



AGENDA

Fiscal Affairs Committee Meeting

Tuesday, April 23, 2024

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

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

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

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

1. Call to Order/ Roll Call/ Quorum
2. Review/accept minutes from the meeting of March 19, 2024.
3. Chair comments
4. Financial Report for 1st Quarter 2024. Approve December 2023 through March 2024 Financial Statements
5. Year-end 2023 Financial Review
6. 2023 Audit Review
7. New Business
8. Member comments
9. Adjourn

Next Meeting: May 21, 2024



MINUTES

Fiscal Affairs Committee

Tuesday, March, 19, 2024

1:30pm – 3:00pm MST

West Center Room 2 / Zoom

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

Board Members present: Kathy Bachelor, Bev Lawless, Steve Gilbert

1. **Call to Order / Roll Call - Establish Quorum**
2. **Review/accept Minutes from meeting of February 20, 2024.**
MOTION: Johnson moved/Magiola seconded to Approve February 20, Meeting Minutes.
Passed: unanimous
3. **Chair Comments:** Chair Carden explained to the committee that he changed his mind about recommending Café business plan to the board until the 3rd party vendor question is resolved/answered.
4. **Staff Reports**
 - a. MCF fees under budget
 - b. Appears March 2024 MCF fees will be under budget
 - c. CFO recommends using 10-year average of homes sales to allocate units for each month (vs 3-year average).
 - a. Emphasis that this does not change the overall projection or overall budget projections.
 - d. 2023 Financial reports are preliminary only
5. **Adjournment:**
MOTION: Johnson moved/ Reynolds seconded to adjourn the meeting.
Passed: unanimous

Next Meeting: TBD



**Fiscal Affairs
Financial Report
As of March 31, 2024**

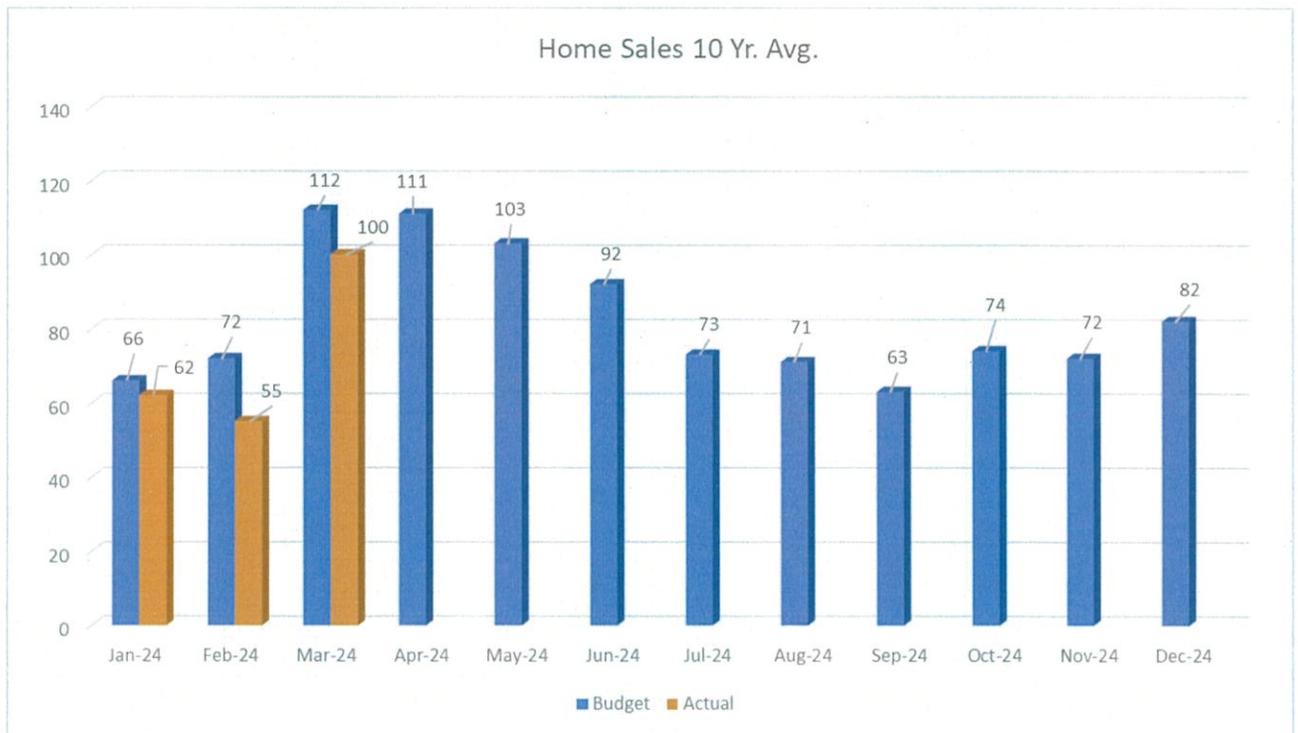
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through March, 2024 and include the financial statements as of March 31, 2024. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio. The 2023 audit as well as the December, January and February 2024 statements are enclosed for approval.

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

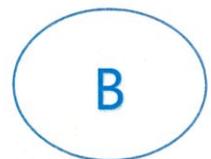
Month	GVR 2024			Homes Sold	Budget Variance	
	Operating Increase Net Assets	Unrealized Gains on Investments	Total Increase in Net Assets		Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-24	\$145,243	\$20,176	\$165,419	62	(\$58,362)	\$124,803
Feb-24	(\$77,024)	\$126,995	\$49,971	55	(\$21,136)	(\$211,318)
Mar-24	\$91,330	\$152,470	\$243,800	100	\$73,122	(\$60,989)
Apr-24			\$0			
May-24			\$0			
Jun-24			\$0			
Jul-24			\$0			
Aug-24			\$0			
Sep-24			\$0			
Oct-24			\$0			
Nov-24			\$0			
Dec-24	\$0	\$0	\$0	0	\$0	\$0
Total YTD '24	\$159,549	\$299,641	\$459,190	217	(\$6,376)	(\$147,504)



- 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 100 Home Resales during the month of March. This number of sales is 12 (11%) less than budgeted for March and 3 less than March of the prior year. Year to date, GVR is 75 (26%) homes under budget. GVR offsets these sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 8 and the current allowance is \$205,850 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through March, 2024.



- The number of homes sold through the first 11 days of April is 50 and the pending closings for the remainder of the month equals 42. GVR is expecting about 92 home sales for the month of April 2024 compared to the budgeted 111.
- Included in the report are the final post audit Financial Statements.
 - February 2024 pages 15 - 19
 - January 2024 pages 20 - 24
 - December 2023 pages 25 - 29



- The Quarterly Board Financial Summary Report is included on pages 10 through 14.
- The 2023 Audit and Management letter are included on pages 30 – 56. These are draft statements until the Board accepts them.
- There are no significant changes to these monthly statements from the preliminary draft statements issued earlier. These financial reports need to be approved by FAC along with the March 2024 statements for recommendation to the Board of Directors.
- The March 2024 Statement of Financial Position (page 2) reports the Total Net Assets to be \$333,141,331 which is a \$459,190 increase for the year (page 2 and 3) and includes \$299,641 of Unrealized Gains on Investments for March 2024 year to date.
- The March 31 Operational cash on hand is \$640,817 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$5,576,096, which is a \$385,560 decrease during the month of March. The cash projections for 2024 are on pages 6 and 7.
- The Net Fixed Assets are \$21,905,215 as of March 31, 2024 (page 2). Total net Capital Purchases for the year to date are \$654,297. The summary report of the Capital Projects is included on page 9.
- Total Current Liabilities are \$6,230,703 (page 2). This includes 9 months of Deferred Dues revenue for 2024.
- Designated Net Assets equal \$11,303,953 (detailed on pages 4 – 5) which reflects a net decrease of \$79,229 for the month of March, 2024. The year to date net unrealized investment gain on investments are \$299,641 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$3,196,647 which is .2% under budget and 7% better than the prior year. The primary driver of this negative variance is the Capital Revenue being under budget due to the lower than predicted sale of homes year to date, March 2024.
- The Cash Requirements Reports for 2024 are included on pages 6 through 7. GVR's cash collections and Operating Cash balances are reasonable as projected.
- The total expenses for the year are \$3,033,583 which is \$147,504 (5.1%) over budget and 7% 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 March 31, 2024:
- Of the \$86,515 of total expenses that are greater than budgeted, \$63,657 is for Recreation contracts that are more than budgeted. This is a good overage because the corresponding Recreational Revenue is \$110,764 greater than budgeted.



EXPENSES YTD MARCH 2024				
<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	979,205	(35,179)	-4%	Utilities are over budget by 25% (both gas and electric)
Program Expenses	324,261	(123,515)	-62%	Recreation Contracts are \$105,299 over budget and are offset with the \$100,641 of Recreational Income over budget
Communi-cations	78,927	(21,747)	-38%	Printing is over budget through March 2024
Operational Expenses	162,937	331	0%	Postage is slightly over budget
Corporate Expenses	153,311	51,554	25%	Professional fees are 32% under budget through March 2024
Personnel & Benefits	<u>1,334,942</u>	<u>(18,949)</u>	-1%	Wages 8% over budget and includes custodial labor. Benefits 27% under budget.
TOTAL EXPENSES	<u>3,033,583</u>	<u>(147,505)</u>	<u>-5.1%</u>	For analysis purposes, this total can be reduced by \$105,299 of Recreational Contracts for which there is income to offsett these costs

- After establishing the budget for 2024, GVR decided to bring the custodial services back in house. This change shifts the expenses from Maintenance contract expenses to Personnel Expenses. In the following table, the March year to date total of this shift is \$58,521 and increases Personnel Expenses and lowers Maintenance contract expense.

	PERSONNEL COSTS			MAINTENANCE COSTS		
	YTD Personnel Expenses	Personnel Budget	Variance	YTD Maintenance Expenses	Maintenance Budget	Variance
YTD Mar. '24	\$1,334,942	\$1,315,993	\$(18,949)	\$45,131	\$58,521	\$13,390
3 months Custodial		\$58,521	\$58,521		\$(58,521)	\$(58,521)
Adjusted	\$1,334,942	\$1,374,514	\$39,572	\$45,131	\$0	\$(45,131)



This analysis shows that, when you adjust for additional custodial wages, GVR is \$39,572 under budget for personnel costs. Likewise, when we remove \$58,521 of contractual custodial expenses budget, GVR is \$45,131 over budget for Maintenance expenses.

The final post audit calculation of the GVR Surplus for 2023 is enclosed on pages 57 through 58. It is worthwhile to evaluate the 2023 Surplus in the following manner:

	2023 Budget	2023 Actual	Variance	%	Comments
REVENUE					
Member Dues	\$7,055,850	\$7,051,930	\$(3,920)	(0.1)%	Dues 2023
Fees	\$757,137	\$740,844	\$(16,197)	(2)%	Home sales
Capital Revenue	\$3,328,040	\$2,753,060	\$(574,980)	(17)%	Lower than budgeted home sales
Recreation	\$559,307	\$514,095	\$(45,212)	(8)%	Offset with program exp.
Investment Inc.	\$286,884	\$456,354	\$169,470	59%	Primarily reserve accts.
Communication	\$34,195	\$47,478	\$13,283	28%	Cell towers
Other Revenue	\$89,979	\$107,304	\$17,325	19%	Pmt. Plan and late fees
TOTAL REVENUE	\$12,111,392	\$11,671,065	\$(440,232)	(3.6)%	Primarily home sales
EXPENSES					
Facilities	\$3,443,761	\$3,689,031	\$(245,269)	(7)%	Includes additional custodial contracts
Personnel	\$5,723,980	\$5,015,239	\$708,651	12%	Wages & Benefits
Program	\$517,295	\$472,846	\$44,449	9%	Primarily instructional
	2023 Budget	2023 Actual	Variance	%	Comments
Communications	\$234,905	\$214,478	\$20,427	9%	Primarily Telecommunications
Operations	\$601,031	\$705,330	\$(104,299)	(17)%	Custodial & Pool supplies
Corporate Exp.	\$675,904	\$913,376	\$(237,472)	(35)%	Insurance, Legal & Professional
TOTAL EXPENSE	\$11,196,876	\$11,010,300	\$186,487	1.7%	Primarily Personnel
SURPLUS CALC					
In Kind Revenue	\$0	\$(4,000)	\$(4,000)	%	Non-Cash Revenue



Non-Reserve Capital	\$(308,000)	\$(43,980)	\$264,020	85.8%	NRC purchases paused
Reserve Income	\$(247,772)	\$(296,663)	\$(48,891)	(19.8)%	Investment Income remains with reserves
Initiatives Funding	\$(670,625)	\$(559,835)	\$110,790	16.5%	Less transfer to Initiatives Due to lower home sales
MRR Funding	\$(1,469,346)	\$(1,469,346)	\$0	0%	Funded with operating cash
MRR Expenses	\$285,239	\$283,441	\$(1,798)	(0.7)%	Paid directly from MRR
Reserve Investment Expenses	\$86,501	\$79,185	\$(7,316)	(8.5)%	Investment Expenses remain with reserves
Depreciation	\$1,409,492	\$1,362,706	\$(46,786)	(3.4)%	Non-cash expense
TOTAL SURPLUS ADJUSTMENTS	\$(914,511)	\$(648,492)	\$266,019	29.1%	Adjustments required to determine GVR Surplus
SURPLUS	\$0	\$12,273	\$12,273		GVR Surplus Formula

We can see that although GVR had a \$574,980 shortfall in Capital Revenue in 2023, we achieved savings in Personnel costs and Non-Reserve Capital projects which helped to result in a net Surplus of \$12,273.

Section 3.3.2.E. of the CPM states that the Fiscal Affairs Committee is responsible for recommending the disposition of Operational Surplus or Deficit. After reviewing the Cash Requirements Report for 2024, it is our position that GVR can transfer the \$12,273 Surplus to Initiatives.

A copy of the prior year end Fiscal Affairs Committee report is included on page 59.





Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for March 31, 2024. The four statements

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: March 31, 2024 and Dec 31, 2023

	March 31, 2024	Dec 31, 2023
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	639,406	2,599,548
Accounts Receivable	481,932	220,589
Prepaid Expenses	113,383	218,015
Maintenance Inventory	22,003	22,003
Designated Investments (Charles S./SBH)		
Emergency - Fund	593,812 (1)	560,194 (18)
MRR - Fund	8,299,606 (2)	7,175,602 (19)
Initiatives - Fund	1,273,519 (3)	1,750,056 (20)
Pools & Spas - Fund	1,137,016 (4)	814,765 (21)
Total Designated Investments (CS/SBH)	11,303,953 (5)	10,300,617 (22)
Undesignated Invest. (JP Morgan Long Term)	1,785,081 (6)	1,699,386 (23)
Undesignated Invest. (JP Morgan)	3,150,198 (7)	1,767,892 (24)
Investments	16,239,232 (8)	13,767,895 (25)
Total Current Assets	17,495,957	16,828,050
Fixed Assets		
Contributed Fixed Assets	18,700,035	18,017,085
Purchased fixed Assets	30,975,384	31,004,036
Sub-Total	49,675,418	49,021,121
Less - Accumulated Depreciation	(27,770,204)	(27,464,438)
Net Fixed Assets	21,905,215 (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	39,473,654	38,457,215
LIABILITIES		
Current Liabilities		
Accounts Payable	418,242	727,655
Deferred Dues Fees & Programs	5,461,051	4,533,756
Accrued Payroll	98,253	156,036
Compensation Liability	-	-
MCF Refund Liability	205,850	211,700
In-Kind Lease Liability - Current	7,000	4,000
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	40,307	40,307
Total Current Liabilities	6,230,703	5,673,454
In-Kind Lease Liability - LT	46,667	46,667
Notes Payable	11,000	11,000
Financing ROU Liability - LT	43,954	43,954
Total Long Term Liabilities	101,621	101,621
TOTAL NET ASSETS	33,141,331 (10)	32,682,140 (27)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	593,812 (11)	560,194 (28)
Maint - Repair - Replacement	8,299,606 (12)	7,175,602 (29)
Initiatives	1,273,519 (13)	1,750,056 (30)
Pools & Spas	1,137,016 (14)	814,765 (31)
Sub-Total	11,303,953 (15)	10,300,617
Unrestricted Net Assets	21,378,187	22,381,524
Net change Year-to-Date	459,190 (16)	-
Unrestricted Net Assets	21,837,378 (17)	22,381,524
TOTAL NET ASSETS	33,141,331	32,682,140



Green Valley Recreation, Inc.
Summary Statement of Activities
 YTD Period: 3 month period ending March 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	1,764,889	1,784,710	19,821	1%	1,784,710	1,783,187	1,522	0.1%	7,132,750	5,348,040
LC, Trans., Crd Fees.	237,744	237,826	82	0%	237,826	237,514	312	0%	705,637	467,811
Capital Revenue	602,264	643,170	40,906	7%	643,170	775,143	(131,973)	(17%)	3,039,780	2,396,610
Programs	46,699	134,995	88,296	189%	134,995	58,717	76,278	130%	92,403	(42,592)
Instructional	156,253	201,116	44,863	29%	201,116	174,648	26,467	15%	393,000	191,884
Recreational Revenue	202,951	336,111	133,159	66%	336,111	233,366	102,745	44%	485,403	149,292
Investment Income	133,001	127,991	(5,010)	(4%)	127,991	106,365	21,626	20%	425,458	297,467
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	11,698	12,075	377	3%	12,075	11,773	302	3%	47,093	35,018
Comm. Revenue	11,698	12,075	377	3%	12,075	11,773	302	3%	47,093	35,018
Other Income	39,217	44,824	5,607	14%	44,824	49,675	(4,851)	(10%)	87,072	42,248
Facility Rent	8,074	8,940	866	11%	8,940	5,000	3,940	79%	20,000	11,060
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	1,000	1,000	-	0%	1,000	1,000	-	0%	4,000	3,000
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	25,000	25,000
Other Revenue	48,291	54,764	6,473	13%	54,764	55,675	(911)	(2%)	136,072	81,308
Total Revenue	3,000,840	3,196,647	195,807	7%	3,196,647	3,203,023	(6,376)	(0.2%)	11,972,193	8,775,546
Expenses										
Major Proj.-Rep. & Maint.	67,767	112,590	(44,823)	(66%)	112,590	124,372	11,782	9%	489,203	376,612
Facility Maintenance	48,288	97,780	(49,491)	(102%)	97,780	101,455	3,675	4%	405,251	307,472
Fees & Assessments	12,148	4,941	7,206	59%	4,941	535	(4,406)	(824%)	5,000	59
Utilities	350,501	356,564	(6,063)	(2%)	356,564	286,118	(70,447)	(25%)	1,000,134	643,570
Depreciation	350,981	305,765	45,215	13%	305,765	335,141	29,375	9%	1,275,000	969,235
Furniture & Equipment	68,857	70,999	(2,142)	(3%)	70,999	71,903	903	1%	268,945	197,946
Vehicles	22,893	30,565	(7,672)	(34%)	30,565	24,504	(6,061)	(25%)	98,000	67,435
Facilities & Equipment	921,435	979,205	(57,770)	(6%)	979,205	944,027	(35,179)	(4%)	3,541,533	2,562,328
Wages	1,012,829	1,065,189	(52,360)	(5%)	1,065,189	990,341	(74,848)	(8%)	4,047,812	2,982,623
Payroll Taxes	80,745	93,244	(12,499)	(15%)	93,244	83,003	(10,241)	(12%)	323,634	230,390
Benefits	228,895	176,509	52,386	23%	176,509	242,650	66,140	27%	964,545	788,035
Personnel	1,322,469	1,334,942	(12,473)	(1%)	1,334,942	1,315,993	(18,949)	(1%)	5,335,990	4,001,048
Food & Catering	6,472	25,747	(19,275)	(298%)	25,747	6,187	(19,560)	(316%)	21,386	(4,361)
Recreation Contracts	151,326	240,741	(89,415)	(59%)	240,741	135,442	(105,299)	(78%)	348,685	107,944
Bank & Credit Card Fees	54,259	61,287	(7,029)	(13%)	61,287	59,117	(2,170)	(4%)	77,000	15,713
Program	212,056	327,775	(115,719)	(55%)	327,775	200,745	(127,030)	(63%)	447,071	119,296
Communications	22,731	31,929	(9,198)	(40%)	31,929	26,205	(5,724)	(22%)	96,023	64,094
Printing	19,679	45,335	(25,656)	(130%)	45,335	26,196	(19,139)	(73%)	103,183	57,848
Advertising	11,879	1,664	10,215	86%	1,664	4,780	3,116	65%	17,920	16,256
Communications	54,288	78,927	(24,639)	(45%)	78,927	57,180	(21,747)	(38%)	217,126	138,198
Supplies	112,789	139,592	(26,802)	(24%)	139,592	141,209	1,618	1%	558,587	418,995
Postage	-	8,366	(8,366)	0%	8,366	5,338	(3,028)	(57%)	17,922	9,556
Dues & Subscriptions	2,407	5,317	(2,911)	(121%)	5,317	6,207	890	14%	17,091	11,774
Travel & Entertainment	22	-	22	100%	-	400	400	100%	1,600	1,600
Other Operating Expense	4,221	9,662	(5,441)	(129%)	9,662	10,113	452	4%	113,884	104,223
Operations	119,439	162,937	(43,497)	(36%)	162,937	163,268	331	0%	709,084	546,147
Information Technology	18,618	17,111	1,507	8%	17,111	35,450	18,339	52%	136,781	119,670
Professional Fees	95,851	43,295	52,556	55%	43,295	63,555	20,260	32%	213,816	170,521
Commercial Insurance	83,946	89,489	(5,543)	(7%)	89,489	88,703	(786)	(1%)	354,812	265,323
Taxes	(276)	-	(276)	100%	-	3,250	3,250	100%	33,000	33,000
Conferences & Training	10,033	727	9,306	93%	727	8,532	7,805	91%	34,127	33,400
Employee Recognition	754	2,690	(1,936)	(257%)	2,690	5,376	2,686	50%	21,500	18,810
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	208,925	153,311	55,614	27%	153,311	204,866	51,554	25%	794,036	640,724
Expenses	2,838,614	3,037,098	(198,484)	(7%)	3,037,098	2,886,079	(151,019)	(5.2%)	11,044,839	8,007,741
Gross Surplus(Rev-Exp)	162,226	159,549	(2,677)	(2%)	159,549	316,944	(157,395)	(50%)	927,354	767,805
Net Gain/Loss on Invest.	196,927	299,641	102,714		299,641	-	299,641		-	(299,641)
Net from Operations	359,153	459,190	100,037	28%	459,190	316,944	142,246		927,354	468,164



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: March 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	459,190 (16)	459,190	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,640,591)	-	-	1,220,295	120,896	299,400
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	305,765	(305,765)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	58,177	(21,168)	654,298	-	(245,204)	(329,749)	-
Purchases Withdrawals Outstanding	-	326,417	-	-	(38,793)	(287,624)	-
Allocations of Net Change components:							
Investment income	-	(55,394)	-	1,823	40,707	7,718	5,146
Investment Expenses	-	18,357	-	(942)	(12,788)	(3,203)	(1,423)
Net Gains (Losses) in Investments	-	(227,079)	-	32,737	159,788	15,425	19,129
Net Change to March 31, 2024	517,367 (16)	(834,501)	348,532	33,618	1,124,004	(476,537)	322,251
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, March 31, 2024	33,199,508 (10)	(9,660)	21,905,215 (9)	593,812 (11)	8,299,606 (12)	1,273,519 (13)	1,137,016 (14)
Footnotes refer to Statement of Financial Position and Statement of Activities		21,895,555 (17)		11,303,953 (15)			



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2023 (at Market)	13,767,895 ⁽²⁵⁾	3,467,278 ⁽²⁴⁾	560,194 ⁽¹⁸⁾	7,175,602 ⁽¹⁹⁾	1,750,056 ⁽²⁰⁾	814,765 ⁽²¹⁾
Changes since Jan 1, 2023:						
Principal Transfers	3,640,591	2,000,000	-	1,220,295	120,896	299,400
Investment income	100,831	45,438	1,823	40,707	7,718	5,146
Withdrawals	(1,551,370)	(650,000)	-	(283,997)	(617,373)	-
Investment Expenses	(18,357)	-	(942)	(12,788)	(3,203)	(1,423)
Net Change for 3 Months	2,171,695	1,395,438	880	964,217	(491,962)	303,123
Balance before Market Change at March 31, 2024	15,939,590	4,862,716	561,075	8,139,818	1,258,094	1,117,887
3 Months Net Change in Investments Gain/(Loss)	299,641	72,563	32,737	159,788	15,425	19,129
Balance at March 31, 2024 (at Market)	\$ 16,239,231 ⁽⁸⁾	4,935,278 ⁽⁷⁾	593,811.78 ⁽¹⁾	8,299,606 ⁽²⁾	1,273,519 ⁽³⁾	1,137,016 ⁽⁴⁾
				11,303,953 ⁽¹⁵⁾		

Footnotes refer to Statement of Financial Position and Statement of Activities

GVR Cash Requirements Report

FY 2024

ACTUAL / PROJECTED	Actual Jan-24	Actual Feb-24	Actual Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Projected Nov-24	Projected Dec-24
Operating Cash at CHASE												
Beginning of Month Balance	2,599,548	687,320	440,036	640,817	844,940	578,424	651,050	892,548	885,482	888,239	972,347	1,597,639
Transfer In	-	-	650,000	500,000	-	500,000	750,000	500,000	500,000	500,000	400,000	-
Transfer Out	(3,519,695)	-	-	-	-	-	-	-	-	-	-	(3,000,000)
Cash Receipts	2,651,721	600,340	647,937	612,558	594,474	430,912	334,863	320,524	333,242	276,333	981,338	4,088,093
Cash Disbursements	(1,044,254)	(847,624)	(1,097,156)	(908,435)	(860,989)	(858,286)	(843,365)	(827,590)	(830,485)	(692,224)	(756,046)	(787,795)
Net Operating Cash Flow	1,607,467	(247,284)	(449,219)	(295,877)	(266,515)	(427,374)	(508,502)	(507,066)	(497,243)	(415,891)	225,292	3,300,299
Ending of Month Balance	687,320	440,036	640,817	844,940	578,424	651,050	892,548	885,482	888,239	972,347	1,597,639	1,897,938
Operating Investment Accounts (A&B)												
Beginning of Month Balance	3,467,278	5,479,125	5,521,619	4,935,278	4,443,503	4,450,909	3,958,327	3,214,924	2,720,283	2,224,816	1,728,524	1,291,168
Transfer In	2,000,000	-	-	-	-	-	-	-	-	-	-	3,000,000
Transfer Out	-	-	(650,000)	(500,000)	-	(500,000)	(750,000)	(500,000)	(500,000)	(500,000)	(440,238)	(65,600)
Earned Income on Investmer	11,847	42,495	63,658	8,225	7,406	7,418	6,597	5,358	4,534	3,708	2,881	2,152
Ending of Month Balance	5,479,125	5,521,619	4,935,278	4,443,503	4,450,909	3,958,327	3,214,924	2,720,283	2,224,816	1,728,524	1,291,168	4,227,720
MRR Reserve												
Beginning of Month Balance	7,175,602	8,347,416	8,293,467	8,299,606	8,240,033	8,064,454	7,682,766	7,543,732	7,503,469	7,277,346	7,068,571	6,912,728
Transfer In MRR Funding	1,220,295	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(68,487)	(134,658)	(93,639)	(75,342)	(191,235)	(397,011)	(153,631)	(54,596)	(240,380)	(222,602)	(169,273)	(39,957)
Net Earned Income on Invest	20,006	80,709	99,777	15,769	15,656	15,322	14,597	14,333	14,257	13,827	13,430	13,134
Ending of Month Balance	8,347,416	8,293,467	8,299,606	8,240,033	8,064,454	7,682,766	7,543,732	7,503,469	7,277,346	7,068,571	6,912,728	6,885,905
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	814,765	1,113,273	1,123,864	1,137,015	1,139,176	1,141,340	1,143,509	1,145,681	1,147,858	1,150,039	1,152,224	1,154,413
Transfer In MRR B Pool & Spa Funding	299,400	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	(892)	10,591	13,151	2,160	2,164	2,169	2,173	2,177	2,181	2,185	2,189	2,193
Ending of Month Balance	1,113,273	1,123,864	1,137,015	1,139,176	1,141,340	1,143,509	1,145,681	1,147,858	1,150,039	1,152,224	1,154,413	1,156,607
Initiatives Reserve												
Beginning of Month Balance	1,750,056	1,643,300	1,383,482	1,273,517	1,252,471	1,189,991	1,126,958	1,049,210	965,592	882,217	787,842	699,159
Transfer In	-	-	120,896	56,951	65,557	65,122	50,528	44,805	45,207	34,365	40,238	65,600
Other Funding	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	(626)	4,766	15,800	2,420	2,380	2,261	2,141	1,993	1,835	1,676	1,497	1,328
Transfer Out	(106,130)	(264,584)	(246,660)	(80,417)	(130,417)	(130,417)	(130,417)	(130,417)	(130,417)	(130,417)	(130,417)	(130,417)
Ending of Month Balance	1,643,300	1,383,482	1,273,517	1,252,471	1,189,991	1,126,958	1,049,210	965,592	882,217	787,842	699,159	635,671
Emergency Reserve												
Beginning of Month Balance	560,194	563,405	582,365	593,810	598,169	596,217	617,627	628,007	621,865	603,034	592,816	596,175
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	3,211	18,960	11,445	4,359	(1,953)	21,411	10,380	(6,143)	(18,831)	(10,218)	3,359	3,378
Ending of Month Balance	563,405	582,365	593,810	598,169	596,217	617,627	628,007	621,865	603,034	592,816	596,175	599,553
Total Reserve Accounts												
Total Operating Cash	6,166,445	5,961,655	5,576,095	5,288,443	5,029,333	4,609,377	4,107,473	3,605,764	3,113,055	2,700,872	2,888,807	6,125,658
Grand Total Cash & Investments	17,833,839	17,344,833	16,880,043	16,518,292	16,021,336	15,180,236	14,474,104	13,844,549	13,025,690	12,302,324	12,251,283	15,403,394

GVR Cash Requirements Report
FY 2024

ACTUAL / PROJECTED

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

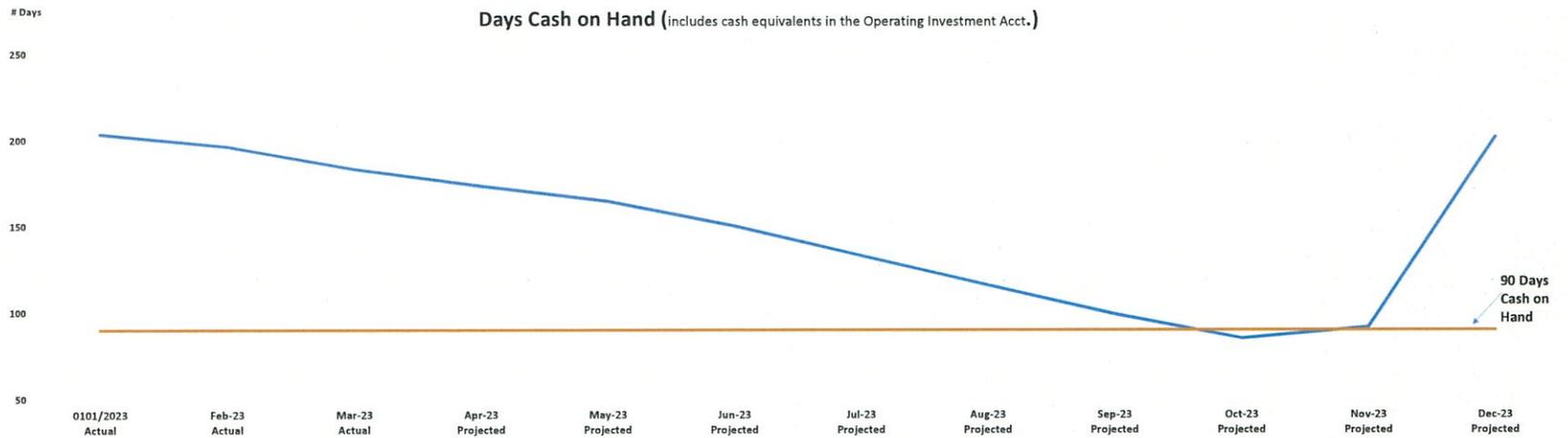
Actual Jan-24	Actual Feb-24	Actual Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Projected Nov-24	Projected Dec-24
203	196	183	173	165	150	133	116	99	85	91	202

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

Projected Ending Balance 2024	
Total Reserve Accounts	8,121,130
Total Operating Cash	6,125,658
Grand Total Cash & Investments	14,246,787

Operating Cash (CHASE)	6,166,445	5,961,655	5,576,095	5,288,443	5,029,333	4,609,377	4,107,473	3,605,764	3,113,055	2,700,872	2,888,807	6,125,658
Invested Total (SBH & JP MORGAN)	17,146,519	16,904,797	16,239,226	15,673,352	15,442,911	14,529,186	13,581,555	12,959,067	12,137,452	11,329,977	10,653,643	13,505,456

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





GVR MEMBER PROPERTIES 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										7
Total Members (2024)	13,852	13,853	13,857	13,857	13,857	13,857	13,857	13,857	13,857	13,857	13,857	13,857	13,857
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	-	-	-	-	-	-	-	-	-	217
Initial Fee	1	-	2	-	-	-	-	-	-	-	-	-	3
Transfer Fee (new build no Initial fee)	1	-	2	-	-	-	-	-	-	-	-	-	3
Transfer Fee (new build w/Initial fee)	1	1	2	-	-	-	-	-	-	-	-	-	4
Transfer Fee (estate planning)	-	-	1	-	-	-	-	-	-	-	-	-	1
Transfer Fee (resale)	62	55	100	-	-	-	-	-	-	-	-	-	217
Transfer Fee Non-Resale	14	4	-	-	-	-	-	-	-	-	-	-	18
Budget Monthly Resales (2024)	86	91	115	128	114	86	69	60	47	73	65	59	993
Monthly Resales (2024)	62	55	100	-	-	-	-	-	-	-	-	-	217
Monthly Delta Actual vs Budget (2024)	↓ (24)	↓ (36)	↓ (15)										↓ (75)
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)	86	177	292	420	534	620	689	749	796	869	934	993	993
YTD Resales (2024)	62	117	217	-	-	-	-	-	-	-	-	-	217
YTD Over/(Under) Budget	↓ (24)	↓ (60)	↓ (75)										↓ (776)
YTD Over/(Under) Budget	(28%)	(34%)	(26%)										(78%)
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	-	-	-	-	-	-	-	-	-	224
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
PACF Refund	8	6	12	-	-	-	-	-	-	-	-	-	-

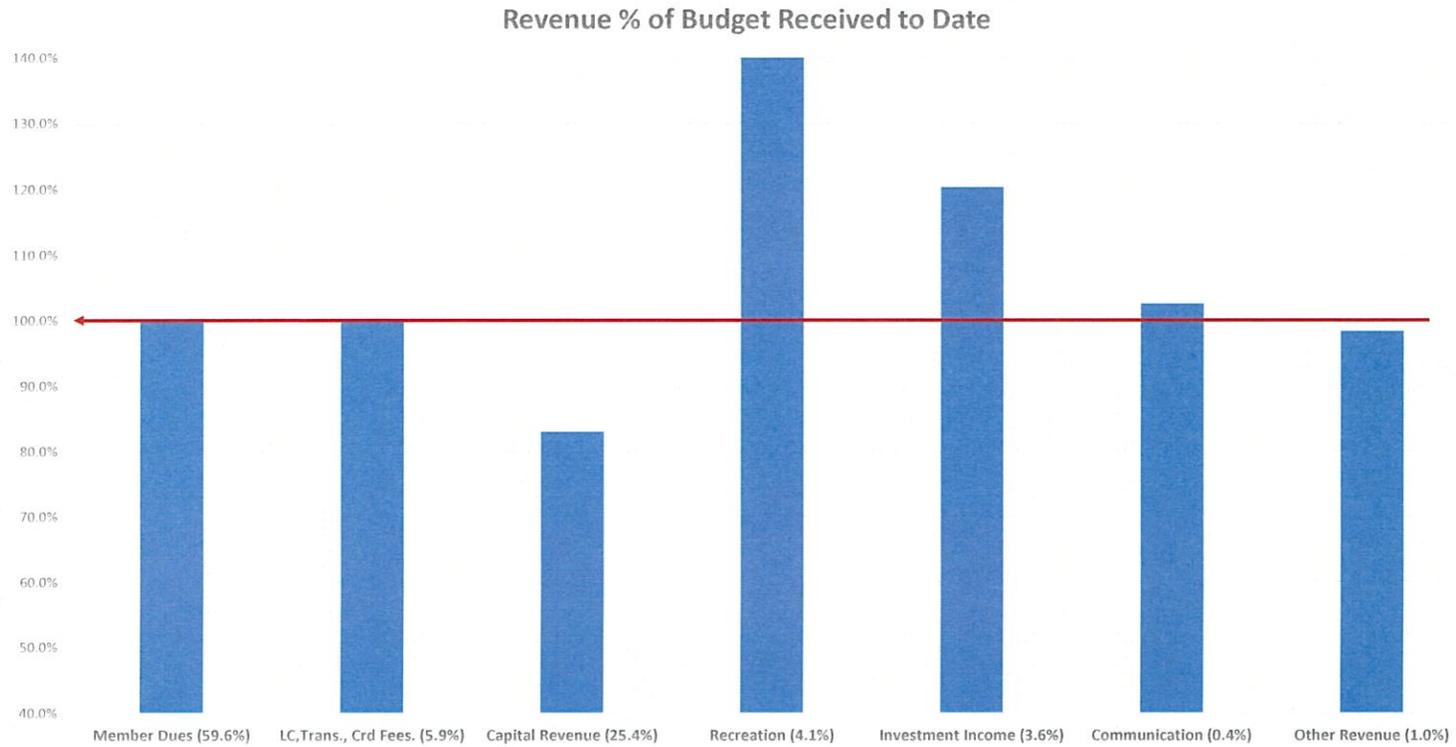
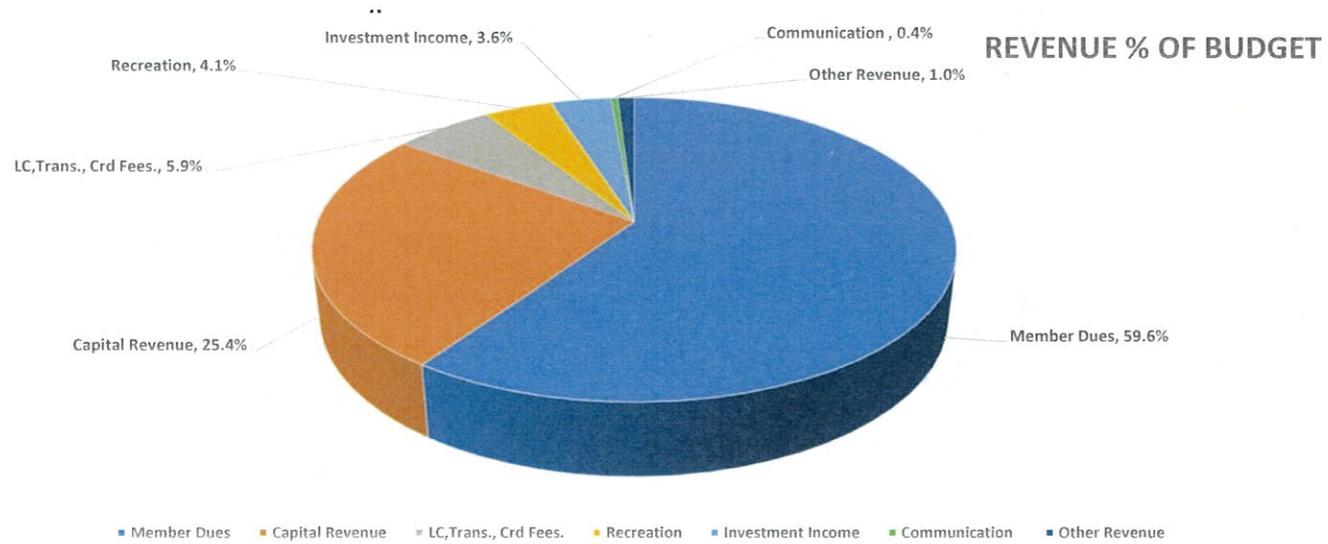
GREEN VALLEY RECREATION
CAPITAL PROJECTS REPORT
3/31/2024

			TOTAL	2024	Project to Date		
<u>Project ID</u>	<u>Center</u>	<u>Description</u>	<u>Total Project Budget</u>	<u>2024 Budget</u>	<u>Total Project Spent to Date</u>	<u>2024 Spent to Date</u>	<u>Project Budget Balance</u>
NON RESERVE CAPITAL							
ALL		2024 Unplanned Unbudgeted Items	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000
CR		Shade Structure for Canoa Ranch pool eq	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ 16,000
CP1 / ABS		Deck shade structures for CP1 and Abreg	\$ 26,000	\$ 26,000	\$ -	\$ -	\$ 26,000
ALL		Accessibility Initiatives	\$ 67,023	\$ 50,000	\$ 17,023	\$ -	\$ 50,000
PBC		Pickleball Fencing	\$ 35,000	\$ 35,000	\$ 6,080	\$ -	\$ 28,920
WC		Vacuum System for Woodshop	\$ 90,000		\$ 32,049	\$ 21,168	\$ 57,951
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	\$ 445,000	\$ 445,000	\$ 9,591	\$ -	\$ 435,409
DSCH		Del Sol Clubhouse Note Payable	\$ 110,000	\$ 11,000	\$ 22,000	\$ 22,000	\$ 88,000
DSCH		Del Sol Clubhouse Renovation	\$ 1,900,000	\$ -	\$ 1,035,586	\$ 523,302	\$ 864,414
WC		West Center Expansion (Lap, Wood, Art E	\$ 158,835	\$ 100,000	\$ 16,841	\$ 2,783	\$ 141,994
DH		Ceramics Kiln room	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ 90,000
CH		Gym Conversion	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ 180,000
WC		West Center Lobby improvements	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000
ALL		Security Cameras		\$ -	\$ 49,974	\$ 49,974	\$ 26

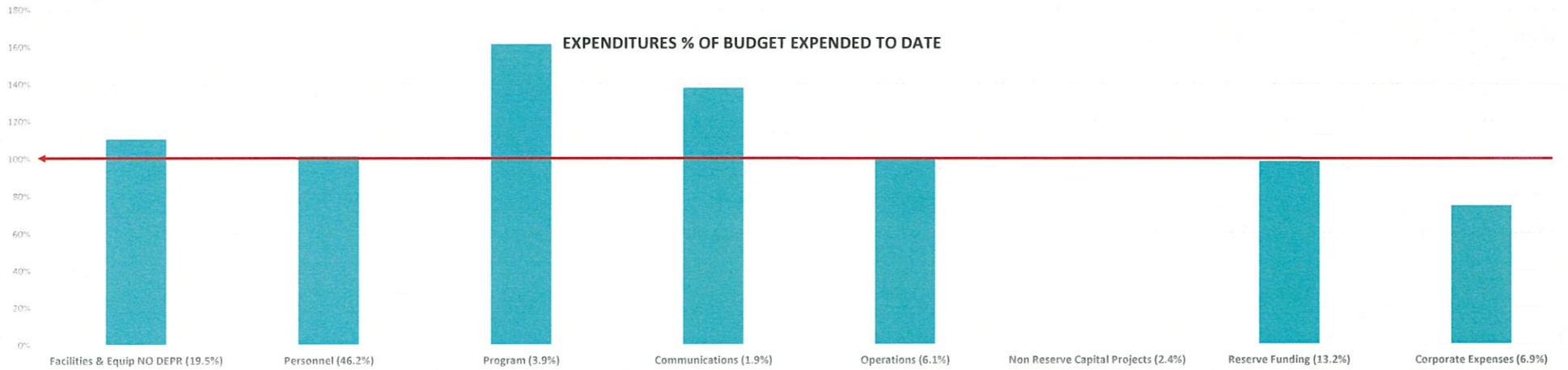
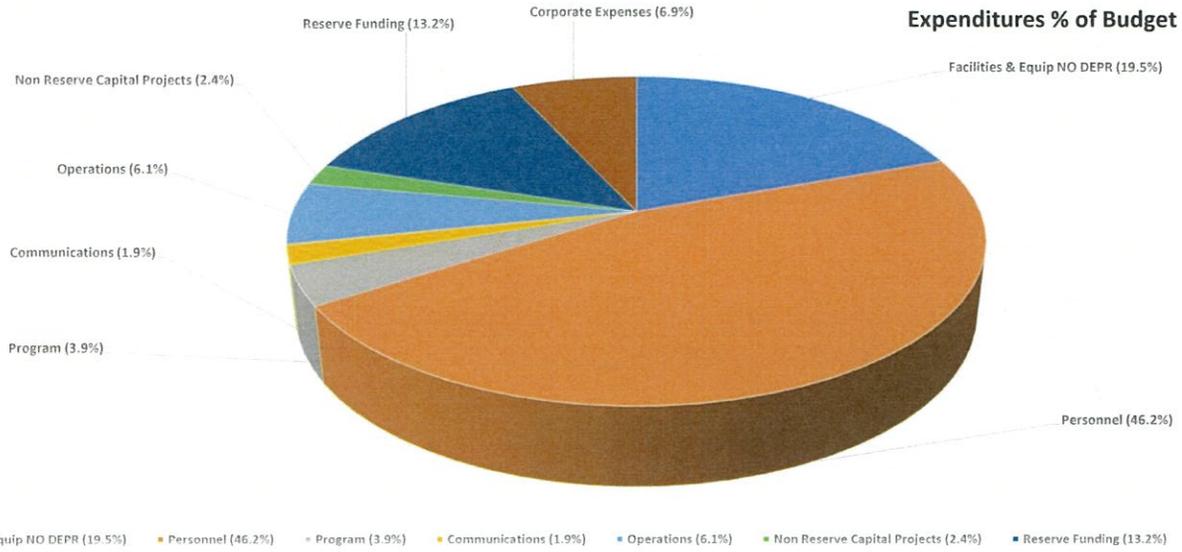
Green Valley Recreation, Inc
Summary of Revenue & Expenditures - Budget to Actual
For Fiscal Year Ending Dec 31, 2024

Quarterly Board Report January - March 2024

	2024 Annual Budget	January - March 2024			Prior Year		
		YTD Budget	Actual 1Q YTD	% of Variance	FY 2023 1Q YTD	Var. from Prior Year %	\$
Revenue:							
Member Dues	\$ 7,132,750	\$ 1,783,187	\$ 1,784,710	0.1%	\$ 1,764,889	1.1%	\$ 19,821
LC, Trans., Crd Fees.	705,637	237,514	237,826	0.1%	237,744	0.0%	82
Capital Revenue	3,039,780	775,143	643,170	(17.0%)	602,264	6.8%	40,906
Recreation	485,403	233,366	334,007	44.0%	202,951	64.6%	131,056
Investment Income	425,458	106,365	127,991	20.3%	133,001	(3.8%)	(5,010)
Communication	47,093	11,773	12,075	2.6%	11,698	3.2%	377
Other Revenue	136,072	55,675	54,764	(1.6%)	48,291	13.4%	6,473
Total Revenue	11,972,193	3,203,023	3,194,543	(0.2%)	\$ 3,000,840	6.5%	\$ 193,704
Expenditures:							
Facilities & Equipment NO DEPRECIATION	\$ 2,255,805	\$ 608,886	\$ 673,440	(3.7%)	\$ 570,454	(18.1%)	\$ (102,986)
Personnel	5,335,990	1,315,993	1,334,942	(1.4%)	1,322,469	(0.9%)	\$ (12,473)
Program	447,071	200,745	324,261	(63.3%)	212,056	(52.9%)	\$ (112,205)
Communications	217,126	57,180	78,927	(38.0%)	54,288	(45.4%)	\$ (24,639)
Operations	709,084	163,268	162,937	0.2%	119,439	(36.4%)	\$ (43,497)
Corporate Expenses	794,036	204,866	153,311	25.2%	208,925	26.6%	\$ 55,614
Total Expenditures	9,759,111	2,550,938	2,727,818	(5.2%)	2,487,633	(9.7%)	\$ (240,186)
Excess Revenues Over Exp.	\$ 2,213,082	\$ 652,085	\$ 466,725		\$ 513,207		\$ (46,482)
Transfers and Adjustments:							
Non Reserve Capital Projects	(277,001)	(69,250)	-				
Remove Income From Reserves	(259,068)	(64,767)	(41,211)				
Reserve Funding Initiatives	(610,956)	(152,739)	(129,084)				
Reserve Funding MRR & MRR-B	(1,519,695)	(1,519,695)	(1,519,695)				
MRR Expenses paid by Reserve	371,138	92,784.50	10,345				
Deduct Reserve Investment Exp.	82,500	20,625	20,600				
Modified Accrual Basis Surplus	-	(1,040,957)	(1,192,320)				



**Green Valley Recreation
Quarterly Board Report January - March 2024**





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

	Current March 31, 2024	Prior Year March 31, 2023	Increase (Decrease)	
Assets				
Total Operating Cash	5,574,685	5,994,008	(419,322)	(7%)
Accounts Receivable (net)	481,932	568,064	(86,131)	(15%)
Designated Investments	11,303,953	12,032,262	(728,309)	(6%)
Prepaid Expenses & Inventory	135,386	111,933	23,453	21%
Total Current Assets	17,495,957	18,706,266	(1,210,309)	(6%)
Fixed Assets				
Net Fixed Assets	21,905,215	19,185,872	2,719,343	14%
Oper. & Finance ROU	72,483	111,822		
Total Assets	39,473,654	38,003,960	1,469,695	4%
Liabilities				
Accounts Payables	418,242	521,248	(103,007)	(20%)
Deffered Dues & Fees	5,559,304	5,355,699	203,605	4%
Compensation Liability	-	-	-	0%
Short Term Liabilities	253,157	341,329	(88,172)	(26%)
Long Term Liabilities	101,621	(145,928)	247,549	(170%)
Total Liabilities	6,332,324	6,072,349	259,975	4%
Total Net Assets	33,141,331	31,931,611	1,209,720	4%
Net Assets				
Board Designated Net Assets	11,303,953	13,092,238	(1,788,285)	(14%)
Unrestricted Net Assetes	21,378,187	18,758,980	2,619,207	14%
Net Change Year-To-Date	459,190	80,393	378,797	(471%)
Total Net Assets	33,141,331	31,931,611	1,209,720	3.79%

BOD Quarterly Report

Green Valley Recreation, Inc.
Investments Performance
Quarterly Board Report January - March 2024

Fund	March 31, 2024	December 31, 2023	RETURN ON INVESTMENT			
			Year To Date		One Year (12 months)	
			Actual	Benchmark *	Actual	Benchmark *
Maintenance Repair & Replacement (SBH)	\$ 8,299,606	\$ 7,175,602	2.5%	2.1%	9.5%	8.3%
MRR - Part B Pools and Spas (SBH) **	\$ 1,137,016	\$ 814,765	2.2%	2.1%	8.3%	8.3%
Initiatives (SBH)	\$ 1,273,519	\$ 1,750,056	1.4%	0.8%	6.6%	5.0%
Emergency (SBH)	<u>\$ 593,812</u>	<u>\$ 560,194</u>	6.1%	6.3%	18.1%	19.2%
Total Designated Reserves	<u>\$ 11,303,953</u>	<u>\$ 10,300,617</u>				
Operating Investment Fund Part A Short Term - JP Morgan	\$ 3,150,197	\$ 1,767,892	1.3%	1.3%	4.9%	5.1%
Operating Investment Fund Part B Long Term - JP Morgan	<u>\$ 1,785,081</u>	<u>\$ 1,699,386</u>	5.0%	5.1%	8.5%	8.5%
Total Invested Operating Cash	<u>\$ 4,935,278</u>	<u>\$ 3,467,278</u>				



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for February 29, 2024. The four statements

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: February 29, 2024 and Dec 31, 2023

	February 29, 2024	Dec 31, 2023
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	438,905	2,599,548
Accounts Receivable	595,464	220,589
Prepaid Expenses	150,925	218,015
Maintenance Inventory	22,003	22,003
Designated Investments (Charles S./SBH)		
Emergency - Fund	582,367 ⁽¹⁾	560,194 ⁽¹⁸⁾
MRR - Fund	8,293,467 ⁽²⁾	7,175,602 ⁽¹⁹⁾
Initiatives - Fund	1,383,483 ⁽³⁾	1,750,056 ⁽²⁰⁾
Pools & Spas - Fund	1,123,865 ⁽⁴⁾	814,765 ⁽²¹⁾
Total Designated Investments (CS/SBH)	11,383,182 ⁽⁵⁾	10,300,617 ⁽²²⁾
Undesignated Invest. (JP Morgan Long Term)	1,736,824 ⁽⁶⁾	1,699,386 ⁽²³⁾
Undesignated Invest. (JP Morgan)	3,784,796 ⁽⁷⁾	1,767,892 ⁽²⁴⁾
Investments	16,904,802 ⁽⁸⁾	13,767,895 ⁽²⁵⁾
Total Current Assets	18,112,099	16,828,050
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	31,560,258	31,004,036
Sub-Total	49,577,343	49,021,121
Less - Accumulated Depreciation	(27,655,275)	(27,455,527)
Net Fixed Assets	21,922,068 ⁽⁹⁾	21,565,593 ⁽²⁶⁾
Operating Lease ROU, Net of Accum. Amortization	467	467
Finance Lease ROU, Net of Accum. Amortization	111,355	111,355
Total Assets	40,145,989	38,505,465
LIABILITIES		
Current Liabilities		
Accounts Payable	714,674	738,655
Deferred Dues Fees & Programs	6,059,362	4,533,756
Accrued Payroll	72,477	156,036
Compensation Liability	-	-
MCF Refund Liability	214,750	211,700
In-Kind Lease Liability -Current	3,333	(0)
Operating ROU Liability - Current	439	439
Financing ROU Liability - Current	39,319	39,319
Total Current Liabilities	7,104,354	5,679,905
In-Kind Lease Liability - LT	50,667	50,667
Notes Payable	-	-
Financing ROU Liability - LT	84,261	84,261
Total Long Term Liabilities	134,928	134,928
TOTAL NET ASSETS	32,906,707 ⁽¹⁰⁾	32,690,632 ⁽²⁷⁾
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	582,367 ⁽¹¹⁾	560,194 ⁽²⁸⁾
Maint - Repair - Replacement	8,293,467 ⁽¹²⁾	7,175,602 ⁽²⁹⁾
Initiatives	1,383,483 ⁽¹³⁾	1,750,056 ⁽³⁰⁾
Pools & Spas	1,123,865 ⁽¹⁴⁾	814,765 ⁽³¹⁾
Sub-Total	11,383,182 ⁽¹⁵⁾	10,300,617
Unrestricted Net Assets	21,307,450	22,390,016
Net change Year-to-Date	216,075 ⁽¹⁶⁾	-
Unrestricted Net Assets	21,523,525 ⁽¹⁷⁾	22,390,016
TOTAL NET ASSETS	32,906,707	32,690,632



Green Valley Recreation, Inc.

Summary Statement of Activities

YTD Period: 2 month period ending February 29, 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	1,176,940	1,188,320	11,380	1%	1,188,320	1,188,792	(472)	(0.0%)	7,132,750	5,944,430		
LC, Trans., Crd Fees.	163,942	165,279	1,337	1%	165,279	170,471	(5,192)	(3%)	705,637	540,358		
Capital Revenue	318,232	366,738	48,506	15%	366,738	422,529	(55,791)	(13%)	3,039,780	2,673,042		
Programs	32,163	118,125	85,962	267%	118,125	33,649	84,476	251%	92,403	(25,722)		
Instructional	112,224	147,039	34,815	31%	147,039	120,751	26,288	22%	393,000	245,961		
Recreational Revenue	144,387	265,164	120,776	84%	265,164	154,400	110,764	72%	485,403	220,239		
Investment Income	79,779	81,063	1,284	2%	81,063	70,910	10,153	14%	425,458	344,395		
Advertising Income	-	-	-	0%	-	-	-	0%	-	-		
Cell Tower Lease Inc.	7,749	7,998	249	3%	7,998	7,849	149	2%	47,093	39,095		
Comm. Revenue	7,749	7,998	249	3%	7,998	7,849	149	2%	47,093	39,095		
Other Income	34,768	38,383	3,616	10%	38,383	38,785	(402)	(1%)	87,072	48,689		
Facility Rent	4,647	2,495	(2,152)	(46%)	2,495	3,333	(838)	(25%)	20,000	17,505		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	667	667	-	0%	667	667	-	0%	4,000	3,333		
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	25,000	25,000		
Other Revenue	40,082	41,545	1,463	4%	41,545	42,785	(1,240)	(3%)	136,072	94,527		
Total Revenue	1,931,111	2,116,107	184,996	10%	2,116,107	2,057,736	58,372	2.8%	11,972,193	9,856,086		
Expenses												
Major Proj.-Rep. & Maint.	52,918	82,770	(29,852)	(56%)	82,770	83,857	1,087	1%	489,203	406,433		
Facility Maintenance	23,375	38,731	(15,356)	(66%)	38,731	68,058	29,327	43%	405,251	366,520		
Fees & Assessments	11,859	3,440	8,419	71%	3,440	535	(2,905)	(543%)	5,000	1,560		
Utilities	237,678	239,914	(2,236)	(1%)	239,914	196,263	(43,651)	(22%)	1,000,134	760,220		
Depreciation	232,400	199,747	32,653	14%	199,747	223,595	23,848	11%	1,275,000	1,075,253		
Furniture & Equipment	53,555	54,316	(761)	(1%)	54,316	50,612	(3,704)	(7%)	268,945	214,629		
Vehicles	17,182	22,693	(5,511)	(32%)	22,693	16,336	(6,357)	(39%)	98,000	75,307		
Facilities & Equipment	628,967	641,611	(12,643)	(2%)	641,611	639,257	(2,354)	(0%)	3,541,533	2,899,922		
Wages	689,456	709,993	(20,537)	(3%)	709,993	667,897	(42,096)	(6%)	4,047,812	3,337,819		
Payroll Taxes	60,927	66,513	(5,586)	(9%)	66,513	55,991	(10,522)	(19%)	323,634	257,120		
Benefits	156,054	152,202	3,852	2%	152,202	166,602	14,400	9%	964,545	812,342		
Personnel	906,437	928,708	(22,272)	(2%)	928,708	890,490	(38,218)	(4%)	5,335,990	4,407,282		
Food & Catering	3,339	9,926	(6,587)	(197%)	9,926	4,247	(5,678)	(134%)	21,386	11,460		
Recreation Contracts	96,450	151,336	(54,886)	(57%)	151,336	88,579	(62,757)	(71%)	348,685	197,349		
Bank & Credit Card Fees	50,079	56,624	(6,545)	(13%)	56,624	54,249	(2,375)	(4%)	77,000	20,376		
Program	149,867	217,885	(68,018)	(45%)	217,885	147,075	(70,810)	(48%)	447,071	229,186		
Communications	18,836	22,407	(3,571)	(19%)	22,407	18,349	(4,058)	(22%)	96,023	73,616		
Printing	6,090	24,748	(18,658)	(306%)	24,748	19,221	(5,527)	(29%)	103,183	78,435		
Advertising	8,886	377	8,509	96%	377	3,670	3,293	90%	17,920	17,543		
Communications	33,811	47,532	(13,720)	(41%)	47,532	41,240	(6,292)	(15%)	217,126	169,594		
Supplies	74,865	96,716	(21,851)	(29%)	96,716	94,617	(2,099)	(2%)	558,587	461,871		
Postage	-	1,710	(1,710)	0%	1,710	461	(1,249)	(271%)	17,922	16,212		
Dues & Subscriptions	55	570	(515)	(940%)	570	1,823	1,253	69%	17,091	16,521		
Travel & Entertainment	22	-	22	100%	-	400	400	100%	1,600	1,600		
Other Operating Expense	1,961	10,617	(8,656)	(442%)	10,617	8,341	(2,276)	(27%)	113,884	103,267		
Operations	76,902	109,613	(32,710)	(43%)	109,613	105,642	(3,971)	(4%)	709,084	599,471		
Information Technology	14,687	11,018	3,670	25%	11,018	24,517	13,499	55%	136,781	125,763		
Professional Fees	58,722	28,435	30,287	52%	28,435	43,471	15,036	35%	213,816	185,381		
Commercial Insurance	56,071	59,325	(3,254)	(6%)	59,325	59,135	(190)	(0%)	354,812	295,486		
Taxes	(276)	-	(276)	100%	-	2,167	2,167	100%	33,000	33,000		
Conferences & Training	7,945	578	7,367	93%	578	8,240	7,663	93%	34,127	33,549		
Employee Recognition	754	2,499	(1,745)	(231%)	2,499	3,584	1,085	30%	21,500	19,001		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
Corporate Expenses	137,904	101,855	36,049	26%	101,855	141,114	39,260	28%	794,036	692,181		
Expenses	1,933,889	2,047,203	(113,314)	(6%)	2,047,203	1,964,818	(82,385)	(4.2%)	11,044,839	8,997,636		
Gross Surplus(Rev-Exp)	(2,778)	68,904	71,682	(2,581%)	68,904	92,918	(24,013)	(26%)	927,354	858,450		
Net Gain/Loss on Invest.	60,929	147,171	86,242		147,171	-	147,171		-	(147,171)		
Net from Operations	58,151	216,075	157,924	272%	216,075	92,918	123,157		927,354	711,279		



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
 As of Date: February 29, 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	216,075 (16)	216,075	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,519,695)	-	-	1,220,295	-	299,400
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	199,747	(199,747)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	(21,168)	556,222	-	(252,504)	(282,550)	-
Purchases Withdrawals Outstanding	-	26,018	-	-	62,145	(88,163)	-
Allocations of Net Change components:							
Investment income	-	(28,719)	-	999	21,508	2,880	3,332
Investment Expenses	-	18,354	-	(942)	(12,786)	(3,203)	(1,423)
Net Gains (Losses) in Investments	-	(113,578)	-	22,116	79,207	4,464	7,791
Net Change to February 29, 2024	216,075 (16)	(1,222,965)	356,475	22,173	1,117,865	(366,573)	309,100
Net Assets at, Dec 31, 2023	32,690,632 (27)	824,422	21,565,593 (26)	560,194 (28)	7,175,602 (29)	1,750,056 (30)	814,765 (31)
Net Assets as at, February 29, 2024	32,906,707 (10)	(398,543)	21,922,068 (9)	582,367 (11)	8,293,467 (12)	1,383,483 (13)	1,123,865 (14)
		21,523,525 (17)		11,383,182 (15)			

Footnotes refer to Statement of Financial Position and Statement of Activities



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

	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	3,519,695	2,000,000	-	1,220,295	-	299,400
Investment income	49,468	20,749	999	21,508	2,880	3,332
Withdrawals	(561,072)	-	-	(190,358)	(370,713)	-
Investment Expenses	(18,354)	-	(942)	(12,786)	(3,203)	(1,423)
Net Change for 2 Months	2,989,737	2,020,749	57	1,038,658	(371,037)	301,309
Balance before Market Change at February 29, 2024	16,757,632	5,488,027	560,251	8,214,260	1,379,020	1,116,074
2 Months Net Change in Investments Gain/(Loss)	147,171	33,593	22,116	79,207	4,464	7,791
Balance at February 29, 2024 (at Market)	<u>\$ 16,904,802</u> (8)	<u>5,521,620</u> (7)	<u>582,366.83</u> (1)	<u>8,293,467</u> (2)	<u>1,383,483</u> (3)	<u>1,123,865</u> (4)

11,383,182 (15)

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

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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

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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.

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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: January 31, 2024 and Dec 31, 2023

	January 31, 2024	Dec 31, 2023
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	687,520	2,599,548
Accounts Receivable	800,828	220,589
Prepaid Expenses	184,509	218,015
Maintenance Inventory	22,003	22,003
Designated Investments (Charles S./SBH)		
Emergency - Fund	563,406 ⁽¹⁾	560,194 ⁽¹⁸⁾
MRR - Fund	8,347,416 ⁽²⁾	7,175,602 ⁽¹⁹⁾
Initiatives - Fund	1,643,301 ⁽³⁾	1,750,056 ⁽²⁰⁾
Pools & Spas - Fund	1,113,273 ⁽⁴⁾	814,765 ⁽²¹⁾
Total Designated Investments (CS/SBH)	11,667,396 ⁽⁵⁾	10,300,617 ⁽²²⁾
Undesignated Invest. (JP Morgan Long Term)	1,707,776 ⁽⁶⁾	1,699,386 ⁽²³⁾
Undesignated Invest. (JP Morgan)	3,771,350 ⁽⁷⁾	1,767,892 ⁽²⁴⁾
Investments	17,146,522 ⁽⁸⁾	13,767,895 ⁽²⁵⁾
Total Current Assets	18,841,381	16,828,050
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	31,265,336	31,004,036
Sub-Total	49,282,421	49,021,121
Less - Accumulated Depreciation	(27,564,476)	(27,464,438)
Net Fixed Assets	21,717,945 ⁽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	40,631,809	38,457,215
LIABILITIES		
Current Liabilities		
Accounts Payable	704,963	727,655
Deferred Dues Fees & Programs	6,774,617	4,533,756
Accrued Payroll	51,792	156,036
Compensation Liability	-	-
MCF Refund Liability	211,750	211,700
In-Kind Lease Liability - Current	7,666	4,000
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	40,307	40,307
Total Current Liabilities	7,791,096	5,673,454
In-Kind Lease Liability - LT	46,667	46,667
Notes Payable	11,000	11,000
Financing ROU Liability - LT	43,954	43,954
Total Long Term Liabilities	101,621	101,621
TOTAL NET ASSETS	32,739,093 ⁽¹⁰⁾	32,682,140 ⁽²⁷⁾
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	563,406 ⁽¹¹⁾	560,194 ⁽²⁸⁾
Maint - Repair - Replacement	8,347,416 ⁽¹²⁾	7,175,602 ⁽²⁹⁾
Initiatives	1,643,301 ⁽¹³⁾	1,750,056 ⁽³⁰⁾
Pools & Spas	1,113,273 ⁽¹⁴⁾	814,765 ⁽³¹⁾
Sub-Total	11,667,396 ⁽¹⁵⁾	10,300,617
Unrestricted Net Assets	21,014,744	22,381,524
Net change Year-to-Date	56,952 ⁽¹⁶⁾	-
Unrestricted Net Assets	21,071,696 ⁽¹⁷⁾	22,381,524
TOTAL NET ASSETS	32,739,093	32,682,140



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 1 month period ending January 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	588,607	595,471	6,865	1%	595,471	594,396	1,076	0.2%	7,132,750	6,537,279		
LC, Trans., Crd Fees.	106,487	107,671	1,185	1%	107,671	102,464	5,208	5%	705,637	597,966		
Capital Revenue	175,960	207,438	31,478	18%	207,438	200,625	6,813	3%	3,039,780	2,832,342		
Programs	14,636	27,192	12,557	86%	27,192	25,217	1,975	8%	92,403	65,211		
Instructional	55,516	82,876	27,360	49%	82,876	66,942	15,934	24%	393,000	310,124		
Recreational Revenue	70,151	110,068	39,917	57%	110,068	92,159	17,909	19%	485,403	375,335		
Investment Income	38,998	(40,680)	(79,679)	(204%)	(40,680)	35,455	(76,135)	(215%)	425,458	466,139		
Advertising Income	-	-	-	0%	-	-	-	0%	-	-		
Cell Tower Lease Inc.	3,873	3,996	123	3%	3,996	3,924	72	2%	47,093	43,096		
Comm. Revenue	3,873	3,996	123	3%	3,996	3,924	72	2%	47,093	43,096		
Other Income	7,795	9,022	1,227	16%	9,022	11,532	(2,511)	(22%)	87,072	78,051		
Facility Rent	920	1,135	215	23%	1,135	1,667	(532)	(32%)	20,000	18,865		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	333	333	-	0%	333	333	-	0%	4,000	3,667		
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	25,000	25,000		
Other Revenue	9,048	10,490	1,442	16%	10,490	13,532	(3,042)	(22%)	136,072	125,582		
Total Revenue	993,124	994,455	1,331	0%	994,455	1,042,555	(48,100)	(4.6%)	11,972,193	10,977,738		
Expenses												
Major Proj.-Rep. & Maint.	31,886	50,917	(19,032)	(60%)	50,917	43,534	(7,383)	(17%)	489,203	438,285		
Facility Maintenance	9,838	5,334	4,504	46%	5,334	35,289	29,955	85%	405,251	399,918		
Fees & Assessments	4,424	30	4,394	99%	30	535	505	94%	5,000	4,970		
Utilities	113,821	123,851	(10,029)	(9%)	123,851	101,181	(22,670)	(22%)	1,000,134	876,283		
Depreciation	116,663	100,038	16,625	14%	100,038	111,313	11,276	10%	1,275,000	1,174,962		
Furniture & Equipment	17,969	15,472	2,497	14%	15,472	33,298	17,826	54%	268,945	253,473		
Vehicles	7,091	9,847	(2,756)	(39%)	9,847	8,168	(1,679)	(21%)	98,000	88,153		
Facilities & Equipment	301,691	305,488	(3,797)	(1%)	305,488	333,317	27,829	8%	3,541,533	3,236,045		
Wages	333,156	356,375	(23,219)	(7%)	356,375	345,408	(10,967)	(3%)	4,047,812	3,691,437		
Payroll Taxes	30,008	36,663	(6,655)	(22%)	36,663	25,756	(10,907)	(42%)	323,634	286,971		
Benefits	89,752	88,230	1,522	2%	88,230	93,450	5,220	6%	964,545	876,315		
Personnel	452,916	481,268	(28,352)	(6%)	481,268	464,615	(16,654)	(4%)	5,335,990	4,854,722		
Food & Catering	467	600	(133)	(29%)	600	1,801	1,201	67%	21,386	20,786		
Recreation Contracts	42,711	33,467	9,244	22%	33,467	36,321	2,854	8%	348,685	315,218		
Bank & Credit Card Fees	35,602	38,538	(2,936)	(8%)	38,538	41,062	2,525	6%	77,000	38,462		
Program	78,780	72,605	6,175	8%	72,605	79,185	6,580	8%	447,071	374,466		
Communications	10,438	13,860	(3,422)	(33%)	13,860	10,519	(3,341)	(32%)	96,023	82,163		
Printing	5,248	507	4,741	90%	507	12,246	11,739	96%	103,183	102,676		
Advertising	3,298	290	3,008	91%	290	2,460	2,170	88%	17,920	17,630		
Communications	18,984	14,657	4,327	23%	14,657	25,225	10,568	42%	217,126	202,469		
Supplies	30,179	26,045	4,134	14%	26,045	46,908	20,863	44%	558,587	532,542		
Postage	-	816	(816)	0%	816	202	(614)	(304%)	17,922	17,106		
Dues & Subscriptions	(543)	100	(643)	118%	100	636	536	84%	17,091	16,991		
Travel & Entertainment	(268)	-	(268)	100%	-	400	400	100%	1,600	1,600		
Other Operating Expense	(3)	5,728	(5,731)	164,214%	5,728	6,596	868	13%	113,884	108,157		
Operations	29,364	32,688	(3,324)	(11%)	32,688	54,742	22,053	40%	709,084	676,396		
Information Technology	4,903	4,741	161	3%	4,741	14,010	9,269	66%	136,781	132,040		
Professional Fees	32,503	16,074	16,429	51%	16,074	26,388	10,314	39%	213,816	197,742		
Commercial Insurance	28,197	30,157	(1,960)	(7%)	30,157	29,568	(589)	(2%)	354,812	324,655		
Taxes	(276)	-	(276)	100%	-	1,083	1,083	100%	33,000	33,000		
Conferences & Training	434	-	434	100%	-	7,949	7,949	100%	34,127	34,127		
Employee Recognition	668	-	668	100%	-	1,792	1,792	100%	21,500	21,500		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
Corporate Expenses	66,429	50,972	15,457	23%	50,972	80,789	29,817	37%	794,036	743,063		
Expenses	948,164	957,678	(9,515)	(1%)	957,678	1,037,873	80,194	7.7%	11,044,839	10,087,160		
Gross Surplus(Rev-Exp)	44,961	36,777	(8,184)	(18%)	36,777	4,682	32,094	685%	927,354	890,578		
Net. Gain/Loss on Invest.	308,945	20,176	(288,770)		20,176	-	20,176		-	(20,176)		
Net from Operations	353,906	56,952	(296,954)	(84%)	56,952	4,682	52,270		927,354	870,402		



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

As of Date: January 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	56,952 (16)	56,952	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,519,695)	-	-	1,220,295	-	299,400
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	100,038	(100,038)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	-	261,300	-	(111,910)	(149,390)	-
Purchases Withdrawals Outstanding	-	(99,470)	-	-	56,210	43,260	-
Allocations of Net Change components:							
Investment income	-	(14,158)	-	876	9,508	1,146	2,627
Investment Expenses	-	18,354	-	(942)	(12,786)	(3,203)	(1,423)
Net Gains (Losses) in Investments	-	(13,111)	-	3,278	10,498	1,431	(2,095)
Net Change to January 31, 2024	56,952 (16)	(1,471,090)	161,263	3,212	1,171,814	(106,755)	298,509
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, January 31, 2024	32,739,093 (10)	(646,249)	21,717,945 (9)	563,406 (11)	8,347,416 (12)	1,643,301 (13)	1,113,273 (14)
		21,071,696 (17)			11,667,396 (15)		

Footnotes refer to Statement of Financial Position and Statement of Activities



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 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	3,519,695	2,000,000	-	1,220,295	-	299,400
Investment income	18,940	4,783	876	9,508	1,146	2,627
Withdrawals	(161,830)	-	-	(55,701)	(106,130)	-
Investment Expenses	(18,354)	-	(942)	(12,786)	(3,203)	(1,423)
Net Change for 1 Months	3,358,451	2,004,783	(66)	1,161,316	(108,186)	300,604
Balance before Market Change at January 31, 2024	17,126,346	5,472,061	560,128	8,336,918	1,641,870	1,115,368
1 Months Net Change in Investments Gain/(Loss)	20,176	7,064	3,278	10,498	1,431	(2,095)
Balance at January 31, 2024 (at Market)	\$ <u>17,146,521</u> ⁽⁸⁾	<u>5,479,125</u> ⁽⁶⁾ ⁽⁷⁾	563,405.91 ⁽¹⁾	8,347,416 ⁽²⁾	1,643,301 ⁽³⁾	1,113,273 ⁽⁴⁾

11,667,396 ⁽¹⁵⁾

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

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

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

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

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



Green Valley Recreation, Inc.
Statement of Financial Position

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

	December 31, 2023		Dec 31, 2022	
	Total		Total	
ASSETS				
Current Assets				
Cash/Cash Equivalents		2,599,548		1,732,899
Accounts Receivable		220,589		197,896
Prepaid Expenses		218,015		207,263
Maintenance Inventory		22,003		23,044
Designated Investments (Charles S./SBH)				
Emergency - Fund	560,194	(1)	490,701	(18)
MRR - Fund	7,175,602	(2)	7,043,208	(19)
Initiatives - Fund	1,750,056	(3)	2,531,557	(20)
Pools & Spas - Fund	814,765	(4)	576,963	(21)
Total Designated Investments (CS/SBH)	10,300,617	(5)	10,642,430	(22)
Undesignated Invest. (JP Morgan Long Term)	1,699,386	(6)	1,565,673	(23)
Undesignated Invest. (JP Morgan)	1,767,892	(7)	3,361,830	(24)
Investments		13,767,895		15,569,933
Total Current Assets		16,828,050		17,731,035
Fixed Assets				
Contributed Fixed Assets		18,017,085		18,017,085
Purchased fixed Assets		31,004,036		27,908,195
Sub-Total		49,021,121		45,925,280
Less - Accumulated Depreciation		(27,464,438)		(26,748,166)
Net Fixed Assets		21,556,682		19,177,114
Operating Lease ROU, Net of Accum. Amortization		-		467
Finance Lease ROU, Net of Accum. Amortization		72,483		111,355
Total Assets		38,457,215		37,019,971
LIABILITIES				
Current Liabilities				
Accounts Payable		727,655		514,060
Deferred Dues Fees & Programs		4,533,756		4,684,821
Accrued Payroll		156,036		153,683
Compensation Liability		-		-
MCF Refund Liability		211,700		197,120
In-Kind Lease Liability -Current		4,000		4,000
Operating ROU Liability - Current		-		439
Financing ROU Liability - Curent		40,307		39,319
Total Current Liabilities		5,673,454		5,593,441
In-Kind Lease Liability - LT		46,667		50,667
Notes Payable		11,000		11,000
Financing ROU Liability - LT		43,954		84,261
Total Long Term Liabilities		101,621		145,928
TOTAL NET ASSETS		32,682,140		31,280,602
NET ASSETS				
Temporarily Designated:				
Board Designated:				
Emergency	560,194	(11)	490,701	(28)
Maint - Repair - Replacement	7,113,941	(12)	7,043,208	(29)
Initiatives	1,750,056	(13)	2,531,557	(30)
Pools & Spas	814,765	(14)	576,963	(31)
Sub-Total	10,238,956	(15)	10,642,430	
Unrestricted Net Assets		21,041,646		20,638,172
Net change Year-to-Date		1,401,539		-
Unrestricted Net Assets		22,443,185		20,638,172
TOTAL NET ASSETS		32,682,140		31,280,602



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 12 month period ending December 31, 2023

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

	PRIOR YEAR COMPARISON					BUDGET COMPARISON					Fiscal Year Budget	Remaining FY Budget
	2022 YTD Actual	2023 YTD Actual	Year to Year Variance	%		YTD Actual	YTD Budget	YTD Variance	%			
Revenue												
Member Dues	6,947,340	7,051,930	104,590	2%	7,051,930	7,055,850	(3,920)	(0.1%)	7,055,850	3,920		
L.C.,Trans., Crd Fees.	785,602	740,844	(44,758)	(6%)	740,844	757,041	(16,197)	(2%)	757,137	16,293		
Capital Revenue	3,099,400	2,753,060	(346,340)	(11%)	2,753,060	3,328,040	(574,980)	(17%)	3,328,040	574,980		
Programs	90,824	108,503	17,679	19%	108,503	225,310	(116,807)	(52%)	225,310	116,807		
Instructional	310,729	405,592	94,863	31%	405,592	333,997	71,595	21%	333,997	(71,595)		
Recreational Revenue	401,553	514,095	112,542	28%	514,095	559,307	(45,212)	(8%)	559,307	45,212		
Investment Income	372,078	456,354	84,276	23%	456,354	286,884	169,470	59%	286,884	(169,470)		
Advertising Income	-	-	-	0%	-	-	-	0%	-	-		
Cell Tower Lease Inc.	43,105	47,478	4,374	10%	47,478	34,195	13,283	39%	34,195	(13,283)		
Comm. Revenue	43,105	47,478	4,374	10%	47,478	34,195	13,283	39%	34,195	(13,283)		
Other Income	87,111	86,482	(628)	(1%)	86,482	80,281	6,201	8%	80,281	(6,201)		
Facility Rent	21,163	16,822	(4,341)	(21%)	16,822	6,000	10,822	180%	6,000	(10,822)		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	4,000	4,000	-	0%	4,000	-	4,000	0%	-	(4,000)		
Contributed Income	-	-	-	0%	-	3,698	(3,698)	(100%)	3,698	3,698		
Other Revenue	112,273	107,304	(4,969)	(4%)	107,304	89,979	17,325	19%	89,979	(17,325)		
Total Revenue	11,761,351	11,671,065	(90,286)	(1%)	11,671,065	12,111,296	(440,232)	(3.6%)	12,111,392	440,328		
Expenses												
Major Proj.-Rep. & Maint.	252,621	426,871	(174,251)	(69%)	426,871	478,281	51,409	11%	478,281	51,409		
Facility Maintenance	235,823	408,591	(172,768)	(73%)	408,591	228,478	(180,113)	(79%)	228,478	(180,113)		
Fees & Assessments	15,423	14,905	518	3%	14,905	30,725	15,820	51%	30,725	15,820		
Utilities	951,134	1,081,395	(130,261)	(14%)	1,081,395	927,331	(154,064)	(17%)	938,066	(143,329)		
Depreciation	1,595,311	1,362,706	232,605	15%	1,362,706	1,409,492	46,786	3%	1,409,492	46,786		
Furniture & Equipment	204,662	298,233	(93,570)	(46%)	298,233	268,444	(29,789)	(11%)	268,444	(29,789)		
Vehicles	88,254	96,330	(8,077)	(9%)	96,330	101,012	4,681	5%	101,012	4,681		
Facilities & Equipment	3,343,228	3,689,031	(345,803)	(10%)	3,689,031	3,443,763	(245,269)	(7%)	3,454,498	(234,534)		
Wages	3,924,322	3,837,632	86,689	2%	3,837,632	4,336,945	499,313	12%	4,336,945	499,313		
Payroll Taxes	296,565	288,685	7,880	3%	288,685	347,276	58,592	17%	347,276	58,592		
Benefits	922,239	888,922	33,317	4%	888,922	1,039,668	150,746	14%	1,039,758	150,836		
Personnel	5,143,126	5,015,239	127,887	2%	5,015,239	5,723,890	708,651	12%	5,723,980	708,741		
Food & Catering	26,193	30,936	(4,743)	(18%)	30,936	32,211	1,275	4%	32,211	1,275		
Recreation Contracts	375,954	368,360	7,594	2%	368,360	413,188	44,828	11%	413,188	44,828		
Bank & Credit Card Fees	61,743	73,550	(11,807)	(19%)	73,550	71,896	(1,654)	(2%)	71,896	(1,654)		
Program	463,890	472,846	(8,956)	(2%)	472,846	517,295	44,449	9%	517,295	44,449		
Communications	107,705	104,443	3,262	3%	104,443	107,974	3,531	3%	107,974	3,531		
Printing	82,151	81,655	497	1%	81,655	104,407	22,752	22%	104,407	22,752		
Advertising	19,285	28,380	(9,095)	(47%)	28,380	22,524	(5,856)	(26%)	22,524	(5,856)		
Communications	209,141	214,478	(5,336)	(3%)	214,478	234,905	20,427	9%	234,905	20,427		
Supplies	418,998	547,041	(128,043)	(31%)	547,041	424,090	(122,951)	(29%)	424,090	(122,951)		
Postage	18,212	17,587	625	3%	17,587	20,909	3,322	16%	20,909	3,322		
Dues & Subscriptions	15,623	13,564	2,059	13%	13,564	16,710	3,146	19%	16,710	3,146		
Travel & Entertainment	1,560	2,340	(780)	(50%)	2,340	10,700	8,360	78%	10,700	8,360		
Other Operating Expense	138,129	124,799	13,330	10%	124,799	128,622	3,823	3%	128,622	3,823		
Operations	592,522	705,330	(112,808)	(19%)	705,330	601,031	(104,299)	(17%)	601,031	(104,299)		
Information Technology	88,338	161,641	(73,303)	(83%)	161,641	115,638	(46,003)	(40%)	115,638	(46,003)		
Professional Fees	239,207	304,543	(65,336)	(27%)	304,543	148,393	(156,151)	(105%)	148,393	(156,151)		
Commercial Insurance	338,380	340,565	(2,185)	(1%)	340,565	321,601	(18,963)	(6%)	321,601	(18,963)		
Taxes	53,308	77,862	(24,554)	(46%)	77,862	30,026	(47,836)	(159%)	30,026	(47,836)		
Conferences & Training	26,507	14,894	11,613	44%	14,894	39,515	24,621	62%	39,515	24,621		
Employee Recognition	14,111	13,872	240	2%	13,872	20,731	6,859	33%	20,731	6,859		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
Corporate Expenses	759,851	913,376	(153,525)	(20%)	913,376	675,904	(237,472)	(35%)	675,904	(237,472)		
Expenses	10,511,758	11,010,300	(498,542)	(5%)	11,010,300	11,196,787	186,487	1.7%	11,207,612	197,312		
Gross Surplus(Rev-Exp)	1,249,593	660,765	(588,828)	(47%)	660,765	914,510	(253,745)	(28%)	903,781	243,016		
Net. Gain/Loss on Invest.	(1,812,339)	740,774	2,553,113		740,774	-	740,774		-	(740,774)		
Net from Operations	(562,746)	1,401,539	1,964,285	(349%)	1,401,539	914,510	487,029		903,781	(497,758)		



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: December 31, 2023 and Dec 31, 2022

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	1,401,539 (16)	1,401,539	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(2,010,094)	-	-	1,179,941	540,748	289,405
Transfers Prev. Yr. Surplus	-	(428,596)	-	-	-	428,596	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	716,272	(716,272)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	701,952	3,095,840	-	(1,378,729)	(2,317,287)	(101,777)
Purchases Withdrawals Outstanding	(0)	(135,634)	-	-	(286,704)	428,349	(6,010)
Allocations of Net Change components:							
Investment income	-	(303,421)	-	9,140	210,673	64,427	19,180
Investment Expenses	-	141,163	-	(3,410)	(115,974)	(16,555)	(5,224)
Net Gains (Losses) in Investments	-	(657,736)	-	63,762	461,527	90,221	42,227
Net Change to December 31, 2023	1,401,539 (16)	(574,556)	2,379,568	69,493	70,733	(781,501)	237,801
Net Assets at, Dec 31, 2022	31,280,602 (27)	1,461,058	19,177,114 (26)	490,701 (28)	7,043,208 (29)	2,531,557 (30)	576,963 (31)
Net Assets as at, December 31, 2023	32,682,140 (10)	886,503	21,556,682 (9)	560,194 (11)	7,113,941 (12)	1,750,056 (13)	814,765 (14)
		22,443,185 (17)		10,238,956 (15)			

Footnotes refer to Statement of Financial Position and Statement of Activities



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2022 (at Market)	15,569,933 ⁽²⁵⁾	4,927,503 ⁽²⁴⁾	490,701 ⁽¹⁸⁾	7,043,208 ⁽¹⁹⁾	2,531,557 ⁽²⁰⁾	576,963 ⁽²¹⁾
Changes since Jan 1, 2022:						
Principal Transfers	4,938,690	2,500,000	-	1,179,941	969,344	289,405
Investment income	460,556	157,134	9,140	210,673	64,427	19,180
Withdrawals	(7,862,158)	(4,200,000)	-	(1,665,434)	(1,888,938)	(107,787)
Investment Expenses	(141,163)	-	(3,410)	(115,974)	(16,555)	(5,224)
Net Change for 12 Months	(2,604,076)	(1,542,866)	5,731	(390,794)	(871,722)	195,575
Balance before Market Change at December 31, 2023	12,965,857	3,384,638	496,432	6,652,414	1,659,835	772,538
12 Months Net Change in Investments Gain/(Loss)	740,376	82,641	63,762	461,527	90,221	42,227
Balance at December 31, 2023 (at Market)	\$ 13,706,234 ⁽⁸⁾	3,467,278 ⁽⁶⁾ ⁽⁷⁾	560,194.16 ⁽¹⁾	7,113,941 ⁽²⁾	1,750,056 ⁽³⁾	814,765 ⁽⁴⁾

10,238,956 ⁽¹⁵⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

R&A CPAs

A PROFESSIONAL CORPORATION

GREEN VALLEY
RECREATION, INC.

(A NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2023
AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Green Valley Recreation, Inc.
Tucson, Arizona

Opinion

We have audited the financial statements of Green Valley Recreation, Inc. ("GVR") (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GVR as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GVR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GVR's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GVR's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GVR's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter – Adoption of New Accounting Pronouncements

As discussed in Note A to the financial statements, GVR adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

A Professional Corporation

Tucson, Arizona
March XX, 2024

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS:		
<i>Cash and cash equivalents:</i>		
Held in deposit accounts	\$ 2,532,556	\$ 1,866,102
Held in investment brokerage accounts	311,366	1,085,294
Total cash and cash equivalents	2,843,922	2,951,396
Investment in marketable securities	13,456,529	14,484,638
Accounts receivable, net	301,605	49,711
Interest receivable	59,621	63,434
Supply and maintenance inventory	22,003	23,044
Prepaid expenses	279,134	275,961
Total current assets	16,962,814	17,848,184
LONG-TERM ASSETS:		
Property and equipment, net	21,443,511	19,177,114
Operating lease right-of-use assets, net of accumulated amortization of \$0 and \$1,303, respectively	-	467
Finance lease right-of-use assets, net of accumulated amortization of \$113,193 and \$104,829, respectively	72,483	111,355
Total long-term assets	21,515,994	19,288,936
TOTAL ASSETS	\$ 38,478,808	\$ 37,137,120
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 486,137	\$ 316,061
Accrued payroll and related liabilities	247,953	281,817
Refundable capital fee liability	212,826	202,757
Other liabilities	104,067	104,376
Deferred membership dues	4,357,257	4,554,800
Deferred program and rental revenue	176,499	130,021
Deferred lease revenue - current portion	4,000	4,000
Note payable - current portion	11,000	11,000
Operating lease liabilities, current portion	-	439
Finance lease liabilities, current portion	40,307	39,319
Total current liabilities	5,640,046	5,644,590
Long-term liabilities:		
Deferred lease revenue, net of current portion	46,667	50,667
Note payable, net of current portion	66,000	77,000
Finance lease liabilities, net of current portion	43,954	84,261
Total long-term liabilities	156,621	211,928
TOTAL LIABILITIES	5,796,667	5,856,518
NET ASSETS:		
<i>Net assets without donor restrictions:</i>		
Undesignated available for operations	22,325,170	20,580,765
Board designated reserves for emergency operations	561,557	491,242
Board designated reserves for initiatives	1,760,779	2,546,589
Board designated reserves for repairs and replacements	8,034,635	7,662,006
Total net assets without donor restrictions	32,682,141	31,280,602
TOTAL NET ASSETS	32,682,141	31,280,602
TOTAL LIABILITIES AND NET ASSETS	\$ 38,478,808	\$ 37,137,120

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Without donor restrictions	With donor restrictions	Total
STATEMENT OF ACTIVITIES, 2023			
PUBLIC SUPPORT AND REVENUES:			
Membership dues	\$ 7,051,930	\$ -	\$ 7,051,930
New member capital and initial fees	3,234,560	-	3,234,560
Member, tenant, and guest fees	259,344	-	259,344
Program revenue	514,095	-	514,095
Lease income	51,478	-	51,478
Late fees	70,281	-	70,281
Facility rent revenue	16,822	-	16,822
Total public support and revenues	11,198,510	-	11,198,510
EXPENSES:			
Program services	8,547,789	-	8,547,789
General and administrative	2,380,249	-	2,380,249
Total expenses	10,928,038	-	10,928,038
OTHER INCOME (EXPENSE):			
Investment income (loss)	1,117,943	-	1,117,943
Other income	14,545	-	14,545
Loss on disposal of property and equipment	(1,421)	-	(1,421)
Total other income (expense)	1,131,067	-	1,131,067
CHANGE IN NET ASSETS	1,401,539	-	1,401,539
Net assets, beginning of year	31,280,602	-	31,280,602
NET ASSETS, END OF YEAR	\$ 32,682,141	\$ -	\$ 32,682,141

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

	Without donor restrictions	With donor restrictions	Total
STATEMENT OF ACTIVITIES, 2022			
PUBLIC SUPPORT AND REVENUES:			
Membership dues	\$ 6,947,340	\$ -	\$ 6,947,340
New member capital and initial fees	3,637,550	-	3,637,550
Member, tenant, and guest fees	247,452	-	247,452
Program revenue	401,554	-	401,554
Lease income	47,105	-	47,105
Late fees	87,044	-	87,044
Facility rent revenue	21,163	-	21,163
Net assets released from restrictions	30,000	(30,000)	-
Total public support and revenues	11,419,208	(30,000)	11,389,208
EXPENSES:			
Program services	8,045,303	-	8,045,303
General and administrative	2,380,019	-	2,380,019
Total expenses	10,425,322	-	10,425,322
OTHER INCOME (EXPENSE):			
Investment income (loss)	(1,526,699)	-	(1,526,699)
Other revenue	67	-	67
Total other income (expense)	(1,526,632)	-	(1,526,632)
CHANGE IN NET ASSETS	(532,746)	(30,000)	(562,746)
Net assets, beginning of year	31,813,348	30,000	31,843,348
NET ASSETS, END OF YEAR	\$ 31,280,602	\$ -	\$ 31,280,602

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	Program services	General and administrative	Totals
FUNCTIONAL EXPENSES, 2023			
Salaries and wages	\$ 2,968,202	\$ 869,430	\$ 3,837,632
Employee related expenses	889,340	302,138	1,191,478
<i>Total employee-related expenses</i>	3,857,542	1,171,568	5,029,110
Depreciation	1,198,075	125,759	1,323,834
Utilities	1,081,395	-	1,081,395
Supplies	506,024	41,017	547,041
Repairs and maintenance	426,871	-	426,871
Recreation contracts	368,360	-	368,360
Uncapitalized equipment	235,354	62,879	298,233
Facility maintenance	407,315	1,275	408,590
Insurance	-	340,565	340,565
Professional services	91,648	212,895	304,543
Computer expense	1,320	160,321	161,641
Communication	24,048	80,395	104,443
Postage and printing	86,209	13,032	99,241
Vehicles	96,330	-	96,330
Fees and taxes	11,517	81,250	92,767
Investment fees	-	79,185	79,185
Bank and credit card fees	-	73,551	73,551
Amortization	38,872	-	38,872
Catering	30,579	357	30,936
Advertising	28,380	-	28,380
Rental expense	13,051	1,139	14,190
Interest	17,179	-	17,179
Employee training	12,432	2,461	14,893
Dues and subscriptions	7,558	6,006	13,564
Travel	3,694	5,616	9,310
Signage	4,036	-	4,036
Miscellaneous	-	163	163
<i>Total expenses</i>	8,547,789	2,459,434	11,007,223
Less investment fees netted against revenues	-	(79,185)	(79,185)
TOTAL EXPENSES, NET	\$ 8,547,789	\$ 2,380,249	\$ 10,928,038

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	Program services	General and administrative	Totals
FUNCTIONAL EXPENSES, 2022			
Salaries and wages	\$ 2,957,458	\$ 960,326	\$ 3,917,784
Employee related expenses	922,662	318,677	1,241,339
<i>Total employee-related expenses</i>	3,880,120	1,279,003	5,159,123
Depreciation	1,406,388	145,551	1,551,939
Utilities	951,135	-	951,135
Supplies	363,079	55,919	418,998
Recreation contracts	375,954	-	375,954
Insurance	-	338,380	338,380
Facility maintenance	234,198	1,624	235,822
Repairs and maintenance	252,621	-	252,621
Professional services	119,719	117,602	237,321
Uncapitalized equipment	153,365	51,298	204,663
Communication	25,764	81,941	107,705
Postage and printing	91,677	8,690	100,367
Computer expense	-	88,337	88,337
Vehicles	88,253	-	88,253
Investment fees	-	86,438	86,438
Fees and taxes	14,224	54,507	68,731
Bank and credit card fees	-	61,743	61,743
Amortization	-	43,373	43,373
Employee training	10,831	15,676	26,507
Catering	24,945	1,248	26,193
Interest	-	24,073	24,073
Advertising	19,285	-	19,285
Dues and subscriptions	6,760	8,863	15,623
Signage	11,996	-	11,996
Travel	7,721	1,442	9,163
Rental expense	7,268	661	7,929
Miscellaneous	-	88	88
<i>Total expenses</i>	8,045,303	2,466,457	10,511,760
Less investment fees netted against revenues	-	(86,438)	(86,438)
TOTAL EXPENSES, NET	\$ 8,045,303	\$ 2,380,019	\$ 10,425,322

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
CHANGE IN NET ASSETS	\$ 1,401,539	\$ (562,746)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	1,323,834	1,551,939
Realized and unrealized (gains) losses on investments in marketable securities	(740,774)	1,812,339
Loss on disposal of property and equipment	(1,421)	-
Amortization of finance lease right-of-use assets	38,872	43,373
In-kind lease income	(4,000)	(4,000)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable, net	(251,894)	139,044
Interest receivable	3,813	(15,412)
Supply and maintenance inventory	1,041	(23,044)
Prepaid expenses	(3,173)	34,642
Operating lease right-of-use assets, net	467	1,658
Accounts payable	170,076	63,265
Accrued payroll and related liabilities	(33,864)	(16,790)
Refundable capital fee liability	10,069	(91,750)
Other liabilities	(309)	78,559
Deferred membership dues	(197,543)	15,963
Deferred program and rental revenue	46,478	(4,808)
Operating lease liabilities	(439)	(1,559)
Net cash flows provided by operating activities	<u>1,762,772</u>	<u>3,020,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of buildings, improvements, furniture and vehicles	(3,588,810)	(2,738,969)
Proceeds from sale of investment in marketable securities	9,159,375	7,565,748
Purchases of investment in marketable securities	(7,390,492)	(11,111,285)
Net cash flows used in investing activities	<u>(1,819,927)</u>	<u>(6,284,506)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payment on note payable	(11,000)	(11,000)
Payments on finance leases	(39,319)	(39,145)
Net cash flows used in financing activities	<u>(50,319)</u>	<u>(50,145)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(107,474)	(3,313,978)
Cash and cash equivalents, beginning of year	<u>2,951,396</u>	<u>6,265,374</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,843,922</u>	<u>\$ 2,951,396</u>

NOTES TO FINANCIAL STATEMENTS

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied by Green Valley Recreation, Inc. in the preparation of its financial statements is as follows.

NATURE OF OPERATIONS

Green Valley Recreation, Inc. ("GVR") was incorporated as a not-for-profit corporation in 1979 under the laws of Arizona. GVR was the successor corporation to the Green Valley Community Club incorporated in 1972. GVR's purpose is to address the recreational needs of members through the operation and maintenance of recreational and social facilities (currently there are 14 such facilities) and the sponsorship of cultural and civic activities for its members within the unincorporated community of Green Valley, Arizona. All property owners within certain geographic boundaries as defined by GVR's by-laws require regular membership in GVR. Members' properties are encumbered by deed restrictions that require perpetual membership and payment of annual dues and assessments, including a capital investment fee upon each property's transfer. There were 13,850 and 13,823 members as of December 31, 2023 and 2022, respectively.

GVR has assumed responsibility for operation, maintenance, and upkeep for recreational facilities donated by area developers at the completion of housing developments within GVR's boundaries.

BASIS OF PRESENTATION

The financial statements of GVR have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require GVR to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of GVR. These net assets may be used at the discretion of GVR's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GVR or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

CASH AND CASH EQUIVALENTS

GVR considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents. GVR classifies money market mutual funds with investments. GVR maintains its cash in bank deposit accounts which may exceed federally insured limits. Uninsured cash at December 31, 2023 and 2022 was \$2,340,997 and \$2,451,396, respectively. GVR mitigates this risk by banking with financial institutions that are rated as stable by the major rating agencies.

ACCOUNTS RECEIVABLE

Accounts receivable are uncollateralized and consist of unpaid membership dues and facility rentals established under contractual agreements. GVR records receivables with an offsetting allowance for credit losses for amounts estimated to be uncollectible over the life of the asset. The allowance for credit losses is estimated using a loss-rate method that considers historical collection experience, the age of the accounts receivable balances, the credit quality and risk of its members, any specific collection issues, current economic conditions, and other micro or macro-economic factors that may impact ability to pay. GVR also considers reasonable and supportable forecasts of future economic conditions and the expected impact on collections. At the time a receivable is determined to be uncollectible, the balance is written off against the allowance for credit losses.

GVR assesses late fees on past due balances.

MAINTENANCE AND SUPPLY INVENTORY

GVR maintains an inventory of supplies and items commonly used for maintenance activities. The inventory is recorded at cost and no income is generated from such items.

INVESTMENT IN MARKETABLE SECURITIES

Investments consist of marketable securities in debt and equity securities and mutual funds under management with various national brokerages, all of which are carried at quoted market values determined at the date of the statement of financial position. Income, gains, and losses are reported in the statements of activities as increases and decreases in net assets without donor restrictions.

INVESTMENT VALUATION AND INCOME

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Investment expenses are recorded as a reduction in investment earnings.

US GAAP establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under US GAAP are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that GVR has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair value measurements are determined based on the assumptions, referred to as inputs, that market participants would use in pricing the asset. The fair value hierarchy distinguishes between market participant assumptions and GVR's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are GVR's own assumptions about what market participants would assume based on the best information available in the circumstances.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

GVR's investments are summarized in the *Investment in Marketable Securities* note. The Organization's policies with respect to valuing the various categories of investments are as follows:

Mutual funds - Valued at the net asset value as reported by the fund manager at the close of business which is a readily determinable fair value in accordance with GAAP.

Common stock and exchange traded funds - valued at the closing prices at the close of business as reported on nationally recognized stock exchanges which represents fair value.

Corporate and government bonds - Reported at the closing trade price on nationally recognized exchanges.

FINANCIAL INSTRUMENTS

Financial instruments that subject GVR to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and investment in marketable securities. The total loss that would occur if the accounts became uncollectible is the stated balance of the financial instruments reported in the accompanying statements of financial position.

PROPERTY AND EQUIPMENT

GVR capitalizes all expenditures for property and equipment in excess of \$5,000 with a useful life greater than one year. Purchased property and equipment are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

At formation, GVR was the beneficiary of infrastructure contributed by developers building in the community of Green Valley. Additional contributed property, plant, and equipment has been donated by clubs associated with GVR. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

REFUNDABLE CAPITAL FEE LIABILITY

Each time a home is purchased within the boundaries of GVR, a Property Acquisition Capital Fee ("PACF") is charged to the buyer to fund future capital improvements and maintenance of GVR's recreational infrastructure. The Property Acquisition Capital Fee is due on each purchase at the close of escrow. This fee is refundable if the buyer has also sold a home within GVR within the past year and applies for a fee waiver. Management estimates the total refunds that are likely to result from waivers within the next year using the historical ratio of waivers to home sales.

LEASES

GVR recognizes and measures its lease obligations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases ("Topic 842")*. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term. ROU assets are recognized at the commencement date of the lease under Topic 842 based on the lower of the lease liability or the fair value of the underlying asset, adjusted for any prepaid rent and/or initial direct costs incurred in connection with execution of the lease and reduced by any lease incentives received. GVR's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date under Topic 842 to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the balance of the right-of-use asset reflects that GVR will exercise a purchase option. In that case the right-of-use asset will be amortized over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, GVR's incremental borrowing rate or the risk-free rate determined with reference to the lease term.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in GVR's estimate of the amount expected to be payable under a residual value guarantee, if GVR changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the results of operations if the carrying amount of the right-of-use asset has been reduced to zero.

Practical expedients

GVR has elected, for all underlying classes of asset, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at commencement, and do not include an option to purchase the underlying asset that GVR is reasonably certain to exercise. GVR recognizes lease costs associated with short-term leases on a straight-line basis over the lease term. GVR does not include non-lease components in its determination of its fixed lease payment obligations in the measurement of ROU assets and lease liabilities. GVR uses a risk-free rate to discount future lease payments, considering the currency of the lease agreement and terms of the lease.

CONTRIBUTIONS

Unconditional contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Conditional contributions consist of contributions that contain a barrier to entitlement of the funds by the recipient, such as requirement to expend the funds for a specific purpose or program, or other requirements, and also contain a provision for return of the funds to the resource provider if the barriers are not overcome. Payments received for conditional contributions are recorded as a liability, reported in the statements of financial position as conditional contributions refundable, or are unrecognized initially, in the case of conditional promises to give, until the barriers to entitlement are overcome. When conditions are satisfied, the transaction is recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions, based on the nature of the underlying transaction. At December 31, 2023 and 2022, GVR had received no conditional contributions.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the nature of the restrictions. When a restriction expires, that is, when funds are expended in accordance with donor restrictions, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

REVENUE

Revenue is recognized in accordance with Accounting Standards Codification Topic 606 – *Revenues from Contracts with Customers* (“ASC 606”) which requires an evaluation of contracts with customers based the following five-step model: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenues when (or as) each performance obligation is satisfied.

ASC 606 requires revenues to be recognized when performance obligations are satisfied by transferring goods or services promised in a contract, in an amount that reflects the consideration that the GVR expects to receive in exchange for those goods or services. Performance obligations in the GVR’s contracts represent distinct or separate service streams that it provides.

Management has assessed recognition of each type of revenue generated by GVR, in accordance with ASC 606, as described below.

Membership dues and access card fees – Revenue is recognized as the performance obligation is satisfied over the life of the contract. The contract terms are for a single calendar year and, as such, there are no outstanding performance obligations as of December 31, 2023 or 2022 for prior year membership dues. Outstanding performance obligations at December 31, 2023 and 2022 represent amounts collected in advance for future period membership dues.

Facility rent - Revenue generated by the use of GVR property and facilities is subject to performance obligations satisfied by the passage of a specified period not longer than one month.

Capital/initial fees - New member capital and initial fees are recognized at a point in time, when a property is purchased, and late fees are recognized when the related fees are determined to be overdue.

Programs and instructional - Revenue generated from instructional and entertainment activities create obligations that are satisfied by the performance of specific activities. Revenue from these activities are recognized through the performance of activities.

DONATED GOODS, FACILITIES AND SERVICES

Donated goods and facilities are valued at fair value at the time of donation. Donated services are recognized in the financial statements at fair value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although GVR may utilize the services of outside volunteers, the fair value of these services has not been recognized in the accompanying financial statements since they do not meet the criteria for recognition under US GAAP.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and general and administrative activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by natural classification and by function in a matrix format, as required by US GAAP. Certain costs have been allocated between the program services and supporting services.

Expenses are typically allocated based on a method that is deemed appropriate by management in the manner in which the expense is accrued. Indirect costs are the only expenses that are deemed as administrative by function. Management typically codes expenses to a program, administrative, or fundraising directly during the payment process.

INCOME TAXES

GVR is exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code. However, income from certain activities not directly related to the entity's tax-exempt purpose may be subject to taxation as unrelated business income.

In accordance with US GAAP, management believes GVR holds no uncertain tax positions and, therefore, has no policy for evaluating them. GVR's Forms 990, *Return of Organization Exempt from Income Taxes*, are generally subject to examination by the Internal Revenue Service for three years after the date the returns were filed.

ADVERTISING COSTS

Advertising costs are expensed as incurred and totaled \$28,380 and \$19,285 for the years ended December 31, 2023 and 2022, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets, liabilities, revenues and expenses and disclosure of any contingent assets and liabilities at the date of the financial statements. Actual results could differ from estimates.

RECLASSIFICATIONS

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications have no effect on previously reported net assets.

NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13 *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC 326") which introduced a new credit loss methodology entitled Current Expected Credit Losses ("CECL"). The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities, trade receivables, and other financial assets commencing at the time the financial asset is originated or acquired. The methodology replaces the multiple existing impairment methods in historical U.S. GAAP, which generally require that a loss be incurred before it is recognized ("Incurred Loss Model").

GVR adopted ASC 326 and all related subsequent amendments thereto effective on January 1, 2023, using the modified retrospective approach. Accordingly, results for reporting periods beginning on January 1, 2023, are presented under CECL while prior periods continue to be reported in accordance with the incurred loss model as previously applicable. The adoption of Topic 326 did not result in a cumulative effect adjustment to net assets as of January 1, 2023.

NOTE B. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	2023	2022
Accounts receivable	\$ 452,731	\$ 213,619
Less allowances	<u>(151,126)</u>	<u>(163,908)</u>
<i>Net accounts receivable</i>	<u>\$ 301,605</u>	<u>\$ 49,711</u>

Changes in allowance for credit losses consisted of the following during the year ended December 31, 2023:

Allowance for credit losses, beginning of year	\$ 163,908
Less write offs charged against allowance	<u>(12,782)</u>
<i>Allowance for credit losses, end of year</i>	<u>\$ 151,126</u>

NOTE C. INVESTMENT IN MARKETABLE SECURITIES

The financial statement values and cost basis of investments, including aggregated unrealized gains and losses, at December 31, 2023 were as follows:

	Fair value	Cost	Unrealized gains	Unrealized losses
Corporate bonds	\$ 6,494,322	\$ 6,122,041	\$ 372,281	\$ -
Mutual funds	2,159,801	2,629,918	-	(470,117)
Common stock	3,430,031	2,579,731	850,300	-
Government bonds	981,697	874,382	107,315	-
Exchange traded funds	<u>390,678</u>	<u>354,441</u>	<u>36,237</u>	<u>-</u>
<i>Totals</i>	<u>\$ 13,456,529</u>	<u>\$ 12,560,513</u>	<u>\$ 1,366,133</u>	<u>\$ (470,117)</u>

The financial statement values and cost basis of investments, including aggregated unrealized gains and losses, at December 31, 2022 were as follows:

	Fair value	Cost	Unrealized gains	Unrealized losses
Corporate bonds	\$ 6,211,153	\$ 6,096,352	\$ 114,801	\$ -
Mutual funds	3,283,684	3,787,701	-	(504,017)
Common stock	3,203,930	2,711,047	492,883	-
Government bonds	1,501,016	1,515,569	-	(14,553)
Exchange traded funds	168,251	177,797	-	(9,546)
Small issue municipal bonds	<u>116,604</u>	<u>125,010</u>	<u>-</u>	<u>(8,406)</u>
<i>Totals</i>	<u>\$ 14,484,638</u>	<u>\$ 14,413,476</u>	<u>\$ 607,684</u>	<u>\$ (536,522)</u>

Fair values of assets measured on a recurring basis at December 31, 2023 were as follows:

	Level 1	Level 2	Total
Corporate bonds	\$ 6,494,322	\$ -	\$ 6,494,322
Mutual funds	2,159,801	-	2,159,801
Common stock	3,430,031	-	3,430,031
Government bonds	981,697	-	981,697
Exchange traded funds	390,678	-	390,678
Total investments at fair value	\$ 13,456,529	\$ -	\$ 13,456,529

Fair values of assets measured on a recurring basis at December 31, 2022 were as follows:

	Level 1	Level 2	Total
Corporate bonds	\$ 6,211,153	\$ -	\$ 6,211,153
Mutual funds	3,283,684	-	3,283,684
Common stock	3,203,930	-	3,203,930
Government bonds	1,501,016	-	1,501,016
Exchange traded funds	168,251	-	168,251
Small issue municipal bonds	-	116,604	116,604
Total investments at fair value	\$ 14,368,034	\$ 116,604	\$ 14,484,638

Investment income consisted of the following for the years ended December 31:

	2023	2022
Interest and dividends	\$ 456,354	\$ 372,078
Realized and unrealized gain (loss)	740,774	(1,812,339)
Less investment fees	(79,185)	(86,438)
Net investment income (loss)	\$ 1,117,943	\$ (1,526,699)

Assets held in the brokerage accounts, by type of asset and board designation, were as follows at December 31, 2023:

	Cash and cash equivalents	Investments	Accrued interest	Brokerage account total
Board designated net assets:				
Emergency	\$ 16,920	\$ 543,275	\$ 1,363	\$ 561,558
Initiatives	137,568	1,612,487	10,722	1,760,777
Repairs and replacements	122,540	7,867,827	44,269	8,034,636
Total board designated assets	277,028	10,023,589	56,354	10,356,971
Undesignated - operations	34,338	3,432,940	3,267	3,470,545
Total assets held	\$ 311,366	\$ 13,456,529	\$ 59,621	\$ 13,827,516

Assets held in the brokerage accounts, by type of assets and board designation, were as follows at December 31, 2022:

	Cash and cash equivalents	Investments	Accrued interest	Brokerage account total
Board designated net assets:				
Emergency	\$ 93,869	\$ 396,832	\$ 541	\$ 491,242
Initiatives	319,814	2,211,743	15,032	2,546,589
Repairs and replacements	168,672	7,451,499	41,835	7,662,006
Total board designated	582,355	10,060,074	57,408	10,699,837
Undesignated - operations	502,939	4,424,564	6,026	4,933,529
Total assets held	\$ 1,085,294	\$ 14,484,638	\$ 63,434	\$ 15,633,366

NOTE D. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Management regularly monitors the availability of financial resources required to meet current operating needs. GVR generally maintains financial resources as cash and cash equivalents and as investments in marketable securities. GVR utilizes a one-year time horizon to assess its immediate liquidity needs and maintains a minimum cash balance of no less than 90 days of annual operating expenses. This period of time was established based on management's understanding of the typical cycle of payables in the normal course of business. GVR invests cash in excess of immediate projected requirements in short-term, liquid investments that may be used to fulfill liquidity needs resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of a significant, unanticipated liquidity need, GVR has the ability to raise additional funds through increased annual membership dues. Additionally, GVR may impose a special assessment, if such an assessment is approved in advance, by a majority of the members voting.

The following reflects GVR's financial assets, and limitations on those assets as of December 31, 2023 and 2022, available for use for general expenditures within one year of the date of the statement of financial position:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 2,843,922	\$ 2,951,396
Accounts receivable, net	301,605	49,711
Interest receivable	59,621	63,434
Investment in marketable securities	13,456,529	14,484,638
Total financial assets	16,661,677	17,549,179
Less board designated amounts:		
Emergency operations	561,557	491,242
Initiatives	1,760,779	2,546,589
Repairs and replacements	8,034,635	7,662,006
Total board designated amounts	10,356,971	10,699,837
Net financial assets available to meet cash needs for general expenditures within one year	\$ 6,304,706	\$ 6,849,342

NOTE E. OPERATING AND FINANCE LEASES

GVR leases office equipment and a mobile storage unit under non-cancelable leases expiring at various times through 2026.

OPERATING LEASES

GVR leased a postage meter under an agreement that required \$55 monthly payments and expired in September 2023. For the years ended December 31, 2023 and 2022, total operating lease costs were \$468 and \$1,665, respectively.

FINANCE LEASES

GVR leases office equipment under non-cancelable leases expiring at various times through 2026 and requiring monthly payments cumulatively totaling \$4,554. The economic substance of these leases is financing the acquisition of the assets through the leases and, accordingly, they have been recorded as finance lease obligations in the accompanying financial statements.

The following is a schedule of future minimum payments as of December 31:

2024	\$	49,462
2025		37,688
2026		<u>10,735</u>
Total undiscounted lease payments		97,885
Less interest		<u>(13,624)</u>
Total finance lease liabilities		84,261
Less current portion		<u>(40,307)</u>
Finance lease liabilities, long-term portion	\$	<u>43,954</u>

As of December 31, 2023, the weighted average remaining lease term is 2.12 years for finance leases and the weighted average discount rate is 16.32%.

NOTE F. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 consisted of the following:

	Contributed	Purchased	Total
Land and improvements	\$ 4,166,276	\$ 2,114,525	\$ 6,280,801
Buildings and improvement	12,852,422	15,413,620	28,266,042
Tennis, shuffleboard, and sports courts	324,958	2,042,193	2,367,151
Pools, spas, and equipment	412,588	2,991,609	3,404,197
Recreational equipment	230,841	1,441,191	1,672,032
Vehicles	-	1,039,291	1,039,291
Furniture	30,000	2,460,081	2,490,081
Total property and equipment	18,017,085	27,502,510	45,519,595
Less accumulated depreciation	(11,000,125)	(16,464,313)	(27,464,438)
Construction-in-progress	-	3,388,354	3,388,354
Property and equipment, net	<u>\$ 7,016,960</u>	<u>\$ 14,426,551</u>	<u>\$ 21,443,511</u>

Property and equipment at December 31, 2022 consisted of the following:

	Contributed	Purchased	Total
Land and improvements	\$ 4,166,276	\$ 2,126,636	\$ 6,292,912
Buildings and improvement	12,852,422	14,125,121	26,977,543
Tennis, shuffleboard, and sports courts	324,958	1,990,614	2,315,572
Pools, spas, and equipment	412,588	2,971,493	3,384,081
Recreational equipment	230,841	1,295,394	1,526,235
Vehicles	-	877,198	877,198
Furniture	30,000	2,547,718	2,577,718
Total property and equipment	18,017,085	25,934,174	43,951,259
Less accumulated depreciation	(10,691,609)	(16,056,558)	(26,748,167)
Construction-in-progress	-	1,974,022	1,974,022
Property and equipment, net	\$ 7,325,476	\$ 11,851,638	\$ 19,177,114

NOTE G. REFUNDABLE CAPITAL FEE LIABILITY

For the years ended December 31, 2023 and 2022, PACF revenue recognized, net of the change in the estimated obligation for fees to be refunded, and actual refunds pursuant to waivers were as follows:

	2023	2022
Property acquisition capital fees collected	\$ 2,718,340	\$ 2,929,188
Less change in estimated obligation for refundable fees	(14,580)	96,208
PACF revenue recognized, included in new member capital and initial fees on the statement of activities	\$ 2,703,760	\$ 3,025,396
Actual PACF fee refunds	\$ 237,800	\$ 205,568

NOTE H. NOTES PAYABLE AND DEFERRED LEASE REVENUE

During the year ended December 31, 2021, GVR purchased a parking lot from GVR Foundation (the "Foundation") for a purchase price of \$170,000. The purchase price was effected through a note payable to the Foundation totaling \$110,000 and an agreement to provide office space to the Foundation at no charge for 15 years.

The note payable is non-interest bearing and requires annual principal payments of \$11,000 through 2031 until the note is paid in full. GVR made the first annual payment at the time of closing in August 2021.

The value of the office space to be provided is estimated at \$4,000 per year. During the years ended December 31, 2023 and 2022, GVR recognized \$4,000 of lease revenue and reduction of deferred lease revenue. Management has determined that the effect of imputed interest on the net present value of the note payable and the deferred lease revenue is immaterial.

Liabilities related to the property acquisition were as follows at December 31, 2023:

	Note payable	Deferred lease revenue	Total
Payable to GVR Foundation	\$ 77,000	\$ 50,667	\$ 127,667
Less current portion	(11,000)	(4,000)	(15,000)
Long-term portion	\$ 66,000	\$ 46,667	\$ 112,667

Liabilities related to the property acquisition were as follows at December 31, 2022:

	Note payable	Deferred lease revenue	Total
Payable to GVR Foundation	\$ 88,000	\$ 54,667	\$ 142,667
Less current portion	(11,000)	(4,000)	(15,000)
Long-term portion	\$ 77,000	\$ 50,667	\$ 127,667

Future minimum payments on the note payable and fair value of office space to be provided to the Foundation at no cost for each of the next five years and thereafter consists of the following at December 31, 2023:

	Note payable	Deferred lease revenue	Total
2024	\$ 11,000	\$ 4,000	\$ 15,000
2025	11,000	4,000	15,000
2026	11,000	4,000	15,000
2027	11,000	4,000	15,000
2028	11,000	4,000	15,000
Thereafter	22,000	30,667	52,667
Total minimum future payments	\$ 77,000	\$ 50,667	\$ 127,667

NOTE I. BOARD DESIGNATED NET ASSETS

The board of directors for GVR has designated portions of total net assets without donor restrictions to be used for emergency funding of operations, replacement and repair of major capital assets, and new projects.

Activity in board designated net assets was as follows for the year ended December 31, 2023:

	Emergency	Initiatives	Repairs and replacements	Total
Beginning balance	\$ 491,242	\$ 2,546,589	\$ 7,662,006	\$ 10,699,837
Board designations:				
Capital fees	-	553,077	-	553,077
Other designations	-	428,596	1,469,346	1,897,942
Expended for projects	-	(1,901,267)	(1,773,221)	(3,674,488)
Investment income	69,493	138,093	674,070	881,656
Change in accrued interest	822	(4,309)	2,434	(1,053)
Total board designated net assets	\$ 561,557	\$ 1,760,779	\$ 8,034,635	\$ 10,356,971

Activity in board designated net assets was as follows for the year ended December 31, 2022:

	Emergency	Initiatives	Repairs and replacements	Total
Beginning balance	\$ 1,155,668	\$ 2,190,524	\$ 9,148,893	\$ 12,495,085
Board designations:				
Capital fees	-	649,825	-	649,825
Other designations	(467,156)	479,715	1,402,519	1,415,078
Expended for projects	-	(551,901)	(1,920,638)	(2,472,539)
Investment income	(212,796)	(212,818)	(971,133)	(1,396,747)
Change in accrued interest	15,526	(8,756)	2,365	9,135
Total board designated net assets	\$ 491,242	\$ 2,546,589	\$ 7,662,006	\$ 10,699,837

NOTE J. NET ASSETS WITH DONOR RESTRICTIONS

There was no activity in net assets with donor restrictions as of and for the year ended December 31, 2023. Activity in net assets with donor restrictions for the year ended December 31, 2022, and balances of net assets with donor restrictions as of the year then ended, were as follows:

	Beginning balance	Contributions	Releases	Ending balance
Subject to purpose restrictions:				
Monument sign	\$ 30,000	\$ -	\$ 30,000	\$ -

NOTE K. REVENUE FROM CONTRACTS WITH CUSTOMERS

During the years ended December 31, 2023 and 2022, GVR recognized \$4,684,821 and \$4,673,666, respectively, in previously deferred revenue for member dues, program revenue, and access card fees.

GVR had no contract assets at either December 31, 2023 or 2022. Although there are no outstanding performance obligations related to new member capital and initial fees, GVR has recorded a liability for estimated refunds of these fees totaling \$212,826 and \$202,757 at December 31, 2023 and 2022, respectively.

Disaggregated revenue from contracts with customers and allocated performance obligations as of and for the year ended December 31, 2023 was as follows:

Revenue recognition method	Revenue recognized	Outstanding performance obligation
Point in time:		
New member capital and initial fees	\$ 3,234,560	\$ -
Late fees	70,281	-
Over time:		
Membership dues	7,051,930	4,357,257
Member, tenant and guest fees	259,344	-
Facility rental	16,822	-
Lease income	51,478	-
Performance activity:		
Program revenue	514,095	176,499
Total Revenue	\$ 11,198,510	\$ 4,533,756

Disaggregated revenue from contracts with customers and allocated performance obligations as of and for the year ended December 31, 2022 was as follows:

Revenue recognition method	Revenue recognized	Outstanding performance obligation
<i>Point in time:</i>		
New member capital and initial fees	\$ 3,637,550	\$ -
Late fees	87,044	-
<i>Over time:</i>		
Membership dues	6,947,340	4,554,800
Member, tenant and guest fees	247,452	-
Facility rental	21,163	-
Lease income	47,105	-
<i>Performance activity:</i>		
Program revenue	401,554	130,021
Total Revenue	\$ 11,389,208	\$ 4,684,821

NOTE L. FUTURE MAJOR REPAIRS AND REPLACEMENTS

GVR's governing documents allow funds to be accumulated for future major repairs and replacements. The capital replacement reserves aggregated \$8,034,635 and \$7,662,006 as of December 31, 2023 and 2022. GVR funds such major repairs and replacements over the estimated useful lives of the components based on estimates of current replacement costs and the consideration of amounts previously accumulated. A full reserve study by an outside consultant was obtained in October of 2022 and was updated in October 2023. The most recent study concluded that the fully funded reserve balance at December 31, 2023 would be \$9,830,329 of which GVR had funded \$8,034,635 or 82% at December 31, 2023. The reserve study is based on a recommended annual contribution of \$1,220,295 for 2024 to the replacement reserve, to be increased annually at a rate of 6.50%, inclusive of an assumed inflation factor of 2.5% on the costs of replacement items.

Actual expenditures may vary from the estimated amounts and variances may be material. Therefore, amounts accumulated in the future major repairs and replacement fund may not be adequate to meet future needs. If additional funds are needed, GVR has the right to levy increased regular assessments or to delay major repairs and replacements until funds are available. Additionally, GVR may impose a special assessment, if such an assessment is approved in advance, by a majority of the members voting.

NOTE M. RETIREMENT PLAN

All GVR employees that are 20.5 years of age or older and have attained at least 1,000 annual working hours are eligible to participate in GVR's 401(k) retirement plan. Employees may contribute an amount up to the annual IRS limit. GVR matches the percentage the employee contributes per pay period up to 5% of compensation. Retirement plan contributions made by GVR were \$98,660 and \$105,293 for the years ended December 31, 2023 and 2022, respectively.

NOTE N. RELATED PARTY TRANSACTIONS

Many of GVR's members also participate in special interest clubs that utilize meeting space in recreational buildings at no charge. GVR also provides these clubs with minor administrative services at no charge. Several employees of GVR are also GVR members. During the years ended December 31, 2023 and 2022, GVR received no in-kind revenue subject to recognition.

During the years ended December 31, 2023 and 2022, the Foundation's Member Assistance Program provided \$26,733 and \$21,900, respectively, to GVR on behalf of specific members for membership dues. The Foundation was an entity under common control until 2020. Amounts collected on behalf of the Foundation are included in other liabilities in the accompanying statements of financial position.

NOTE O. CONTINGENCIES

GVR is involved from time-to-time in various claims and legal actions in the ordinary course of business. Management does not believe that the impact of such matters will have a material adverse effect on their financial position or results of operations when resolved.

NOTE P. SUBSEQUENT EVENTS

The preparation of financial statements to conform with US GAAP requires management to disclose the date through which the subsequent events (i.e., an event or transaction that occurs after the balance sheet date but before the financial statements are issued) were evaluated when determining whether adjustment or disclosure in the financial statements is required. Management of GVR evaluated subsequent events through DATE, which represents the date the accompanying financial statements were available to be issued.

DRAFT

R&A CPAs

A PROFESSIONAL CORPORATION

GREEN VALLEY
RECREATION, INC.

REPORT TO MANAGEMENT

DECEMBER 31, 2023

REPORT TO MANAGEMENT

DATE

To the Board of Directors and Management
Green Valley Recreation, Inc.
Tucson, Arizona

In planning and performing our audit of the financial statements of Green Valley Recreation, Inc. (“GVR”) as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered GVR’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GVR’s internal controls. Accordingly, we do not express an opinion on the effectiveness of GVR’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of GVR’s financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did identify one deficiency in internal control that we consider to be a significant deficiency.

This communication is intended solely for the information and use of management, the Board of Directors, and others within GVR, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A Professional Corporation

Tucson, Arizona

Significant Deficiency

1. IMPROVE OVERSIGHT AND REVIEW OF NEW RESPONSIBILITIES DURING PERSONNEL TRANSITION

During audit procedures we noted the following that resulted from the transition of monthly reconciliation and close responsibilities to new personnel:

- a. The liability for accrued payroll was overstated due to incorrect inclusion of the employee withholdings and 401k deductions in addition to the employees' gross pay for the period;
- b. Several outstanding checks were older than 3 months and had not been investigated, reissued, or voided;
- c. The December PACF fees were not transferred to the Initiatives Reserve Fund within 10 business days after the end of the month as required by the Corporate Policy Manual.

None of the items discussed above resulted in a material misstatement to the overall financial statements. However, we recommend management implement enhanced review over month-end and closing processing procedures, at least on a probationary basis, whenever there are changes in responsible personnel. The oversight process should include a specific review of the accrued payroll allocations between wages, payroll taxes and deductions for each period that payroll is accrued at month end. We also recommend creating or enhancing month-end closing checklists to include reminders to review outstanding checks and ensure interfund transfers are made timely.

SURPLUS 2023

2023
ACTUAL

Revenue:

Member Dues	7,051,930
Transfer Fees, Tenant, Credit Crd, Life Care Fees	740,844
Capital Revenue	2,753,060
Recreation	514,095
Investment Income	456,354
Communication	47,478
Other Revenue	107,304
Total Revenue	11,671,065

Expenditures:

Facilities & Equipment with Depreciation	3,689,031
Personnel	5,015,239
Program	472,846
Communications	214,478
Operations	705,330
Corporate Expenses	913,376
Total Expenditures	11,010,300

Excess Revenues Over Exp.

660,765

Transfers and Adjustments:

In Kind Non Cash Revenue	(4,000)
Non Reserve Capital Projects	(43,980)
Remove Income From Reserves	(296,663)
Reserve Funding Initiatives	(559,835)
Reserve Funding MRR & MRR-B	(1,469,346)
MRR Expenses paid by the Reserve	283,441
Remove Reserve Investment Exp.	79,185
Remove Depreciation	1,362,706
Total Adjustments	(648,492)

SURPLUS

12,273

Analysis of GVR Net Increase in Assets after Reserve Funding

Purpose: To determine if there is sufficient Operating Cash for additional Reserve Funding

	Total Surplus Calculation 12/31/2023	2023 GVR FINANCIAL STATEMENT REFERENCE	2023 GVR AUDIT REPORT REFERENCE	GVR Surplus Formula Ref CPM p 35
	<u>GVR Surplus Formula</u>			
Total Increase in Net Assets	\$ 1,401,539	Page 3 December Financial Stmt.	Pg. 4 Statement of Activities	a.
Reserve Accounts Income: Net Gain / Loss on Investments, Unrealized	\$ (740,774)	Page 3 December Financial Stmt.	Pg. 8 Statement of Cash Flows.	b.
Net Increase in Net Assets	\$ 660,765	Page 3 December Financial Stmt.		
Non Cash Contribution: Less Non Cash In Kind Rental Income	\$ (4,000)	Page 3 December Financial Stmt.	Pg. 8 Statement of Cash Flows.	h.
Reserve Income: Deduct Net Income of Reserve Accounts and Unrealized Gains on Operating Investments.	\$ (296,663)	Unrealized Gains/Losses on Operating Investments and Reserve Accounts Income deducted to determine funds available from Operations. Investment Expenses Removed. Pages 4-5 December Financial Statement	Designated Reserve portion of Investment Income reported on page 4 and 14 of Audit.	b., c.
\$ (217,478)	\$ -			
	\$ 79,185			
Reserves Funding: Maintenance Repair & Replacement Reserve Funding for 2022	\$ (1,179,941)	2022 MRR Funding transfer Jan-22 based on Browning Reserve , Page 4	N/A	g.
MRR-B Funding	\$ (289,405)	Page 4	N/A	g.
Initiatives Funding per CPM Formula	\$ (559,835)	2022 Reserve Funding per CPM formula 2022 Initiatives Transfers	N/A	g.
Net Increase after Reserve Funding	\$ (1,589,894)	Net Increase after deducting 2022 Reserve Funding		
Cash Adjustment for Capital Purchases:				
Add Back Depreciation	\$ 1,362,706	Add Back Non cash Depreciation. (page 3)	Page 6 Statement of Functional Expenses	d.
Deduct Non Reserve Capital Purchases	\$ (43,980)	See attached	N/A	e.
Add Back MRR Expenses paid for out of the MRR Reserve	\$ 283,441	See attached	N/A	f.
Surplus after Reserve Funding and Capital Purchase Adjustments	\$ 12,273	Gross Surplus		Pg. 35
Adjustments	\$ -			
Surplus Available for Transfer	<u>\$ 12,273</u>			Pg. 35



Year-End Report
2023-2024
Fiscal Affairs Committee

Chair: Jim Cardin

Staff Liaison: David Webster

Committee Members: Carl Charette, Nellie Johnson, Joe Magiola, Pat Reynolds, Stave Reynolds, Lanny Smith, Dick Sutherland

Priorities Accomplished for 2023-2024:

- Monthly monitoring of finances of GVR.
- Subcommittee established for Del Sol Clubhouse Café.
- Reviewed and approved a balanced budget for 2024.
- Pursued marketing of Residents in non-deed restricted communities to voluntarily deed restrict.

Task for Next Year:

- Review monthly financial reports from the GVR Chief Financial Officer
- Assist in the development of the 2025 Budget
- Establish new policies where needed:
 - Economic Downturn Policy
 - Prioritize Spending / Cutback Contingency Plans
 - Breakeven Policy
 - Conservative Budget Policy
 - Budget Adjustment Policy
 - Financial Reserves Policy
 - Review and update the Capital Improvement Project Policy and Process