514) | (97,389) | (171,696) | 2,425,020 |
| Ending of Month Balance | 2,665,940 | 631,614 | 534,225 | 710,711 | 724,134 | 974,494 | 816,274 | 1,003,572 | 980,058 | 882,669 | 710,973 | (364,007) |
| Operating Investment Accounts (A&B) | | | | | | | | | | | | |
| Beginning of Month Balance | 2,017,045 | 2,020,406 | 4,023,774 | 4,030,480 | 3,637,198 | 3,343,260 | 2,948,832 | 2,353,746 | 1,957,669 | 1,960,932 | 1,964,200 | 1,967,474 |
| Transfer In | - | 2,000,000 | - | - | - | - | - | - | - | - | - | 3,500,000 |
| Transfer Out | - | - | - | (400,000) | (300,000) | (400,000) | (600,000) | (400,000) | - | - | - | (45,648) |
| Earned Income on Investmer | 3,362 | 3,367 | 6,706 | 6,717 | 6,062 | 5,572 | 4,915 | 3,923 | 3,263 | 3,268 | 3,274 | 3,279 |
| Ending of Month Balance | 2,020,406 | 4,023,774 | 4,030,480 | 3,637,198 | 3,343,260 | 2,948,832 | 2,353,746 | 1,957,669 | 1,960,932 | 1,964,200 | 1,967,474 | 5,425,106 |
| MRR Reserve | | | | | | | | | | | | |
| Beginning of Month Balance | 7,611,492 | 8,770,489 | 8,637,593 | 8,503,756 | 8,368,971 | 8,233,232 | 8,096,530 | 7,958,861 | 7,820,216 | 7,680,589 | 7,539,973 | 7,398,361 |
| Transfer In MRR Funding | 1,300,102 | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Out | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) | (195,020) |
| Net Earned Income on Invest | 53,915 | 62,124 | 61,183 | 60,235 | 59,280 | 58,319 | 57,350 | 56,375 | 55,393 | 54,404 | 53,408 | 52,405 |
| Ending of Month Balance | 8,770,489 | 8,637,593 | 8,503,756 | 8,368,971 | 8,233,232 | 8,096,530 | 7,958,861 | 7,820,216 | 7,680,589 | 7,539,973 | 7,398,361 | 7,255,747 |
| MRR - B Pool and Spa Replacement Reserve | | | | | | | | | | | | |
| Beginning of Month Balance | 1,200,643 | 1,523,282 | 1,526,177 | 1,529,076 | 1,531,982 | 1,534,892 | 1,537,809 | 1,540,731 | 1,543,658 | 1,546,591 | 1,549,529 | 1,552,474 |
| Transfer In MRR B Pool & Spa Funding | 320,358 | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Out | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Earned Income on Invest | 2,281 | 2,894 | 2,900 | 2,905 | 2,911 | 2,916 | 2,922 | 2,927 | 2,933 | 2,939 | 2,944 | 2,950 |
| Ending of Month Balance | 1,523,282 | 1,526,177 | 1,529,076 | 1,531,982 | 1,534,892 | 1,537,809 | 1,540,731 | 1,543,658 | 1,546,591 | 1,549,529 | 1,552,474 | 1,555,423 |
| Initiatives Reserve | | | | | | | | | | | | |
| Beginning of Month Balance | 995,331 | 1,044,337 | 958,282 | 871,510 | 784,016 | 695,792 | 606,832 | 517,132 | 426,684 | 335,482 | 243,521 | 150,792 |
| Transfer In | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 | 45,648 |
| Other Funding | 135,469 | - | - | - | - | - | - | - | - | - | - | - |
| Other Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Earned Income on Invest | 8,294 | 8,703 | 7,986 | 7,263 | 6,533 | 5,798 | 5,057 | 4,309 | 3,556 | 2,796 | 2,029 | 1,257 |
| Transfer Out | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) | (140,405) |
| Ending of Month Balance | 1,044,337 | 958,282 | 871,510 | 784,016 | 695,792 | 606,832 | 517,132 | 426,684 | 335,482 | 243,521 | 150,792 | 57,292 |
| Emergency Reserve | | | | | | | | | | | | |
| Beginning of Month Balance | 635,469 | 504,236 | 507,598 | 510,982 | 514,389 | 517,818 | 521,270 | 524,745 | 528,243 | 531,765 | 535,310 | 538,879 |
| Transfer In | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer Out | (135,469) | - | - | - | - | - | - | - | - | - | - | - |
| Net Earned Income on Invest | 4,236 | 3,362 | 3,384 | 3,407 | 3,429 | 3,452 | 3,475 | 3,498 | 3,522 | 3,545 | 3,569 | 3,593 |
| Ending of Month Balance | 504,236 | 507,598 | 510,982 | 514,389 | 517,818 | 521,270 | 524,745 | 528,243 | 531,765 | 535,310 | 538,879 | 542,471 |
| Total Reserve Accounts | 11,842,345 | 11,629,650 | 11,415,325 | 11,199,357 | 10,981,733 | 10,762,441 | 10,541,468 | 10,318,801 | 10,094,427 | 9,868,333 | 9,640,506 | 9,410,933 |
| Total Operating Cash | <u>4,686,346</u> | <u>4,655,388</u> | <u>4,564,705</u> | <u>4,347,909</u> | <u>4,067,394</u> | <u>3,923,326</u> | <u>3,170,021</u> | <u>2,961,241</u> | <u>2,940,990</u> | <u>2,846,869</u> | <u>2,678,447</u> | <u>5,061,098</u> |
| Grand Total Cash & Investments | <u>16,528,691</u> | <u>16,285,038</u> | <u>15,980,031</u> | <u>15,547,266</u> | <u>15,049,127</u> | <u>14,685,767</u> | <u>13,711,489</u> | <u>13,280,042</u> | <u>13,035,417</u> | <u>12,715,203</u> | <u>12,318,953</u> | <u>14,472,031</u> |

10

**GVR Cash Requirements Report
FY 2025**

ACTUAL / PROJECTED

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

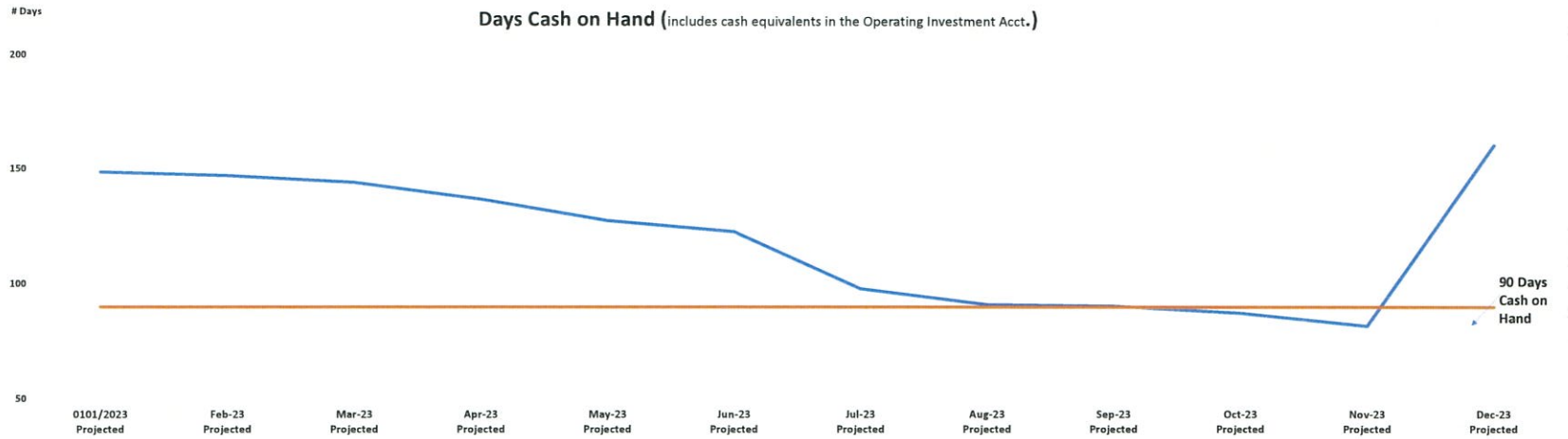
| Projected Jan-25 | Projected Feb-25 | Projected Mar-25 | Projected Apr-25 | Projected May-25 | Projected Jun-25 | Projected Jul-25 | Projected Aug-25 | Projected Sep-25 | Projected Oct-25 | Projected Nov-25 | Projected Dec-25 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 149 | 147 | 144 | 137 | 128 | 123 | 98 | 91 | 90 | 87 | 82 | 160 |

| | |
|---|-------------------|
| January 1, 2025 Beg. Balance: | |
| Total Reserve Accounts | 9,242,293 |
| Total Operating Cash | 4,623,595 |
| Grand Total Cash & Investments | 13,865,887 |

| | |
|---|-------------------|
| Projected Ending Balance 2025 | |
| Total Reserve Accounts | 8,088,033 |
| Total Operating Cash | 2,678,447 |
| Grand Total Cash & Investments | 10,766,480 |

| | | | | | | | | | | | | |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Operating Cash (CHASE) | 4,686,346 | 4,655,388 | 4,564,705 | 4,347,909 | 4,067,394 | 3,923,326 | 3,170,021 | 2,961,241 | 2,940,990 | 2,846,869 | 2,678,447 | 5,061,098 |
| Invested Total (SBH & JP MORGAN) | 13,862,751 | 15,653,424 | 15,445,805 | 14,836,555 | 14,324,993 | 13,711,273 | 12,895,215 | 12,276,471 | 12,055,359 | 11,832,534 | 11,607,980 | 14,836,038 |

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
12/31/2024
Cash Funding Projections

All Amounts Are Projections

| | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|-----------------------|---------------------|-----------------------|---------------------|----------------------|
| Initiatives | | | | | |
| Beginning Balance | \$ 995,332 | \$ 67,762 | \$ 682,186 | \$ 5,617 | \$ 74,187 |
| Funding From Operations Revenue | \$ 547,770 | \$ 603,855 | \$ 637,440 | \$ 682,338 | \$ 682,338 |
| Additional GVR Funding (Surplus) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer from Emergency | \$ 135,469 | | | | |
| Net Investment Earnings | \$ 74,050 | \$ 21,569 | \$ 76,991 | \$ 20,233 | \$ 24,233 |
| Projects: | | | | | |
| Del Sol Clubhouse Parking Lot Note | \$ (11,000) | \$ (11,000) | \$ (11,000) | \$ (11,000) | \$ (11,000) |
| DH Ceramics Kiln Room Code | \$ (90,000) | | | | |
| WC Lobby improvements | \$ (150,000) | | | | |
| Metal Shop Home | \$ (150,000) | | | | |
| DH Locker room | \$ (249,335) | | | | |
| LC Fitness Expand to Cypress | | | | \$ (75,000) | |
| EC Lapidary Gas Manifold | \$ (43,000) | | | | |
| WC Club Expansion - Lapidary | \$ (991,524) | | | | |
| WC Club Expansion - Woodworking | | | \$ (1,000,000) | | |
| LC Third Tennis Court | | | \$ (380,000) | | |
| SRAL Lower Level Expansion | | | | \$ (385,000) | |
| CR Pickleball Courts | \$ - | | | | |
| SRS Social Patio | | | | \$ (126,000) | |
| SRS Fitness Center Expansion | | | | \$ (37,000) | |
| Total for the Year | \$ (1,684,859) | \$ (11,000) | \$ (1,391,000) | \$ (634,000) | \$ (11,000) |
| Ending Balance | \$ 67,762 | \$ 682,186 | \$ 5,617 | \$ 74,187 | \$ 769,758 |
| Maintenance Repair & Replacement | | | | | |
| Beginning Balance | \$ 7,611,492 | \$ 7,257,716 | \$ 7,300,482 | \$ 7,383,209 | \$ 7,922,345 |
| Annual Funding (per Reserve Study) | \$ 1,300,102 | \$ 1,356,006 | \$ 1,414,314 | \$ 1,475,130 | \$ 1,538,561 |
| Additional Funding | | | | | |
| Net Investment Earnings (actual IPS rate) | \$ 686,362 | \$ 644,882 | \$ 652,640 | \$ 636,267 | \$ 701,049 |
| Projects: | | | | | |
| Per Reserve Study | \$ (2,340,240) | \$ (1,958,122) | \$ (1,984,228) | \$ (1,572,260) | \$ (2,031,701) |
| Ending Balance | \$ 7,257,716 | \$ 7,300,482 | \$ 7,383,209 | \$ 7,922,345 | \$ 8,130,254 |
| MRR Part B - Pools and Spas | | | | | |
| Beginning Balance | \$ 1,200,643 | \$ 1,609,741 | \$ 406,687 | \$ 802,712 | \$ 1,221,842 |
| Funding | \$ 320,358 | \$ 335,022 | \$ 351,774 | \$ 351,774 | \$ 351,774 |
| Additional Funding | | | | | |
| Net Investment Earnings | \$ 88,740 | \$ 113,463 | \$ 44,251 | \$ 67,356 | \$ 91,809 |
| DH Pool (or other pool) | | \$ (1,651,539) | | | |
| Ending Balance | \$ 1,609,741 | \$ 406,687 | \$ 802,712 | \$ 1,221,842 | \$ 1,665,426 |
| Subtotal Capital Projects Reserves | \$ 8,935,219 | \$ 8,389,355 | \$ 8,191,537 | \$ 9,218,374 | \$ 10,565,438 |
| Emergency | | | | | |
| Beginning Balance | \$ 635,469 | \$ 551,000 | \$ 595,000 | \$ 643,000 | \$ 694,000 |
| Annual Funding | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Initiative | \$ (135,469) | | | | |
| Net Investment Earnings | \$ 51,000 | \$ 44,000 | \$ 48,000 | \$ 51,000 | \$ 56,000 |
| Projects: | | | | | |
| Ending Balance | \$ 551,000 | \$ 595,000 | \$ 643,000 | \$ 694,000 | \$ 750,000 |
| Total Board Designated Funds | \$ 9,486,219 | \$ 8,984,355 | \$ 8,834,537 | \$ 9,912,374 | \$ 11,315,438 |

ty

100% club funded

GREEN VALLEY RECREATION
CAPITAL PROJECTS REPORT
12/31/2024

| | | TOTAL | 2024 | Project to Date | | | |
|----------------------------|--------|---------------------------------------|-------------------------|-----------------|-----------------------------|--------------------|------------------------|
| Project ID | Center | Description | Total Project Budget | 2024 Budget | Total Project Spent to Date | 2024 Spent to Date | Project Budget Balance |
| NON RESERVE CAPITAL | | | | | | | |
| ALL | | 2024 Unplanned Unbudgeted Items | \$ 100,000 | \$ 100,000 | \$ - | \$ - | \$ 100,000 |
| CR | | Shade Structure for Canoa Ranch pool | \$ 16,000 | \$ 16,000 | \$ - | \$ - | \$ 16,000 |
| CP1 / ABS | | Deck shade structures for CP1 and Abr | \$ 26,000 | \$ 26,000 | \$ - | \$ - | \$ 26,000 |
| ALL | | Accessibility Initiatives | \$ 67,023 | \$ 50,000 | \$ 17,023 | \$ - | \$ 50,000 |
| PBC | | Pickleball Fencing | \$ 35,000 | \$ 35,000 | \$ - | \$ - | \$ 35,000 |
| WC | | Vacuum System for Woodshop | \$ 90,000 | | \$ 33,315 | \$ 21,168 | \$ 56,685 |
| INITIATIVES | | | | | | | |
| SRS | | Remodel for Glass Arts | \$ 900,000 | | \$ 828,605 | \$ (24,224) | \$ 71,395 |
| DH | | Desert Hills Fitness Center | \$ 1,127,744 | | \$ 1,128,161 | \$ - | \$ (417) |
| DH | | DH Locker-room Expansion | \$ 299,355 | \$ 299,355 | \$ 40,117 | \$ 30,526 | \$ 259,238 |
| DH | | Desert Hills Stage Removal | \$ 15,000 | \$ 15,000 | \$ 15,182 | \$ 15,182 | \$ (182) |
| DSCH | | Del Sol Clubhouse Note Payable | \$ 110,000 | \$ 11,000 | \$ 22,000 | \$ 11,000 | \$ 88,000 |
| DSCH | | Del Sol Clubhouse Rennovation | \$ 1,900,000 | \$ - | \$ 1,740,455 | \$ 1,228,171 | \$ 159,545 |
| WC | | West Center Expansion (Lap, Wood, Ar | \$ 158,835 | \$ 100,000 | \$ 17,657 | \$ 3,699 | \$ 141,178 |
| DH | | Ceramics Kiln room | \$ 90,000 | \$ 90,000 | \$ 701 | \$ 701 | \$ 89,299 |
| WC | | West Center Lobby improvements | \$ 150,000 | \$ 150,000 | \$ 3,125 | \$ 3,125 | \$ 146,875 |
| ALL | | Security Cameras | \$ 50,000 | \$ - | \$ 49,974 | \$ 49,974 | \$ 26 |
| WC | | West Center Metal Arts home | \$150K budgeted in 2025 | | \$ 10,500 | \$ 10,500 | \$ 139,500 |

SURPLUS 2024

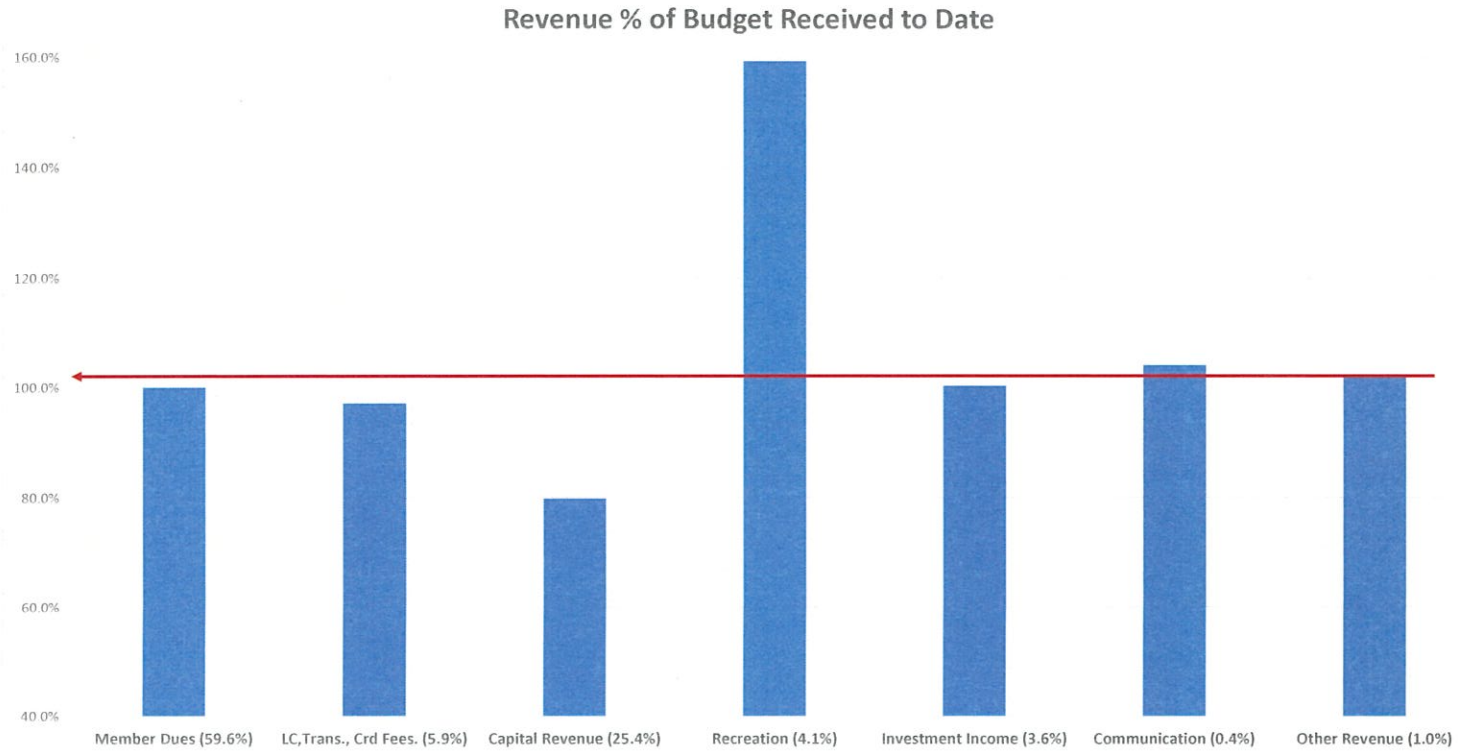
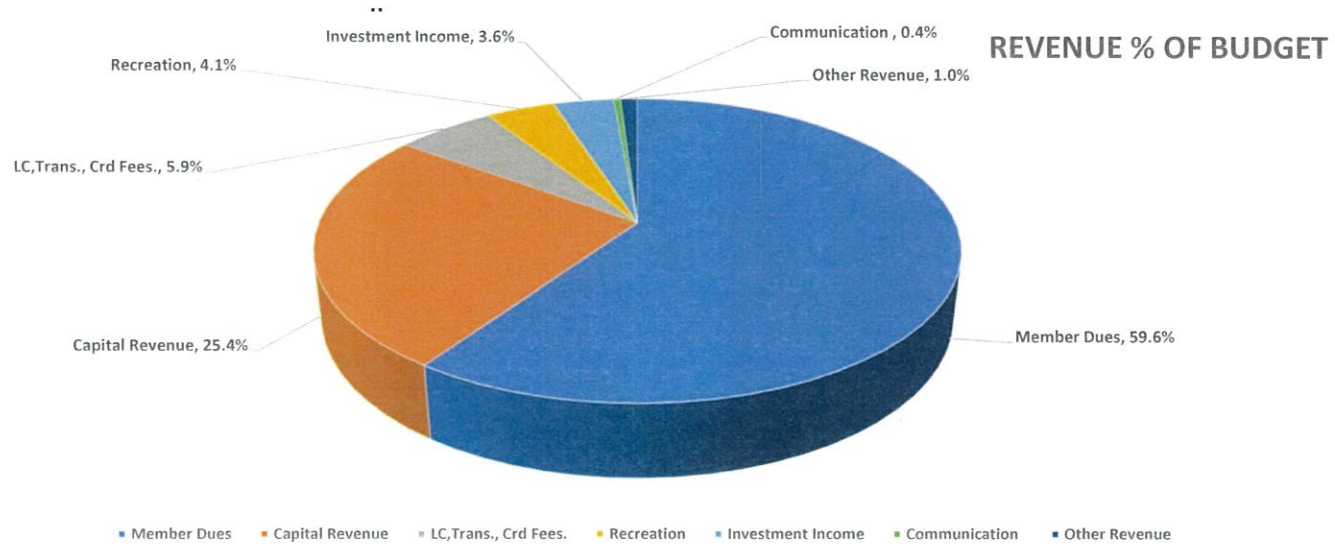
PRELIMINARY

| | 2024 Projected | 2024 Budget | variance | | |
|---|-------------------|----------------------|---------------------|---------------|---|
| Revenue: | | | | | |
| Member Dues | 7,134,340 | \$ 7,132,750 | \$ 1,590 | 0.0% | |
| Transfer Fees, Tenant, Credit Crd, Life Care Fees | 685,399 | \$ 705,541 | \$ (20,142) | -2.9% | |
| Capital Revenue | 2,428,476 | \$ 3,039,780 | \$ (611,304) | -25.2% | lower than budgeted home sales |
| Recreation | 773,803 | \$ 485,403 | \$ 288,400 | 37.3% | Increased due to higher Member participation |
| Investment Income | 426,501 | \$ 425,458 | \$ 1,043 | 0.2% | |
| Communication | 49,004 | \$ 47,093 | \$ 1,911 | 3.9% | |
| Other Revenue | 139,275 | \$ 136,072 | \$ 3,203 | 2.3% | |
| Total Revenue | 11,636,798 | \$ 11,972,097 | \$ (335,299) | -2.9% | |
| Expenditures: | | | | | |
| Facilities & Equipment with Depreciation | 3,528,600 | \$ 3,530,797 | \$ 2,197 | 0.1% | |
| Personnel | 5,573,838 | \$ 5,335,902 | \$ (237,936) | -4.3% | Wages above budget (custodial). Benefits below budget. |
| Program | 642,498 | \$ 447,071 | \$ (195,427) | -30.4% | Increased due to higher Member participation |
| Communications | 231,625 | \$ 212,126 | \$ (19,499) | -8.4% | |
| Operations | 604,948 | \$ 709,064 | \$ 104,116 | 17.2% | |
| Corporate Expenses | 744,818 | \$ 799,055 | \$ 54,237 | 7.3% | |
| Total Expenditures | 11,326,327 | \$ 11,034,015 | \$ (292,312) | -2.6% | |
| Excess Revenues Over Exp. | 310,471 | 938,082 | (627,611) | | |
| Transfers and Adjustments: | | | | | |
| In Kind Non Cash Revenue | - | - | - | - | |
| Non Reserve Capital Projects | (10,943) | \$ (277,000) | 266,057 | -96.0% | Savings due to stoppage of Non Reserve Capital Projects |
| Remove Income From Reserves | (285,044) | \$ (259,068) | (25,976) | 10.0% | |
| Reserve Funding Initiatives | (487,495) | \$ (610,956) | 123,461 | -20.2% | Less transfer out due to lower Capital Revenue |
| Reserve Funding MRR & MRR-B | (1,519,695) | \$ (1,519,695) | - | 0.0% | |
| MRR Expenses paid by the Reserve | 404,590 | \$ 371,138 | 33,452 | 9.0% | |
| Remove Reserve Investment Exp. | 75,553 | \$ 82,500 | (6,947) | -8.4% | |
| Remove Depreciation | 1,292,713 | \$ 1,275,000 | 17,713 | 1.4% | |
| Total Adjustments | (530,321) | \$ (938,081) | 407,760 | -43.5% | |
| SURPLUS | (219,850) | \$ - | (219,851) | | |

Summary of Revenue & Expenditures - Budget to Actual
For Fiscal Year Ending Dec 31, 2024
January through December 2024

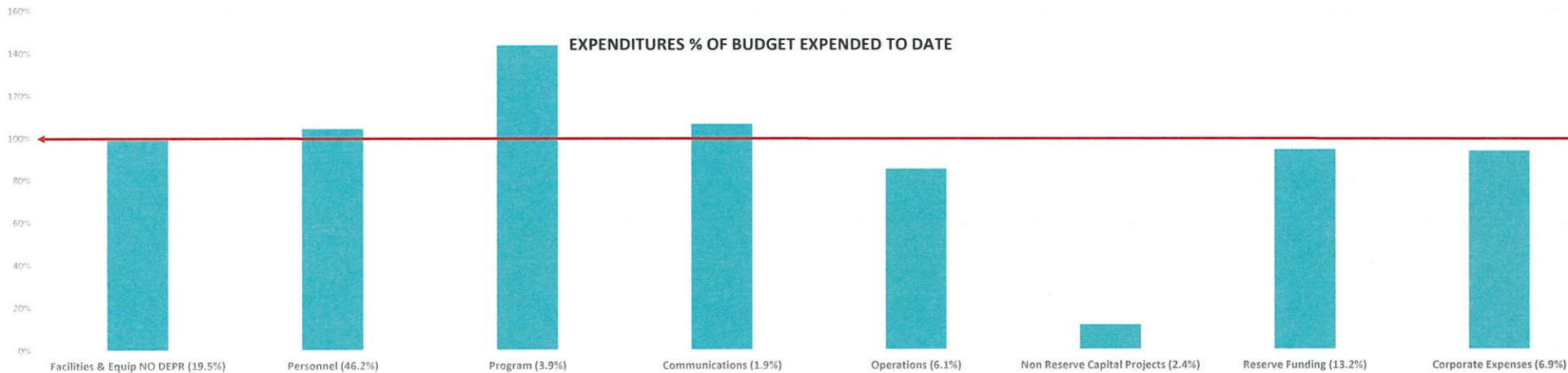
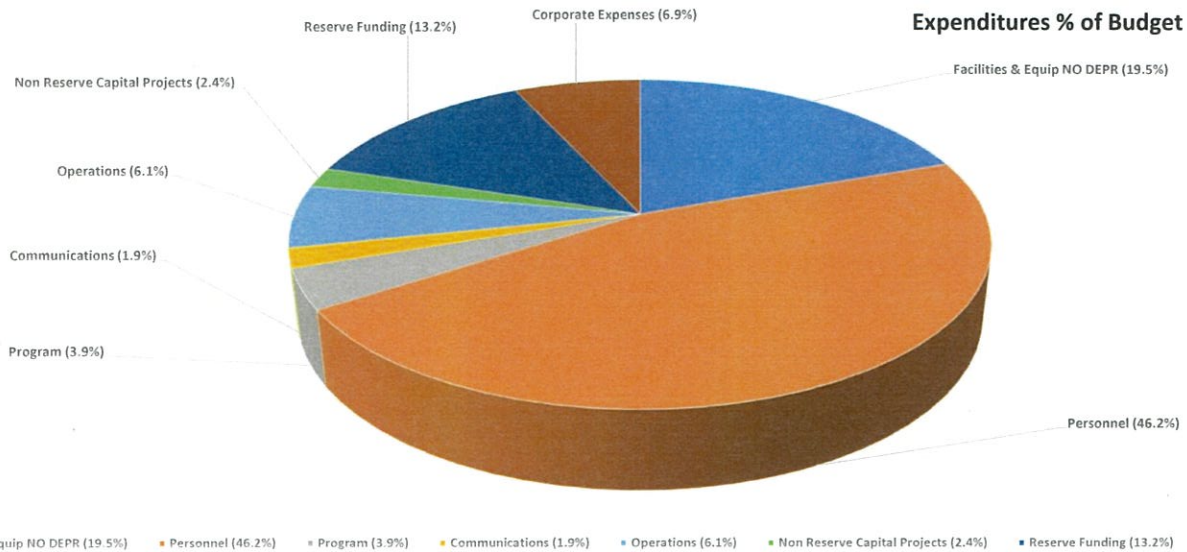
| | 2024 Annual Budget | January - December | | | Prior Year | | |
|--|--------------------------|---------------------|---------------------|------------------|----------------------|---------------------------|---------------------|
| | | YTD Budget | Jan - Dec Actual | % of Variance | FY 2023 4Q YTD | Var. from Prior Year % | \$ |
| Revenue: | | | | | | | |
| Member Dues | \$ 7,132,750 | \$ 7,132,750 | \$ 7,134,340 | 0.0% | \$ 7,051,930 | 1.2% | \$ 82,410 |
| LC, Trans., Crd Fees. | 705,637 | 705,541 | 685,399 | (2.9%) | 740,844 | (7.5%) | (55,444) |
| Capital Revenue | 3,039,780 | 3,039,780 | 2,428,476 | (20.1%) | 2,753,060 | (11.8%) | (324,584) |
| Recreation | 485,403 | 485,403 | 773,803 | 59.4% | 514,095 | 50.5% | 259,708 |
| Investment Income | 425,458 | 425,458 | 426,501 | 0.2% | 456,354 | (6.5%) | (29,853) |
| Communication | 47,093 | 47,093 | 49,004 | 4.1% | 47,478 | 3.2% | 1,525 |
| Other Revenue | 136,072 | 136,072 | 139,275 | 2.4% | 107,304 | 29.8% | 31,971 |
| Total Revenue | 11,972,193 | 11,972,097 | 11,636,797 | (2.8%) | \$ 11,671,065 | (0.3%) | \$ (34,268) |
| Expenditures: | | | | | | | |
| Facilities & Equipment NO DEPRECIATION | \$ 2,255,805 | \$ 2,255,798 | \$ 2,235,887 | 0.1% | \$ 2,326,325 | 3.9% | \$ 90,438 |
| Personnel | 5,335,990 | 5,335,900 | 5,573,838 | (4.5%) | 5,015,239 | (11.1%) | \$ (558,599) |
| Program | 447,071 | 447,071 | 642,498 | (43.7%) | 472,846 | (35.9%) | \$ (169,652) |
| Communications | 217,126 | 217,126 | 231,646 | (6.7%) | 214,478 | (8.0%) | \$ (17,168) |
| Operations | 709,084 | 709,084 | 604,948 | 14.7% | 705,330 | 14.2% | \$ 100,383 |
| Corporate Expenses | 794,036 | 794,036 | 744,818 | 6.2% | 913,376 | 18.5% | \$ 168,558 |
| Total Expenditures | 9,759,111 | 9,759,014 | 10,033,634 | (2.6%) | 9,647,594 | (4.0%) | \$ (386,040) |
| Excess Revenues Over Exp. | \$ 2,213,082 | \$ 2,213,083 | \$ 1,603,163 | | \$ 2,023,471 | | \$ (420,308) |
| Transfers and Adjustments: | | | | | | | |
| Non Reserve Capital Projects | (277,001) | (277,001) | (10,943) | | | | |
| Remove Income From Reserves | (259,068) | (259,068) | (285,044) | | | | |
| Reserve Funding Initiatives | (610,956) | (610,956) | (487,495) | | | | |
| Reserve Funding MRR & MRR-B | (1,519,695) | (1,519,695) | (1,519,695) | | | | |
| MRR Expenses paid by Reserve | 371,138 | 371,138 | 404,590 | | | | |
| Deduct Reserve Investment Exp. | 82,500 | 82,500 | 75,553 | | | | |
| Modified Accrual Basis Surplus | - | 1 | (219,871) | | | | |

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.



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**Green Valley Recreation
January through December 2024**



17



Green Valley Recreation, Inc
Statement of Financial Position
December 31, 2024

| | Current December 31, 2024 | Prior Year December 31, 2023 | Increase (Decrease) | |
|------------------------------|------------------------------|---------------------------------|------------------------|--------------|
| Assets | | | | |
| Total Operating Cash | 4,623,596 | 6,066,827 | (1,443,231) | (24%) |
| Accounts Receivable (net) | 199,906 | 220,589 | (20,683) | (9%) |
| Designated Investments | 10,442,936 | 10,300,617 | 142,320 | 1% |
| Prepaid Expenses & Inventory | 261,887 | 240,017 | 21,870 | 9% |
| Total Current Assets | 15,528,325 | 16,828,050 | (1,299,725) | (8%) |
| Fixed Assets | | | | |
| Net Fixed Assets | 22,428,409 | 21,556,682 | 871,727 | 4% |
| Oper. & Finance ROU | 72,483 | 72,483 | | |
| Total Assets | 38,029,217 | 38,457,215 | (427,998) | (1%) |
| Liabilities | | | | |
| Accounts Payables | 377,167 | 727,655 | (350,488) | (48%) |
| Deffered Dues & Fees | 3,617,510 | 4,533,756 | (916,246) | (20%) |
| Compensation Liability | - | - | - | 0% |
| Short Term Liabilities | 239,307 | 412,043 | (172,736) | (42%) |
| Long Term Liabilities | 90,621 | 101,621 | (11,000) | (11%) |
| Total Liabilities | 4,324,605 | 5,775,075 | (1,450,470) | (25%) |
| Total Net Assets | 33,704,612 | 32,682,140 | 1,022,472 | 3% |
| Net Assets | | | | |
| Board Designated Net Assets | 10,354,311 | 10,300,617 | 53,694 | 1% |
| Unrestricted Net Assets | 22,327,829 | 22,381,524 | (53,695) | (0%) |
| Net Change Year-To-Date | 1,022,472 | - | 1,022,472 | #DIV/0! |
| Total Net Assets | 33,704,612 | 32,682,141 | 1,022,471 | 3.13% |

BOD Quarterly Report

Green Valley Recreation, Inc.
Investments Performance
January through December 2024

| Fund | December 31, 2024 | December 31, 2023 | RETURN ON INVESTMENT | | | |
|---|----------------------|----------------------|----------------------|-------------|----------------------|-------------|
| | | | Year To Date | | One Year (12 months) | |
| | | | Actual | Benchmark * | Actual | Benchmark * |
| Maintenance Repair & Replacement (Corient) | \$ 7,611,492 | \$ 7,175,602 | 7.0% | 7.3% | 7.0% | 7.3% |
| MRR - Part B Pools and Spas (Corient) | \$ 1,200,643 | \$ 814,765 | 7.7% | 7.3% | 7.7% | 7.3% |
| Initiatives (Corient) | \$ 995,332 | \$ 1,750,056 | 5.0% | 4.7% | 5.0% | 4.7% |
| Emergency (Corient) | \$ 635,469 | \$ 560,194 | 13.3% | 15.6% | 13.3% | 15.6% |
| Total Designated Reserves | <u>\$ 10,442,937</u> | <u>\$ 10,300,617</u> | | | | |
| Operating Investment Fund Part A Short Term - JP Morgan | \$ 1,008,955 | \$ 1,767,892 | 5.0% | 5.0% | 5.0% | 5.0% |
| Operating Investment Fund Part B Long Term - JP Morgan | \$ 1,008,091 | \$ 1,699,386 | 10.9% | 9.8% | 10.9% | 9.8% |
| Total Invested Operating Cash | <u>\$ 2,017,045</u> | <u>\$ 3,467,278</u> | | | | |

19

MEMO

TO: Scott Somers, CEO

FROM: David Webster, CFO

DATE: January 6, 2025

RE: Reserve Funds MRR-A and MRR-B

The Fiscal Affairs Committee (FAC) is working toward approving a revision to the Corporate Policy Manual (CPM) whereby the fund balance of the Maintenance Repair and Replacement Fund A is stated in the CPM as “The target cash balance of the MRR A fund shall be at or about a goal of 25% of the total current replacement cost with a target of at or about 70% of the fully funded balance calculated with the Annual Reserve Study”. There has also been discussion of applying this goal to the MRR B Pools and Spas Reserve.

The CPM currently states that the “reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study”. The new proposed language is more specific and can be easily traceable to the Reserve Study.

The general intent of the MRR A Reserve is to have sufficient current funds and a funding plan that addresses the finance requirements of providing for the assets included in the Reserve Study. Since the Fully Funded Balance Percentage stated in the Reserve Study is 60.5% and the current replacement cost percentage is 34.7% for MRR A, staff believes GVR will continue to fund the Reserve at approximately the same levels that have been transferred over the past several years plus an inflation factor.

The Fully Funded Percentage is a calculation of the total costs of current replacement of all components of the Reserve Study divided by the actual reserve balance. For the current Reserve Study, the calculations are as follows:

| | |
|---------------------------------|---------------------|
| Projected Balance of Reserve | <u>\$ 6,791,071</u> |
| Fully Funded Balance of Reserve | \$ 11,218,100 |
| Fully Funded Percentage | <u>60.5%</u> |

The preceding Fully Funded Balance is the amount that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each Component then summed together for GVR total. For example, a \$100,000 component that has a life of 10 years and was purchased one year ago and has been active for 1 year is calculated as follows:

| | | |
|-----------------------------------|----|---------------|
| Total Cost of Component | \$ | 100,000 |
| Life / Expected life (1/10) | | <u>10%</u> |
| Fully Funded Balance of Component | \$ | <u>10,000</u> |

The Current replacement cost percentage is the projected Balance of the Reserve divided by the Total Current Replacement Cost reported in the Reserve Study. This Total Current Replacement Cost is simply the calculation of costs to replace or maintain all of the components at today’s cost. For GVR, this calculation is as follows:

| | | |
|---|----|-------------------|
| Projected Balance of Reserve | \$ | 6,791,071 |
| Total Current Replacement Costs per reserve study | \$ | <u>19,591,336</u> |
| Replacement Cost percentage | | <u>34.7%</u> |

The Reserve consultant, Browning Reserve, has consistently informed GVR that using the Fully Funded Balance Percentage alone can be misleading. The FAC is attempting to use two of the metrics available and utilizing language of “...on or about...” to give flexibility and a better goal. Scott, new information from the consultant leads me to believe that it is worthwhile to consider having Browning perform the reserve study for both the part A and part B MRR Reserves. Mike, with Browning believes combining the studies will give a larger base and more applicable metrics. Also, Mike indicated that combining the two Reserves **would not increase the cost of the Study.**

I have prepared an estimate of the calculations if we do merge the two studies together

| Estimate Analysis of combining the two reserves | | | |
|---|---------------|---------------|---------------|
| | MARRA | MRRB* | Combined |
| Projected Balance of Reserve | \$ 6,791,071 | \$ 1,598,133 | \$ 8,389,204 |
| Fully Funded Balance of Reserve | \$ 11,218,100 | \$ 8,080,601 | \$ 19,298,701 |
| Fully Funded Percentage | <u>60.5%</u> | <u>19.8%</u> | <u>43.5%</u> |
| | | | |
| Projected Balance of Reserve | \$ 6,791,071 | \$ 1,598,133 | \$ 8,389,204 |
| Total Current Replacement Costs | \$ 19,591,336 | \$ 13,742,973 | \$ 33,334,309 |
| Replacement Cost percentage | <u>34.7%</u> | <u>11.6%</u> | <u>25.2%</u> |

*MRR B includes estimated made by GVR. Browning has not reviewed this.

The following provides some additional information regarding the Part A Reserve Study.

CPM

Appendix 1 – Board Policies

Section 5 – GVR Reserve Study Policy

1.5.3 Annual Reserve Study

- A. During the third quarter of the current budget year, GVR staff and the FAC shall recommend and the Board shall approve a Reserve Study provider and the type of Reserve Study to be performed during the first quarter of the next budget year.
- B. During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR’s annual budget.
- C. GVR shall annually make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.

SECTION 3 - RESERVE POLICY

5.3.1 Overview

GVR maintains three (3) financial reserve funds that are Board-designated to ensure its long-term solvency and sustainability as part of The Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board may elect to revise these factors over time, as needs of The Corporation evolve and as opportunities and investment markets may suggest.

5.3.2 Maintenance of GVR Financial Reserve System

- A. Definitions:
1. Defined terms are capitalized in Bold typeface.
 - a. **Annual Reserve Study** is the Reserve Study referred to in Appendix 1 Section 7: 1.7.3. This Reserve Study is used to determine the required funding for the MRR-A reserve account.
 - b. A **reserve account(s)** is a checking, savings, investment or any other type of account in which reserve monies are deposited.
- B. Reserve Contributions and the Annual Budget
1. Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.
 2. The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Fund (MRR-A) called for in the Annual Reserve Study.
 3. Contributions to the MRR-B fund shall be, if any, recommended by the CEO to the FAC for consideration and approval then forwarded to the Board for approval.
 4. Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Membership Change Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.
 5. Contributions to the Emergency Reserve Fund shall be recommended by the CFO to the Board for consideration and approval.
- C. Calculation of Operating Surplus or Deficit
1. At the end of the fiscal year, the Board shall determine the amount, if any, to contribute from operational surpluses. Operating surplus or deficit is calculated as follows:
 - a. Begin with the Change in Net Assets from the Audited Financial Statements.
 - b. Deduct unrealized gain/losses on operating accounts.
 - c. Deduct net investment income on Reserve Accounts / investments and unrealized gains/losses.
 - d. Add depreciation expense.

- e. Deduct current-year purchases of Capital Assets from operations (cost basis, before accumulated depreciation).
 - f. Add expenses that were paid using reserve cash (i.e., repairs and maintenance expenses paid for using MRR funds).
 - g. Deduct required funding cash transfers to reserve funds during the year (i.e., required MRR funding).
 - h. Add or deduct any other non-cash items (i.e., in-kind capital donations).
2. The intent of the calculation is to determine if there is a surplus of operating revenue over operating expenses each year that can be transferred to a reserve fund. The calculation is to remove non-cash items such as depreciation and unrealized gains/losses. Additionally, adjustments are to be made to take into consideration operating cash used for Capital Asset purchases. Reserve fund cash used to pay for Capital Asset purchases and operating expenses should not be included in the operating cash surplus.
- D. **Paying from Reserve Accounts or Reimbursing Operating Cash Account for Reserve Expenditures**
 Within sixty (60) days after adoption of this policy by the Board, GVR shall establish a written accounting and internal control policy and procedure based on GAAP to track and document all withdrawals by check or electronic means and Board-approved transfers, electronic or otherwise, between Reserve Funds, pay Board-authorized reserve expenditures or transfers to reimburse operating cash for such expenditures. Such policy and procedure shall require written instructions and supporting documentation signed by the CFO and approved by the CEO or, in the CEO's absence, the CEO's designee.
- E. **Priority of Making Contributions to Reserve Accounts**
- 1. GVR shall make contributions to Reserve Accounts in this order of priority:
 - a. Maintenance, Repair and Replacement Reserve Fund (Part A and Part B)
 - b. Initiatives Reserve Fund
 - c. Emergency Reserve Fund.
- F. **Rebalancing Reserve Accounts**
- 1. A Reserve Account(s) may have a balance greater than the Board's target minimum balance due to a number of factors including returns on investments. The Board may consider rebalancing a Reserve Account(s) by:
 - a. Transferring money between Reserve Accounts,
 - b. Reducing Reserve Contributions, or
 - c. Transferring money from a Reserve Account(s) to operating cash.
 - 2. All rebalancing actions shall be authorized by Board resolution(s).

5.3.3

Maintenance, Repair & Replacement Reserve Fund (MRR- A)

- A. Purpose:
This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.
- B. Target Balance:
This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study. Section 5.3.1 requires the board to establish a desired target range. For the MRR-A fund, it is defined as follows: The target cash balance for the MRR A fund shall be at or about a goal of 25% of the total current replacement cost with a target threshold of at or about 70% of the fully funded balance calculated with the Annual Reserve Study.
- C. Funding Source:
1. Annually, GVR shall transfer the full year's Annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MRR funding should be transferred by the end of February).
 2. Reimbursement Policy:
 - a. Projects paid directly from MRR – no reimbursement necessary.
 - b. Projects paid from the Operating Reserve – Quarterly (or monthly if necessary), after review by the FAC and approval of the Board, the MRR Reserve Fund will reimburse Operating Cash Account the full project cost of completed MRR projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completed date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.
- D. Authorization:
The CEO and, in the absence of the CEO, the CEO's designee or CFO are authorized to commit up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required before committing more than 110%.
- E. Investment Parameters:
Monies contributed to this reserve shall be invested in accordance with GVR's IPS. (*Appendix 1 Section 3*)

5.3.4

Maintenance, Repair and Replacement Fund (MRR-B)

- A. Purpose:
The fund shall be used to fund the replacement of pools and spas.
- B. Target Balance:

This component of the MRR shall be of sufficient size as determined by the Board to fund replacements of GVR pools and spas. ~~The targeted balance shall be based on GVR's staff estimate of the useful life of the pool and spas and a reasonable timetable for replacement of such items.~~ Section 5.3.1 requires the board to establish a desired target range. For the MRR-B fund, it is defined as follows: The target cash balance for the MRR B fund shall be at or about a goal of 25% of the total current replacement cost with a target threshold of at or about 70% of the fully funded balance calculated with the Annual Reserve Study. The targeted balance shall be based on GVR's staff estimate and GVR shall strive to reach the desired target range over the years.

Amend the Section 5 – GVR Reserve Study Policy

1.5.2 Reserve Study: Insert I: Current replacement cost percentage is the projected Balance of the Reserve divided by the Total Current Replacement Cost reported in the MRR-A Reserve Study completed by the contractor and the MRR B Reserve Report completed by staff. This Total Current Replacement Cost is simply the calculation of costs to replace or maintain all of the components at today's cost.

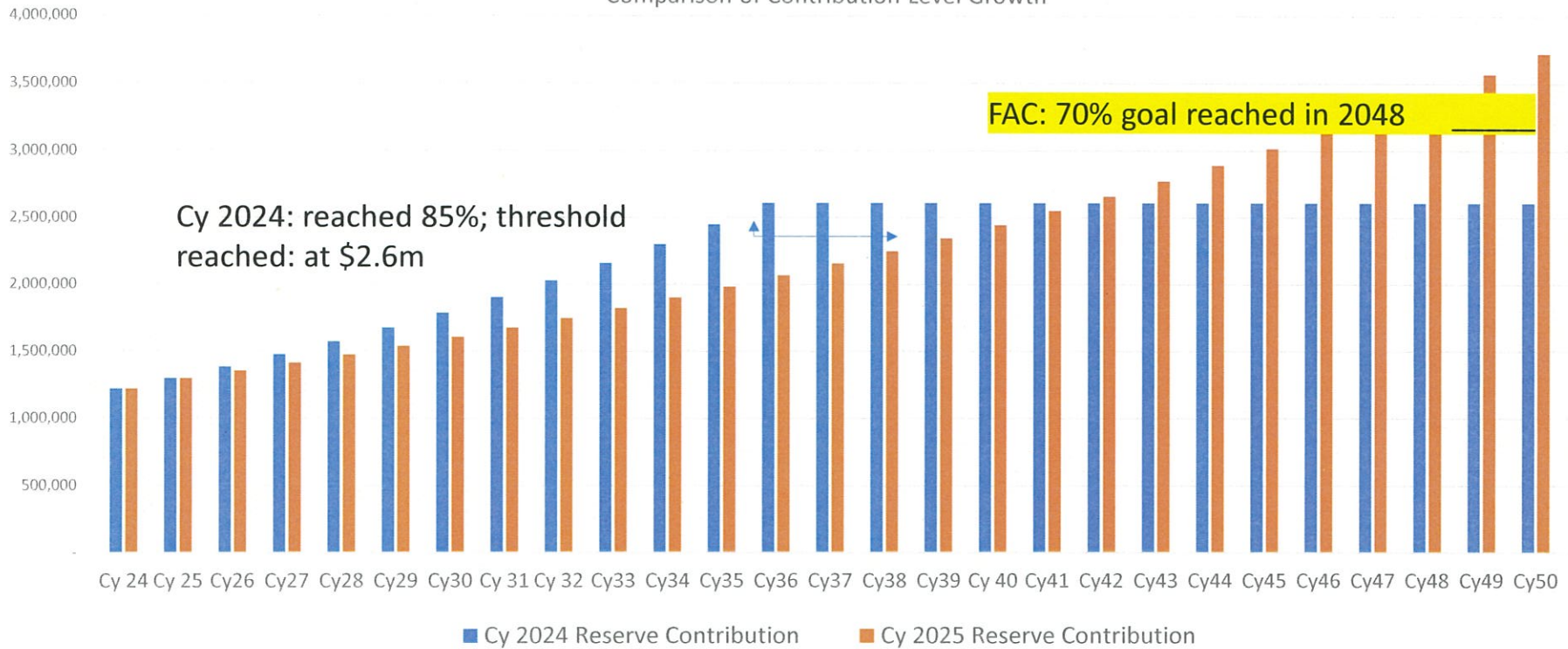
- C. Funding Source:
The Board may make contributions to MRR-B from the annual net surplus or budget a specific amount of funds of the annual budget process.
- D. Authorization:
The Board shall authorize any monies spent from this fund.
- E. Investment Parameters:
Monies contributed to MRR-B shall be invested in accordance with GVR's IPS. (*Appendix 1 Section 3*)

Comparison of Budgeted MRR-A and FAC Recommended Changes for Cy 2026

| | Cy 2024 and prior years | New Cy 2025 (Budget) | FAC recommendations for Cy 2026 and forecast |
|--|---|---|--|
| 1. Inflation factor on contributions, expenses, and growth factor (1.5%) | 6.5% | 4.3% (eliminated growth factor due to eliminating 85% goal; | 4.3% |
| | | | |
| 2. Impact on Contribution/reserve policy | Reached 85% of fully funded requirement in Cy 2036; maintained same contribution level of \$2.6 million for remaining years | No threshold on contribution level in future years | Recommend desired goal of on or about 70% of fully funded requirement with a minimum of 25% of cost replacement projection |

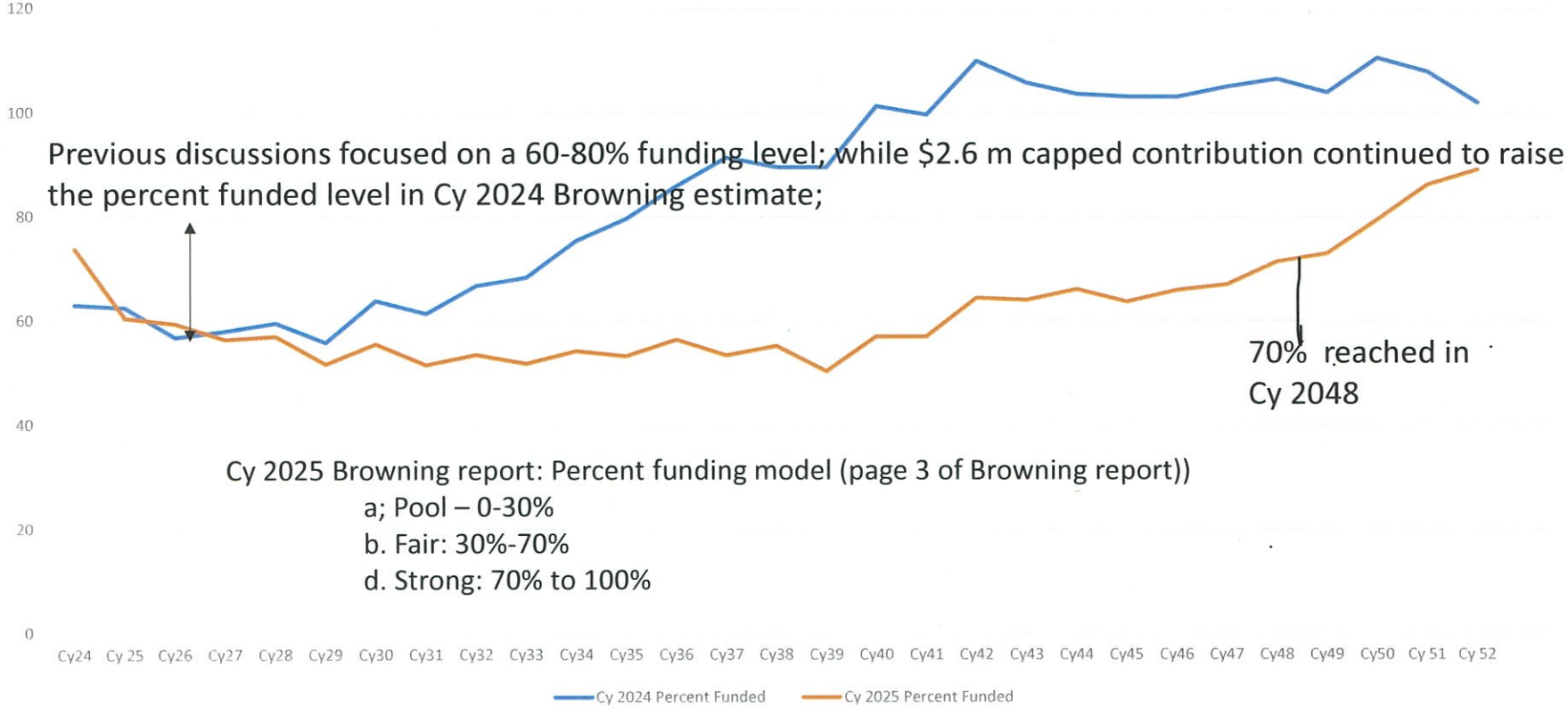
Impact on Growth of GVR Contribution Level

Comparison of Contribution Level Growth

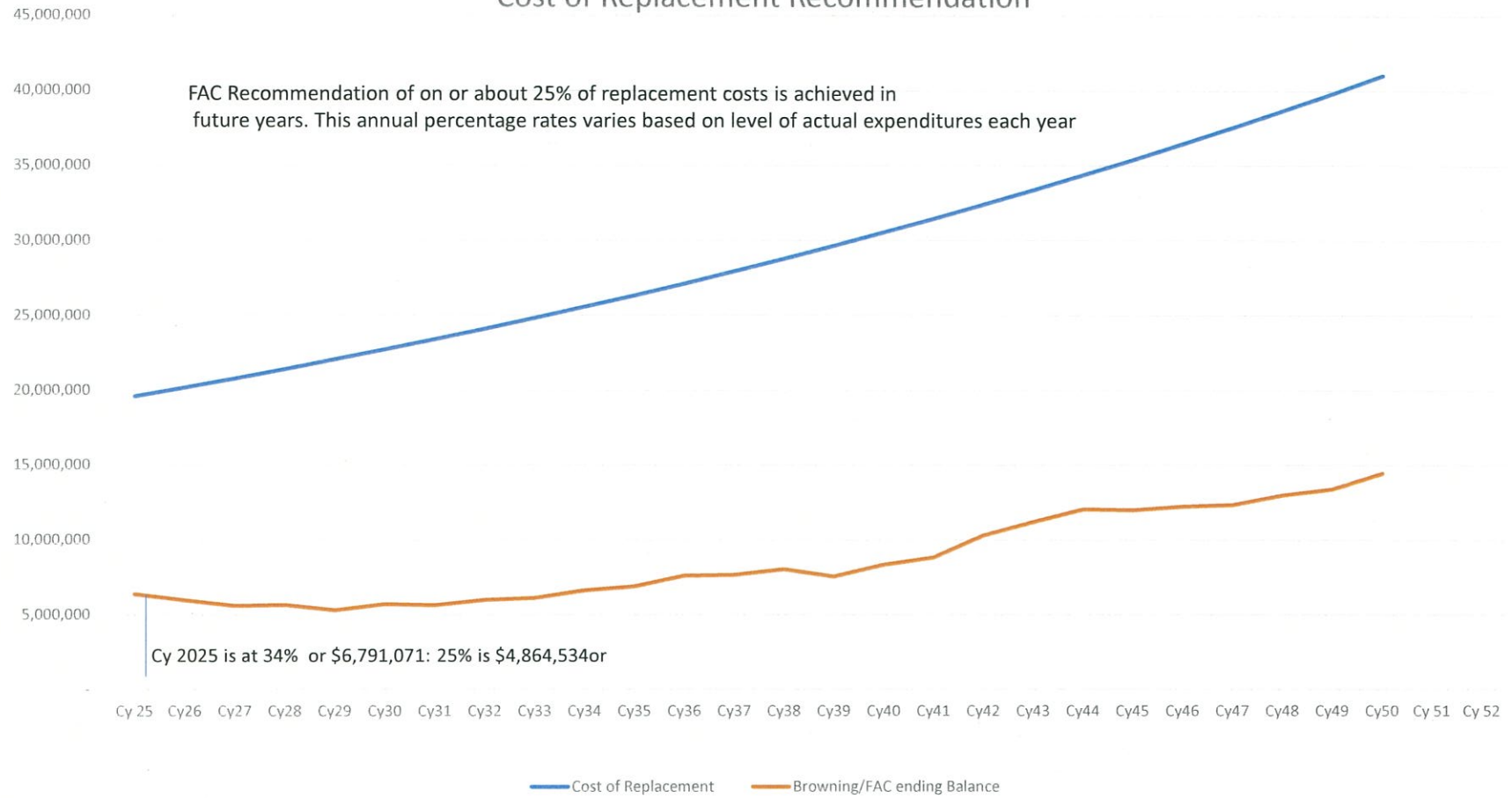


The FAC Recommendation is the same as Browning's Cy 2025 except for the desired goal of 70%; The second part of the FAC recommendation regarding the a minimum level of funding is as reflected on slide 7)

Percent Funded of Fully Funded Balance



Cost of Replacement Recommendation



Funding Balance/Model is contingent on GVR spending up to the MRR-A recommended levels

- Browning revises its reserve study each year to account for inflation, timing of completion of projects, additions of new facilities:
- GVR's actual expenses may vary due to project scheduling, part availability, access to contractors; COVID etc.

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Budget | 1,817,094 | 1,374,903 | 1,746,938 | 2,241,047 | 1,652,638 | 1,740,411 | 2,340,240 |
| Actual | 929,174 | 941,845 | 1,377,108 | 1,136,788 | 1,565,433 | 1,356,985 | |
| | 51% | 69% | 79% | 51% | 95% | 78% | 100% |

1. For Cy 2024 Browning had estimated \$926K in Budget Doc; actuals are coming in higher;

Summary of FAC Recommendations: CPM Language Change to Institute Funding Policy/Maintain as Separate Reserves

- Part A:
 - Approve motion to modify CPM language to institute funding policy
 - Insert definition of Cost Replacement
 - Insert funding policy:
 - On or about 25% of cost replacement with a desired funding target of on or about 70% of fully funded balance
 - Approve motion to contract with Browning to complete the Cy 2025 Reserve Study – onsite required in Cy 2025; (CPM requires the Board to approve the contractor provider each year)
- Part B: Discussion focused on using the same formula as Part A: needed to review the financial numbers; Place Reserve report on Website, similar to Browning Report

Estimate Balance of Combining Two Reserves - Revised & Projected Underfunded Reserve Balances

Per David - Reserve Study

| | MRR-A | MRR-B | Combined |
|---------------------------------|---------------|---------------|---------------|
| Projected Balance of Reserve | \$ 6,791,071 | \$ 1,598,133 | \$ 8,389,204 |
| Fully Funded Balance of Reserve | \$ 11,218,100 | \$ 8,080,601 | \$ 19,298,701 |
| Fully Funded Percentage | 60.5% | 19.8% | 43.5% |
| Projected Balance of Reserve | \$ 6,791,071 | \$ 1,598,133 | \$ 8,389,204 |
| Total Current Replacement Costs | \$ 19,591,336 | \$ 13,742,973 | \$ 33,334,309 |
| Replacement Coast Percentage | 34.7% | 11.6% | 25.2% |

Per David - Worksheet 11/19/24 - Revised

| | | | |
|---|---------------|----------------------|---------------|
| Projected Balance of Reserve | \$ 6,791,071 | \$ 1,598,133 | \$ 8,389,204 |
| Fully Funded Balance of Reserve | \$ 11,218,100 | \$ 8,080,601 | \$ 19,298,701 |
| Fully Funded Percentage | 60.5% | 19.8% | 43.5% |
| Projected Balance of Reserve | \$ 6,791,071 | \$ 1,598,133 | \$ 8,389,204 |
| Total Current Replacement Costs | \$ 19,591,336 | \$ 17,402,143 | \$ 36,993,479 |
| Replacement Coast Percentage | 34.7% | 9.2% | 22.7% |
| 2021 Total Replacement Cost | | \$ 14,873,627 | |
| Adjusted for Comm Price Index 2022-2025 | | 17% | |
| Revised 2025 Total Replacement Cost | | \$ 17,402,144 | |

How much is GVR Underfunded for MRR-B Reserve only?

| | | |
|---|---------------------|----------------------|
| Revised Total Current Replacement Cost | \$ 17,402,143 | |
| Projected Reserve Balance Based on 25% Target | \$ 4,350,536 | (\$17,402.143 X 25%) |
| Projected Balance of Reserve | \$ (1,598,133) | |
| Projected Underfunded Reserve Balance | \$ 2,752,403 | |

How much is GVR Underfunded for combined MRR-A & MRR-B?

A)

| | | |
|---|---------------------|------------------------|
| Fully Funded Combined Balance of Reserve | \$ 19,298,701 | |
| Fully Funded Balance of Reserve Based on 60.5% Target | \$ 11,675,714 | (\$19,298,701 X 60.5%) |
| Projected Combined Balance of Reserve (43.5%) | \$ (8,389,204) | |
| Projected Combined Underfunded Reserve Balance | \$ 3,286,510 | |

B)

| | |
|---|-------------------|
| Revised Total Combined Current Replacement Coasts | \$ 36,993,479 |
| Projected Balance of Combined Reserve Based on 25% Target | \$ 9,248,370 |
| Projected Balance of Combined Reserve (22.7%) | \$ (8,389,204) |
| Projected Combined Underfunded Reserve Balance | \$ 859,166 |

1/13:

FAC RECOMMENDATIONS:

KEEP FUNDS SEPARATE

FAC RECOMMENDATIONS:
Per David - Reserve Study

MRR-A

| | | MRR-A | FAC Recommendation "On or about' 25% | Comment |
|-------------------|---------------------------------|---------------|--------------------------------------|---|
| A. Percent funded | Projected Balance of Reserve | \$ 6,791,071 | | |
| | Fully Funded Balance of Reserve | \$ 11,218,100 | | |
| | Fully Funded Percentage | 60.5% | | |
| B. Replacement: | Projected Balance of Reserve | \$ 6,791,071 | \$ 4,864,534 | |
| | Total Current Replacement Costs | \$ 19,591,336 | \$ 19,591,336 | |
| | Replacement Coast Percentage | 34.7% | 24.8% | no fiscal impact ; Minimum balance amount for 2025: will escalate each year |

**MRR-B Pools/Spas Per David - Worksheet 11/19/24 - Revised
PART B POOLS AND SPAS**

| | | | | |
|-------------------|---|---------------|------------------------------|---|
| A. Percent Funded | Projected Balance of Reserve | \$ 1,598,133 | Threshold of "on or about 70 | |
| | Fully Funded Balance of Reserve | \$ 8,080,601 | | |
| | Fully Funded Percentage | 19.8% | | towards goal: currently at 7% through 2025: ; could lower it to 4 or 5% when it reaches minimum: Cy 2034? |
| B. Replacement: | Projected Balance of Reserve | \$ 1,598,133 | | |
| | Total Current Replacement Costs | \$ 17,402,143 | | David's number was based on Cy 2021 Costs of #13, |
| | Replacement Coast Percentage | 9.2% | | |
| | 2021 Total Replacement Cost | \$ 14,873,627 | | |
| | Adjusted for Comm Price Index 2022-2025 | 17% | | |
| | Revised 2025 Total Replacement Cost | \$ 17,402,144 | | |

How much is GVR Underfunded for MRR-B Reserve only?

| | |
|---|----------------|
| Revised Total Current Replacement Cost | \$ 17,402,143 |
| Projected Reserve Balance Based on 25% Target | \$ 4,350,536 |
| Projected Balance of Reserve | \$ (1,598,133) |
| Projected Underfunded Reserve Balance | \$ 2,752,403 |

MRR-B Pool Fund

Per David - Reserve Study

| | MRR-B | FAC Under Discussion' | Use same formula as MRRB |
|---------------------------------|---------------|-----------------------|--------------------------|
| Projected Balance of Reserve | \$ 1,598,133 | | |
| Fully Funded Balance of Reserve | \$ 8,080,601 | | |
| Fully Funded Percentage | 19.8% | | |
| Projected Balance of Reserve | \$ 1,598,133 | | |
| Total Current Replacement Costs | \$ 13,742,973 | using 2021 numbers: | |
| Replacement Coast Percentage | 11.6% | | |

Per David - Worksheet 11/19/24 - Revised

| | | | |
|---|---------------|------------------------------|--|
| Projected Balance of Reserve | \$ 1,598,133 | Threshold of "on or about 70 | |
| Fully Funded Balance of Reserve | \$ 8,080,601 | | |
| Fully Funded Percentage | 19.8% | | Browning: Have consistent contribution towards goal: currently at 7% through 2052: |
| Projected Balance of Reserve | \$ 1,598,133 | | |
| Total Current Replacement Costs | \$ 17,402,143 | | Inflated |
| Replacement Coast Percentage | 9.2% | | |
| 2021 Total Replacement Cost | \$ 14,873,627 | | |
| Adjusted for Comm Price Index 2022-2025 | 17% | | |
| Revised 2025 Total Replacement Cost | \$ 17,402,144 | | |

How much is GVR Underfunded for MRR-B Reserve only?

| | |
|---|----------------|
| Revised Total Current Replacement Cost | \$ 17,402,143 |
| Projected Reserve Balance Based on 25% Target | \$ 4,350,536 |
| Projected Balance of Reserve | \$ (1,598,133) |
| Projected Underfunded Reserve Balance | \$ 2,752,403 |



Green Valley Recreation, Inc.
Fiscal Affairs Committee

Finance Policy Recommendation

Prepared By: Scott Somers, CEO

Meeting Date: January 21, 2025

Presented By: Scott Somers, CEO

| |
|--|
| Originating Committee / Department: Fiscal Affairs Committee (FAC) and Staff |
| Action Requested: Discuss and consider recommending changes to the Board concerning the Reserve and Procurement Policies. |
| Strategic Plan Goal: Goal 4: Cultivate and maintain a sound financial base that generates good value for our members. |
| <p>Background Information: The Board adopted a procurement policy that has provided certainty and clarity to the Board and staff. Attached is a draft redline of proposed amendments. The current procurement policy was developed with the Reserve Policy in mind. In practice, unnecessary delays have resulted as an unintended consequence. Staff is therefore recommending these changes to allow projects to move forward more expeditiously.</p> <p>Staff will walk the committee through the draft edits during the meeting.</p> |
| Fiscal Impact: No cost associated with implementation |
| <p>FAC Options:</p> <ol style="list-style-type: none"> 1. Discuss and consider recommending changes to the Board concerning the Reserve and Procurement Policies. 2. Amend and then consider recommending changes to the Board concerning the Reserve and Procurement Policies. 3. Delay any decision at this time. |
| <p>Recommended Motion: <i>I move to recommend changes to the Board concerning the Reserve and Procurement Policies as drafted.</i></p> |
| <p>Attachments:</p> <ul style="list-style-type: none"> • Redlined CPM Reserve and Procurement Policy Sections |

SECTION 3 - RESERVE POLICY

5.3.1 Overview

GVR maintains three (3) financial reserve funds that are Board-designated to ensure its long-term solvency and sustainability as part of The Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board may elect to revise these factors over time, as needs of The Corporation evolve and as opportunities and investment markets may suggest.

5.3.2 Maintenance of GVR Financial Reserve System

- A. Definitions:
 - 1. Defined terms are capitalized in Bold typeface.
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 - b. A **reserve account(s)** is a checking, savings, investment or any other type of account in which reserve monies are deposited.
- B. Reserve Contributions and the Annual Budget
 - 1. Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.
 - 2. The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Fund (MRR-A) called for in the Annual Reserve Study.
 - 3. Contributions to the MRR-B fund shall be, if any, recommended by the CEO to the FAC for consideration and approval then forwarded to the Board for approval.
 - 4. Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Membership Change Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.
 - 5. Contributions to the Emergency Reserve Fund shall be recommended by the CFO to the Board for consideration and approval.
- C. Calculation of Operating Surplus or Deficit
 - 1. At the end of the fiscal year, the Board shall determine the amount, if any, to contribute from operational surpluses. Operating surplus or deficit is calculated as follows:
 - a. Begin with the Change in Net Assets from the Audited Financial Statements.
 - b. Deduct unrealized gain/losses on operating accounts.

- c. Deduct net investment income on Reserve Accounts / investments and unrealized gains/losses.
 - d. Add depreciation expense.
 - e. Deduct current-year purchases of Capital Assets from operations (cost basis, before accumulated depreciation).
 - f. Add expenses that were paid using reserve cash (i.e., repairs and maintenance expenses paid for using MRR funds).
 - g. Deduct required funding cash transfers to reserve funds during the year (i.e., required MRR funding).
 - h. Add or deduct any other non-cash items (i.e., in-kind capital donations).
2. The intent of the calculation is to determine if there is a surplus of operating revenue over operating expenses each year that can be transferred to a reserve fund. The calculation is to remove non-cash items such as depreciation and unrealized gains/losses. Additionally, adjustments are to be made to take into consideration operating cash used for Capital Asset purchases. Reserve fund cash used to pay for Capital Asset purchases and operating expenses should not be included in the operating cash surplus.
- D. Paying from Reserve Accounts or Reimbursing Operating Cash Account for Reserve Expenditures
 Within sixty (60) days after adoption of this policy by the Board, GVR shall establish a written accounting and internal control policy and procedure based on GAAP to track and document all withdrawals by check or electronic means and Board-approved transfers, electronic or otherwise, between Reserve Funds, pay Board-authorized reserve expenditures or transfers to reimburse operating cash for such expenditures. Such policy and procedure shall require written instructions and supporting documentation signed by the CFO and approved by the CEO or, in the CEO's absence, the CEO's designee.
- E. Priority of Making Contributions to Reserve Accounts
- 1. GVR shall make contributions to Reserve Accounts in this order of priority:
 - a. Maintenance, Repair and Replacement Reserve Fund (Part A and Part B)
 - b. Initiatives Reserve Fund
 - c. Emergency Reserve Fund.
- F. Rebalancing Reserve Accounts
- 1. A Reserve Account(s) may have a balance greater than the Board's target minimum balance due to a number of factors including returns on investments. The Board may consider rebalancing a Reserve Account(s) by:
 - a. Transferring money between Reserve Accounts,

- b. Reducing Reserve Contributions, or
 - c. Transferring money from a Reserve Account(s) to operating cash.
2. All rebalancing actions shall be authorized by Board resolution(s).

5.3.3 Maintenance, Repair & Replacement Reserve Fund (MRR-A)

- A. Purpose:
This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.
- B. Target Balance:
This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study.
- C. Funding Source:
 - 1. Annually, GVR shall transfer the full year's Annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MRR funding should be transferred by the end of February).
 - 2. Reimbursement Policy:
 - a. Projects paid directly from MRR – no reimbursement necessary.
 - b. Projects paid from the Operating Reserve – Quarterly (or monthly if necessary), after review by the FAC and approval of the Board, the MRR Reserve Fund will reimburse Operating Cash Account the full project cost of completed MRR projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completed date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.
- D. Authorization:
The CEO and, in the absence of the CEO, the CEO's designee or CFO, are authorized to commit up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required before committing more than 110%.
- E. Investment Parameters:
Monies contributed to this reserve shall be invested in accordance with GVR's IPS. (*Appendix 1 Section 3*)

Commented [SS1]: This has been problematic and not reasonable. Let's discuss the challenges and some potential solutions.

5.3.4 Maintenance, Repair and Replacement Fund (MRR-B)

- A. Purpose:
The fund shall be used to fund the replacement of pools and spas.
- B. Target Balance:
This component of the MRR shall be of sufficient size as determined by the Board to fund replacements of GVR pools and spas. The targeted balance shall be based on GVR's staff estimate of the useful life of the pool and spas and a reasonable timetable for replacement of such items.
- C. Funding Source:
The Board may make contributions to MRR-B from the annual net surplus or budget a specific amount of funds of the annual budget process.
- D. Authorization:
~~The Board shall authorize any monies spent from this fund. Part 5 Section 4, Procurement Policy shall apply.~~
- E. Investment Parameters:
Monies contributed to MRR-B shall be invested in accordance with GVR's IPS. (*Appendix 1 Section 3*)

5.3.5 Initiatives Reserve Fund

- A. Purpose:
The fund shall be used to support new initiatives that contribute to meeting GVR Ends.
- B. Target Balance:
This fund reserve shall be of sufficient size as determined by the Board to make value-added investments in real property, facilities and infrastructure.
- C. Funding Source:
 - 1. Within 10 business days after the end of each month, GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee ("Initiatives Reserve Funding Formula"):
 - a. Twenty percent (20%) of the Membership Change Fee assessed on each GVR Member property sold rounded up to the next \$5.00, and
 - b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR Member property sold rounded up to the next \$5.00. At its discretion, the Board may make an additional Initiatives Reserve contribution from the annual net surplus.
- D. Authorization:
~~Part 5 Section 4, Procurement Policy shall apply. The Board shall authorize any monies spent from this fund.~~
- F.E. Investment Parameters:
Monies contributed to this fund shall be invested in accordance with GVR's IPS.

5.3.6 Emergency Reserve Fund

- A. Definitions:
Major Event(s) is an event causing damage to a facility and/or infrastructure or an emergency safety event costing \$25,000 or more in repairs, renovations or replacements.
- B. Purpose:
1. The Emergency Reserve Fund serves these purposes:
 - a. An emergency fund to pay for major, unanticipated repairs to, renovation of or replacement of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events**.
 - b. An emergency safety-net should a severe economic downturn or unanticipated event threaten GVR's financial well-being.
- C. Target Balance:
1. This fund shall be of sufficient size as determined by the Board to protect GVR from the following:
 - a. Long-term or permanent loss of use of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events** due to GVR's inability to pay for repairs, renovations or replacement of damaged facility or facilities or infrastructure.
 - b. Guarantee payment of the legal obligations of The Corporation for one year.
- D. Authorization:
The CEO is authorized to access this fund to address critical needs as they arise with written notification within ten (10) business days to the Board President with a copy to the Board. Email is an acceptable form of written communication to the President.
- E. Withdrawals:
Withdrawals from this reserve shall be repaid from operations as determined by the Board but not to exceed five (5) fiscal years.
- F. Investment Parameters:
Monies contributed to this fund shall be invested in accordance with GVR's IPS. (*Appendix 1 Section 3*)

Commented [SS2]: What does this mean?

SECTION 4 – PROCUREMENT POLICY

5.4.1 Overview

The purpose of this policy is to set out the requirements and guidelines for procuring goods and services for GVR on behalf of the Corporation to ensure GVR receives value for the money spent. This policy establishes the approved parameters to be used for all contracts, purchases, leases, orders of goods, supplies, construction, professional services, and other contractual services. These requirements are based on the principles of accountability, transparency, openness, fairness,

integrity, and ensuring value. This policy is consistent with CPM 5.1.3, as to setting financial limits established by the Board.

The policy applies to all staff/employees of GVR who have responsibility for procuring goods and services. The CEO and CFO are authorized to develop internal operational procedures to further implement this policy for the applicable departments, directors, managers and staff to follow.

A. Definitions:

1. **Request for Proposals (RFP):**

An RFP is a "competitive negotiations method" of soliciting proposals. This method is used when the end-product is unique, the customer knows what they want, but the methods and specifications aren't readily available. Thus, price isn't the only deciding factor. Quality and experience will be heavily weighed.

1. **Bid:**

An Invitation to Bid provides standardized information to all bidders. This is achieved through the use of sealed bidding procedures. Contractors will submit their price in sealed envelopes. The contract will generally be awarded to the lowest bidder.

2. **Quote:**

A quote is a figure generally obtained from a supplier for the price of materials needed for a job. Quotes are often only good for a certain period of time.

3. **Sole Source:**

A Sole Source purchase means that only one supplier, to the best of the requester's knowledge and belief, based upon thorough research, is capable of providing the required product or service, during the necessary time period.

5.4.2 **Bidding and Disbursement Process**

All Department managers and staff are responsible for ensuring that goods and services are procured for good value, and that a fair procurement process is used to select vendors. The CEO and CFO have the overall responsibility for the administrative procurement process, overseen by the Board as set forth herein. Artificial division, splitting, or fragmentation of a transaction/purchase order to circumvent requirements of source selection or bidding is prohibited.

Internal operational procedures may include processes relating to purchasing recurring items and executing recurring operational contracts. This policy shall serve as the Board's resolution under Article VII, Section 4.A of the Bylaws, exempting such recurring contracts from certain bidding requirements, and not requiring signature by the President.

The procurement levels in the policy below do not relieve staff of the responsibility to ensure that they comply with the Board-approved budgetary limits. The CEO retains the authority under CPM 4.1.2.A.2 and under the CPM Appendix 1 - Budget Development Policy 1.1.3.C and D to manage expenditures within the approved budget without incurring indebtedness, but with the ability to shift amounts between line items to meet current or anticipated needs (subject to reporting to the Board any increase or decrease by more than 15% or \$15,000.00, whichever is greater).

The Board-authorized bidding and purchase approval requirements, as well as signing authority for all purchases is outlined in the chart below, except as shown below in 5.4.3:

| AMOUNT OF PURCHASE | BIDDING REQUIREMENT | PURCHASE APPROVAL/SIGNATURE |
|----------------------|---|--|
| Under \$10,000 | None Required. | Authorized Department Director or Manager/Supervisor |
| \$10,000 to \$99,999 | Quotes/Bids required. No posting on GVR website required. Scope of Work developed by staff and sent to vendors with the goal of receiving at least 3 responses. | CEO or CFO Approves. CEO Signs Contract. |
| \$100,000+ | Sealed Bidding Process. Open to all vendors that choose to submit a response to an Invitation to Bid or an RFP developed by staff. Invitation to Bid/RFP is posted on GVR Website and other relevant websites. Staff and CEO review submittals and make recommendations. All bids/proposals received are posted on the Board-secured website. | Board Approves. President Signs Contract. |

5.4.3 Exceptions to Bidding and/or Approval Process

- A. **Recurring monthly and annual bills**, e.g., property taxes, employee health, routine maintenance, and life insurance, etc., are exempt from the purchase order and bidding requirement. The CFO or the CEO may approve these regularly occurring bills and contracts. ~~Board approval is not required unless over \$100,000.00.~~ Recurring operational contracts giving rise to these types of expenditures do not require signature by the President (i.e., the first two categories in the 5.4.2 chart).
- B. Maintenance, Repair and Replacement Funds:
- ~~(MRR-A)~~ CPM 5.3.3 (Fund for maintenance, repair, replacement of existing equipment and facilities in Component List of Annual Reserve Study) The CEO or CFO approve any purchases and contracts, and the CEO signs, for any amounts, consistent with 5.3.3.D, authorizing spending up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required only for more than 110%. The bidding process will follow columns 1 and 2 in the 5.4.2 chart.
 - ~~(MRR-B)~~ CPM 5.3.4 (Fund for replacement of pools and

Commented [S53]: I believe we missed the sentence when the policy was developed and approved a few years ago. With the sentence as it's written, there is no actual exception to the policy. In practice, the Board hasn't been asked to approve items such as health and commercial property/liability insurance, as examples. Further, the sentence seems to contradict the other sentences and the intent of the policy.

Commented [S54]: Please see comments in Reserve Study section.

~~spas) All expenditures of money from this fund and therefore, all contracts/purchases, must be approved by the Board, and the President shall sign contracts. The bidding process will follow columns 1 and 2 in the 5.4.2 chart.~~

~~Initiatives Reserve Fund~~

~~CPM 5.3.5 All expenditures of money from this fund and therefore, all contracts/purchases, must be approved by the Board, and the President shall sign contracts. The bidding process will follow columns 1 and 2 in the 5.4.2 chart.~~

Commented [S55]: Recommend removing these two funds from exceptions, which allows the Procurement Policy to apply. These exceptions to the policy have caused an unnecessary delay and will likely continue. For example, even if funds are budgeted, in the case of the Lapidary expansion, an architect could not be secured without Board approval, even though the cost was under \$50K, well under the requirement of \$100,000 to obtain Board authorization and the President's signature on the contract. I believe the Board's intent was to require approval of construction contracts, but not design contracts or permit fees for example.

5.4.4 Requirement for Obtaining Bids Waived

- A. **Sole Source:** \$100,000 or greater when approved by the Board.
- B. **Emergency procurement/repair** of any amount, whether budgeted or unbudgeted, if approved by the CEO (or CFO or other senior management in the CFO's absence). The CEO may use funds from the Emergency Reserve Fund for emergencies over \$25,000 (*CPM 5.3.6.D*).

5.4.5 Lease or Rental Agreement

The CFO and CEO must approve any lease or rental agreement exceeding six (6) months in duration and with an aggregate annual payment exceeding \$5,000.00. The Board must approve all such agreements that exceed \$100,000, or one year in length.

5.4.6 Vendor Relationships

Gifts exceeding \$50.00 in value, from a vendor or prospective vendor of goods and services for the Corporation, given to any employee(s) are strictly prohibited.