



AGENDA

Fiscal Affairs Committee Meeting

Tuesday, June 18, 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 May 21, 2024.
3. Chair comments
4. Financial Report for May 2024
5. Financial Policies
6. New Business
7. Member comments
8. Adjourn

Next Meeting: August 20, 2024



MINUTES

Fiscal Affairs Committee

Tuesday, May 21, 2024

1:30pm – 3:00pm MST

West Center Room 2 / Zoom

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

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

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

Board Members: Kathy Bachelor

1. **Call to Order / Roll Call** - Establish Quorum
2. Review/accept Minutes from meeting of April 23, 2024.
MOTION: Johnson moved/Reynolds (Pat) seconded to accept April 23rd meeting minutes.
Passed: Unanimous
3. Chair Comments:
 - **Chair Crothers wants the committee to agree on F.A.C. 2024-2025 work plan.**
 - **Feels there are too many items on the work plan and would like the committee to focus/narrow that list and focus on high priority topics.**
 - **Does not want to be hasty in formulating the list however should be agreed upon asap "if not today then by the next meeting"**
4. Staff reports/ Financial report for May 2024
 - **Under budget on income \$66,252 and over budget on expenses \$119,716**
 - **April home sales (MCF) 98, May is on track for 92 homes sales, both under budget**
 - **1,600 mailers sent to non-deed restricted neighborhoods, cost \$7.50 each mailer total approx. \$12,000. Membership team is tracking the data as it comes in.**
 - **\$57,000 over budget on wages however \$93,000 in custodial wages were not in the budget.**
 - **Under budget on facility maintenance, property maintenance because**

of phasing out custodial contracts.

- Staff will do an analysis on credit card fees and come back with a recommendation on policy; convenience/service fees.
- GVR paused over \$200,000 in capital projects.

MOTION: Spurgeon moved/Johnson seconded to approve April financial statements.

Passed: Unanimous

5. 2024-2024 FAC Work Plan

MOTION: Reynolds (Pat) moved/Spurgeon seconded to delay voting on the Work Plan, work on a draft with staff and then proceed with vote by email.

Passed: Unanimous

6. Emergency Fund

MOTION: Crothers moved/Johnson seconded to keep excess funds in the Emergency Fund until the committee can gain a better understanding of budget shortfalls and excesses.

Passed: Unanimous

7. Surplus

8. New Business

MOTION: Crothers moved/Johnson seconded to skip the July FAC meeting.

Passed: Unanimous

9. Member Comments: No member comments

10. Adjourn

Adjourned without a motion.

Next Meeting: Tuesday June 18th 2024, 1:30 p.m. - 3:00 p.m. WC#2

Fiscal Affairs
Financial Report
As of May 31, 2024

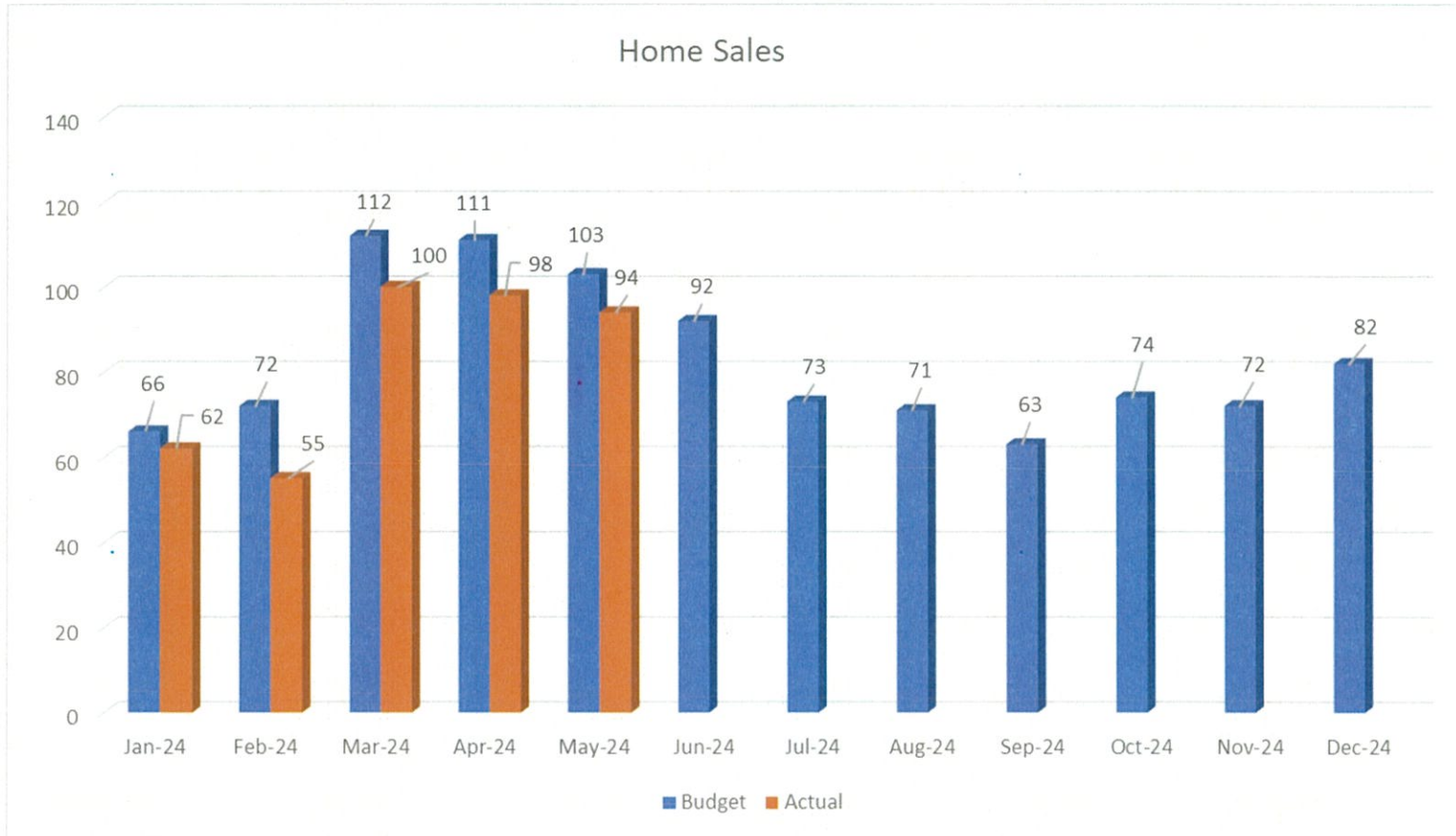
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through May, 2024 and include the financial statements as of May 31, 2024. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and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

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

Month	Operating Increase Net Assets	Unrealized Gains on Investments	GVR 2024 Total Increase in Net Assets	Homes Sold	Budget Variance	
					Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-24	\$145,243	\$20,176	\$165,419	62	(\$58,362)	\$124,803
Feb-24	(\$77,024)	\$126,995	\$49,971	55	(\$21,136)	(\$211,318)
Mar-24	\$91,330	\$152,470	\$243,800	100	\$73,122	(\$60,989)
Apr-24	\$100,779	(\$270,279)	(\$169,500)	98	(\$59,876)	\$27,788
May-24	\$68,182	\$229,361	\$297,543	94	(\$72,867)	(\$4,294)
Jun-24			\$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	\$328,510	\$258,723	\$587,233	409	(\$139,119)	(\$124,010)

- 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 94 Home Resales during the month of May. This number of sales is 9 (13%) less than budgeted for May and 27 less than May of the prior year. Year to date, GVR is 55 (12%) homes under budget. GVR offsets these sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 8 and the current allowance is \$220,235 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through May, 2024.



- The number of homes sold through the first 12 days of June are 26 and the pending closings for the remainder of the month equals 29. Therefore, GVR is expecting about 55 home sales for the month of June 2024 compared to the budgeted 92. The expected variance for June is 37 homes ($92 - 55$) which is projected to be 40% under budget for the month of June.
- The May 2024 Statement of Financial Position (page 2) reports the Total Net Assets to be \$22,758,400 which is a \$587,233 increase for the year (page 2 and 3) and includes \$258,723 of Unrealized Gains on Investments for May 2024 year to date.

June 2024

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- The May 31 Operational cash on hand is \$704,891 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$4,744,072 which is a \$476,665 decrease during the month of May. The cash projections for 2024 are on pages 6 and 7.
- The Net Fixed Assets are \$22,500,395 as of May 31, 2024 (page 2). Total net Capital Purchases for the year to date are \$1,462,058. The summary report of the Capital Projects is included on page 9.
- Total Current Liabilities are \$4,880,803 (page 2). This includes 7 months of Deferred Dues revenue for 2024.
- Designated Net Assets equal \$10,510,973 (detailed on pages 4 – 5) which reflects a net decrease of \$504,490 for the month of May, 2024. The year to date net unrealized investment gain on investments are \$258,723 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$5,173,159 which is 2.6% under budget and 1% 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, May 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 \$4,844,649 which is \$124,010 (2.6%) over budget and 5% more than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year to date May 31, 2024:
- Of the \$124,010 of total expenses that are greater than budgeted, \$103,440 is for Recreation contracts that are more than budgeted. This is an acceptable overage because the corresponding Recreational Revenue is \$118,808 greater than budgeted.

EXPENSES YTD MAY 2024				
<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	1,490,578	40,154	3%	Utilities are over budget by 16% (both gas and electric). This is improving, the overage was incurred during the 1st quarter '24
Program Expenses	390,585	(131,092)	-51%	Recreation Contracts are \$103,440 over budget and are offset with the \$118,808 of Recreational Income over budget
Communi-cations	109,816	(14,167)	-15%	Includes cost for mailings to non-restricted deed residents
Operational Expenses	263,980	22,484	8%	Postage is slightly over budget for the year to date
Corporate Expenses	286,827	53,149	16%	Professional fees are \$14,013 (15%) under budget through April 2024
Personnel & Benefits	<u>2,302,862</u>	<u>(94,538)</u>	-4%	Wages 9% over budget and includes custodial labor. Benefits 21% under budget.
TOTAL EXPENSES	<u>4,844,648</u>	<u>(124,010)</u>	<u>-2.6%</u>	For analysis purposes, this total can be reduced by \$103,440 of Recreational Contracts for which there is income to offset 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 May year to date total of this shift is a \$99,898 increase to Personnel Expenses and lowers Maintenance contract expense by \$60,951.

	PERSONNEL COSTS			MAINTENANCE COSTS		
	YTD Personnel Expenses	Personnel Budget	Variance	YTD Maintenance Expenses	Maintenance Budget	Variance
YTD May '24	\$2,302,862	\$2,208,325	\$(94,537)	\$63,799	\$98,052	\$34,253
5 months Custodial		\$99,898	\$99,898		\$60,951	\$60,951
Adjusted	\$2,302,862	\$2,308,223	\$5,361	\$63,799	\$159,003	\$95,204

- The previous analysis shows that, when you adjust for additional custodial wages, GVR is \$5,361 under budget for personnel costs. Correspondingly, when we adjust for \$60,951 of contractual custodial expenses budget, GVR is \$95,204 under budget for Maintenance expenses.

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Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

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

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: May 31, 2024 and Dec 31, 2023

	May 31, 2024	Dec 31, 2023
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	704,891	2,599,548
Accounts Receivable	344,248	220,589
Prepaid Expenses	57,625	218,015
Maintenance Inventory	22,003	22,003
Designated Investments (Charles S./SBH)		
Emergency - Fund	595,233 ⁽¹⁾	560,194 ⁽¹⁸⁾
MRR - Fund	8,018,196 ⁽²⁾	7,175,602 ⁽¹⁹⁾
Initiatives - Fund	755,610 ⁽³⁾	1,750,056 ⁽²⁰⁾
Pools & Spas - Fund	1,141,933 ⁽⁴⁾	814,765 ⁽²¹⁾
Total Designated Investments (CS/SBH)	10,510,972 ⁽⁵⁾	10,300,617 ⁽²²⁾
Undesignated Invest. (JP Morgan Long Term)	1,762,643 ⁽⁶⁾	1,699,386 ⁽²³⁾
Undesignated Invest. (JP Morgan)	2,276,538 ⁽⁷⁾	1,767,892 ⁽²⁴⁾
Investments	14,550,152 ⁽⁸⁾	13,767,895 ⁽²⁵⁾
Total Current Assets	15,678,919	16,828,050
Fixed Assets		
Contributed Fixed Assets	20,763,359	18,017,085
Purchased fixed Assets	29,719,821	31,004,036
Sub-Total	50,483,179	49,021,121
Less - Accumulated Depreciation	(27,982,784)	(27,464,438)
Net Fixed Assets	22,500,395 ⁽⁹⁾	21,556,682 ⁽²⁶⁾
Operating Lease ROU, Net of Accum. Amortization	-	-
Finance Lease ROU, Net of Accum. Amortization	72,483	72,483
Total Assets	38,251,797	38,457,215
LIABILITIES		
Current Liabilities		
Accounts Payable	227,546	727,655
Deferred Dues Fees & Programs	4,183,893	4,533,756
Accrued Payroll	202,489	156,036
Compensation Liability	-	-
MCF Refund Liability	220,235	211,700
In-Kind Lease Liability - Current	6,333	4,000
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	40,307	40,307
Total Current Liabilities	4,880,803	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	33,269,373 ⁽¹⁰⁾	32,682,140 ⁽²⁷⁾
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	595,233 ⁽¹¹⁾	560,194 ⁽²⁸⁾
Maint - Repair - Replacement	8,018,197 ⁽¹²⁾	7,175,602 ⁽²⁹⁾
Initiatives	755,610 ⁽¹³⁾	1,750,056 ⁽³⁰⁾
Pools & Spas	1,141,933 ⁽¹⁴⁾	814,765 ⁽³¹⁾
Sub-Total	10,510,973 ⁽¹⁵⁾	10,300,617
Unrestricted Net Assets	22,171,168	22,381,524
Net change Year-to-Date	587,233 ⁽¹⁶⁾	-
Unrestricted Net Assets	22,758,400 ⁽¹⁷⁾	22,381,524
TOTAL NET ASSETS	33,269,373	32,682,140



Green Valley Recreation, Inc.
Summary Statement of Activities
 YTD Period: 5 month period ending May 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	2,940,793	2,975,433	34,640	1%	2,975,433	2,971,979	3,454	0.1%	7,132,750	4,157,317
LC, Trans., Crd Fees.	375,964	361,346	(14,618)	(4%)	361,346	346,280	15,065	4%	705,637	344,291
Capital Revenue	1,254,932	1,150,686	(104,246)	(8%)	1,150,686	1,431,735	(281,049)	(20%)	3,039,780	1,889,094
Programs	53,457	149,209	95,753	179%	149,209	65,888	83,321	126%	92,403	(56,807)
Instructional	196,792	260,092	63,300	32%	260,092	224,605	35,487	16%	393,000	132,908
Recreational Revenue	250,249	409,302	159,053	64%	409,302	290,493	118,808	41%	485,403	76,101
Investment Income	214,835	188,922	(25,913)	(12%)	188,922	177,274	11,648	7%	425,458	236,536
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	19,597	20,228	631	3%	20,228	19,622	606	3%	47,093	26,865
Comm. Revenue	19,597	20,228	631	3%	20,228	19,622	606	3%	47,093	26,865
Other Income	45,809	52,251	6,442	14%	52,251	59,338	(7,086)	(12%)	87,072	34,821
Facility Rent	10,639	13,325	2,686	25%	13,325	8,333	4,992	60%	20,000	6,675
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	1,667	1,667	-	0%	1,667	1,667	-	0%	4,000	2,333
Del Sol Café Revenue	-	-	-	0%	-	5,556	(5,556)	(100%)	25,000	25,000
Other Revenue	58,115	67,243	9,128	16%	67,243	74,893	(7,650)	(10%)	136,072	68,829
Total Revenue	5,114,485	5,173,159	58,674	1%	5,173,159	5,312,277	(139,119)	(2.6%)	11,972,193	6,799,034
Expenses										
Major Proj.-Rep. & Maint.	128,685	152,757	(24,072)	(19%)	152,757	204,491	51,734	25%	489,203	336,446
Facility Maintenance	97,964	136,409	(38,444)	(39%)	136,409	169,764	33,355	20%	405,251	268,843
Fees & Assessments	12,208	3,782	8,426	69%	3,782	635	(3,147)	(495%)	5,000	1,218
Utilities	502,534	515,548	(13,014)	(3%)	515,548	445,163	(70,386)	(16%)	1,000,134	484,585
Depreciation	579,602	518,346	61,256	11%	518,346	550,225	31,879	6%	1,275,000	756,654
Furniture & Equipment	107,703	118,034	(10,331)	(10%)	118,034	119,614	1,580	1%	268,945	150,911
Vehicles	42,144	45,702	(3,557)	(8%)	45,702	40,840	(4,862)	(12%)	98,000	52,298
Facilities & Equipment	1,470,841	1,490,578	(19,737)	(1%)	1,490,578	1,530,732	40,154	3%	3,541,533	2,050,955
Wages	1,655,046	1,824,556	(169,511)	(10%)	1,824,556	1,671,089	(153,467)	(9%)	4,047,812	2,223,256
Payroll Taxes	128,192	157,338	(29,146)	(23%)	157,338	132,411	(24,927)	(19%)	323,634	166,296
Benefits	373,087	320,968	52,119	14%	320,968	404,825	83,857	21%	964,545	643,577
Personnel	2,156,325	2,302,862	(146,538)	(7%)	2,302,862	2,208,325	(94,538)	(4%)	5,335,990	3,033,128
Food & Catering	11,307	36,025	(24,718)	(219%)	36,025	9,517	(26,508)	(279%)	21,386	(14,639)
Recreation Contracts	190,742	289,400	(98,658)	(52%)	289,400	185,960	(103,440)	(56%)	348,685	59,285
Bank & Credit Card Fees	57,531	65,160	(7,629)	(13%)	65,160	64,016	(1,144)	(2%)	77,000	11,840
Program	259,580	390,585	(131,005)	(50%)	390,585	259,493	(131,092)	(51%)	447,071	56,486
Communications	40,500	49,758	(9,259)	(23%)	49,758	42,082	(7,676)	(18%)	96,023	46,265
Printing	50,147	50,120	28	0%	50,120	45,416	(4,704)	(10%)	103,183	53,063
Advertising	13,855	9,938	3,917	28%	9,938	8,150	(1,788)	(22%)	17,920	7,982
Communications	104,502	109,816	(5,314)	(5%)	109,816	95,648	(14,167)	(15%)	217,126	107,310
Supplies	235,836	213,873	21,962	9%	213,873	233,716	19,843	8%	558,587	344,714
Postage	4,637	9,791	(5,154)	(111%)	9,791	5,499	(4,292)	(78%)	17,922	8,131
Dues & Subscriptions	7,075	6,600	476	7%	6,600	7,631	1,031	14%	17,091	10,491
Travel & Entertainment	165	-	165	100%	-	800	800	100%	1,600	1,600
Other Operating Expense	33,099	33,716	(618)	(2%)	33,716	38,818	5,102	13%	113,884	80,168
Operations	280,812	263,980	16,831	6%	263,980	286,464	22,484	8%	709,084	445,104
Information Technology	28,630	52,101	(23,470)	(82%)	52,101	56,463	4,363	8%	136,781	84,680
Professional Fees	150,745	85,126	65,619	44%	85,126	104,525	19,399	19%	213,816	128,690
Commercial Insurance	139,695	143,831	(4,136)	(3%)	143,831	147,838	4,007	3%	354,812	210,981
Taxes	6,242	-	6,242	100%	-	5,417	5,417	100%	33,000	33,000
Conferences & Training	11,689	1,870	9,819	84%	1,870	16,772	14,902	89%	34,127	32,257
Employee Recognition	2,130	3,899	(1,769)	(83%)	3,899	8,960	5,061	56%	21,500	17,601
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	339,131	286,827	52,304	15%	286,827	339,976	53,149	16%	794,036	507,209
Expenses	4,611,190	4,844,649	(233,459)	(5%)	4,844,649	4,720,638	(124,010)	(2.6%)	11,044,839	6,200,190
Gross Surplus(Rev-Exp)	503,295	328,510	(174,784)	(35%)	328,510	591,639	(263,129)	(44%)	927,354	598,844
Net Gain/Loss on Invest.	142,758	258,723	115,964		258,723	-	258,723		-	(258,723)
Net from Operations	646,053	587,233	(58,820)	(9%)	587,233	591,639	(4,406)		927,354	340,121



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: May 31, 2024 and Dec 31, 2023

	Totals	<u>Unrestricted</u>		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	587,233 (16)	587,233	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,750,180)	-	-	1,220,295	230,485	299,400
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	518,346	(518,346)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	10,881	1,171,666	-	(436,694)	(745,853)	-
Purchases Withdrawals Outstanding	-	662,615	-	-	(157,537)	(505,078)	-
Allocations of Net Change components:							
Investment income	-	(130,208)	-	3,897	95,919	18,556	11,836
Investment Expenses	-	38,428	-	(1,938)	(27,537)	(5,524)	(3,429)
Net Gains (Losses) in Investments	-	(213,558)	-	33,080	148,149	12,968	19,362
Net Change to May 31, 2024	587,233 (16)	(276,443)	653,320	35,039	842,595	(994,446)	327,168
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, May 31, 2024	33,269,373 (10)	548,398	<u>22,210,002</u> (9)	595,233 (11)	8,018,197 (12)	755,610 (13)	1,141,933 (14)
Footnotes refer to Statement of Financial Position and Statement of Activities		<u>22,758,400</u> (17)			10,510,973 (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	3,350,180	1,600,000	-	1,220,295	230,485	299,400
Investment income	206,945	76,738	3,897	95,919	18,556	11,836
Withdrawals	(2,995,162)	(1,150,000)	-	(594,231)	(1,250,931)	-
Investment Expenses	(38,428)	-	(1,938)	(27,537)	(5,524)	(3,429)
Net Change for 5 Months	523,535	526,738	1,959	694,446	(1,007,414)	307,807
Balance before Market Change at May 31, 2024	14,291,430	3,994,016	562,153	7,870,048	742,642	1,122,571
5 Months Net Change in Investments Gain/(Loss)	258,723	45,165	33,080	148,149	12,968	19,362
Balance at May 31, 2024 (at Market)	\$ 14,550,153 (8)	4,039,180 (7)	595,233.12 (1)	8,018,197 (2)	755,610 (3)	1,141,933 (4)
				10,510,973 (15)		

Footnotes refer to Statement of Financial Position and Statement of Activities



GVR MEMBER PROPERTIES MONTLY REPORT

2024	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	YTD
NEW MEMBERS	2	1	4	1	4								12
Total Members (2024)	13,852	13,853	13,857	13,858	13,862	13,862	13,862	13,862	13,862	13,862	13,862	13,862	13,862
Members Last Year (2023)	13,825	13,829	13,832	13,833	13,834	13,835	13,837	13,841	13,842	13,844	13,847	13,850	13,850
Members Before Last Year (2022)	13,781	13,789	13,792	13,799	13,802	13,805	13,809	13,812	13,813	13,818	13,823	13,823	13,823
Membershi Change Fee	62	55	100	98	94	-	-	-	-	-	-	-	409
Initial Fee	1	-	2	-	3	-	-	-	-	-	-	-	6
Transfer Fee (new build no Initial fee)	1	1	2	1	1	-	-	-	-	-	-	-	6
Transfer Fee (Voluntary Deed Restriction w/Initial fee)	1		2		3	-	-	-	-	-	-	-	6
Transfer Fee (estate planning)	-	-	1	-	-	-	-	-	-	-	-	-	1
Transfer Fee (resale)	62	55	100	98	94	-	-	-	-	-	-	-	409
Transfer Fee Non-Resale	14	4	-	2	2	-	-	-	-	-	-	-	22
Budget Monthly Resales (2024)	66	72	112	111	103	92	73	71	63	74	72	84	993
Monthly Resales (2024)	62	55	100	98	94	-	-	-	-	-	-	-	409
Monthly Delta Actual vs Budget (2024)	↓ (4)	↓ (17)	↓ (12)	↓ (13)	↓ (9)							↓ (55)	
Monthly Resales Last Year (2023)	75	63	103	118	121	94	83	80	58	75	64	71	1,005
Monthly Resales 2 years prior (2022)	105	88	150	147	126	93	73	56	63	72	67	55	1,095
YTD Budget (2024)	66	138	250	361	464	556	629	700	763	837	909	993	993
YTD Resales (2024)	62	117	217	315	409	-	-	-	-	-	-	-	409
YTD Over/(Under) Budget	↓ (4)	↓ (21)	↓ (33)	↓ (46)	↓ (55)							↓ (584)	
YTD Over/(Under) Budget	(6%)	(15%)	(13%)	(13%)	(12%)								(59%)
YTD Resales Last Year (2023)	75	138	241	359	480	574	657	737	795	870	934	1,005	1,005
YTD Resales Before 2 years prior (2022)	105	193	343	490	616	709	782	838	901	973	1,040	1,095	1,095
Total Sales (new and resale) (2024)	64	56	104	99	98	-	-	-	-	-	-	-	421
Total Sales (new and resale) Last Year (2023)	72	65	103	116	118	93	84	76	59	74	67	74	1,001
Total Sales (new and resale) Before 2 years prior (2022)	110	92	158	150	133	96	76	60	66	73	72	60	1,146
MCF Refund	8	6	12	10	20	-	-	-	-	-	-	-	-

GVR Cash Requirements Report

FY 2024

ACTUAL / PROJECTED	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Operating Cash at CHASE												
Beginning of Month Balance	2,599,548	687,320	440,036	640,817	832,509	704,891	377,516	689,015	826,948	904,705	988,814	1,614,106
Transfer In	-	-	650,000	500,000	400,000	100,000	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	468,890	441,316	430,912	404,863	465,524	408,242	276,333	981,338	4,088,093
Cash Disbursements	(1,044,254)	(847,624)	(1,097,156)	(777,198)	(968,934)	(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)	(308,308)	(527,618)	(427,374)	(438,502)	(362,066)	(422,243)	(415,891)	225,292	3,300,299
Ending of Month Balance	687,320	440,036	640,817	832,509	704,891	377,516	689,015	826,948	904,705	988,814	1,614,106	1,914,404
Operating Investment Accounts (A&B)												
Beginning of Month Balance	3,467,278	5,479,125	5,521,619	4,935,278	4,388,227	4,039,180	3,945,912	3,202,488	2,707,826	2,212,339	1,716,026	1,278,649
Transfer In	2,000,000	-	-	-	-	-	-	-	-	-	-	3,000,000
Transfer Out	-	-	(650,000)	(500,000)	(400,000)	(100,000)	(750,000)	(500,000)	(500,000)	(500,000)	(440,238)	(65,600)
Earned Income on Investmer	11,847	42,495	63,658	(47,051)	50,953	6,732	6,577	5,337	4,513	3,687	2,860	2,131
Ending of Month Balance	5,479,125	5,521,619	4,935,278	4,388,227	4,039,180	3,945,912	3,202,488	2,707,826	2,212,339	1,716,026	1,278,649	4,215,180
MRR Reserve												
Beginning of Month Balance	7,175,602	8,347,416	8,293,467	8,299,606	8,138,604	8,018,197	7,636,421	7,497,299	7,367,948	7,141,567	6,932,534	6,776,433
Transfer In MRR Funding	1,220,295	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(68,487)	(134,658)	(93,639)	(29,450)	(280,783)	(397,011)	(153,631)	(143,596)	(240,380)	(222,602)	(169,273)	(39,957)
Net Earned Income on Invest	20,006	80,709	99,777	(131,552)	160,376	15,235	14,509	14,245	13,999	13,569	13,172	12,875
Ending of Month Balance	8,347,416	8,293,467	8,299,606	8,138,604	8,018,197	7,636,421	7,497,299	7,367,948	7,141,567	6,932,534	6,776,433	6,749,351
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	814,765	1,113,273	1,123,864	1,137,015	1,113,602	1,141,932	1,144,102	1,146,276	1,148,454	1,150,636	1,152,822	1,155,013
Transfer In MRR B Pool & Spa Funding	299,400	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	(892)	10,591	13,151	(23,413)	28,330	2,170	2,174	2,178	2,182	2,186	2,190	2,195
Ending of Month Balance	1,113,273	1,123,864	1,137,015	1,113,602	1,141,932	1,144,102	1,146,276	1,148,454	1,150,636	1,152,822	1,155,013	1,157,207
Initiatives Reserve												
Beginning of Month Balance	1,750,056	1,643,300	1,383,482	1,273,517	1,187,196	755,609	691,750	638,175	578,776	587,666	585,731	589,665
Transfer In	-	-	120,896	55,586	54,003	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	(11,871)	17,929	1,436	1,314	1,213	1,100	1,117	1,113	1,120
Transfer Out	(106,130)	(264,584)	(246,660)	(130,036)	(503,520)	(130,417)	(105,417)	(105,417)	(37,417)	(37,417)	(37,417)	(37,417)
Ending of Month Balance	1,643,300	1,383,482	1,273,517	1,187,196	755,609	691,750	638,175	578,776	587,666	585,731	589,665	618,968
Emergency Reserve												
Beginning of Month Balance	560,194	563,405	582,365	593,810	576,057	595,231	616,642	627,022	620,879	602,048	591,830	595,184
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	3,211	18,960	11,445	(17,753)	19,174	21,411	10,380	(6,143)	(18,831)	(10,218)	3,354	3,373
Ending of Month Balance	563,405	582,365	593,810	576,057	595,231	616,642	627,022	620,879	602,048	591,830	595,184	598,557
Total Reserve Accounts	11,667,394	11,383,178	11,303,948	11,015,459	10,510,969	10,088,914	9,908,772	9,716,057	9,481,917	9,262,917	9,116,294	9,124,083
Total Operating Cash	6,166,445	5,961,655	5,576,095	5,220,736	4,744,071	4,323,428	3,891,503	3,534,774	3,117,044	2,704,840	2,892,754	6,129,584
Grand Total Cash & Investments	17,833,839	17,344,833	16,880,043	16,236,195	15,255,040	14,412,342	13,800,275	13,250,831	12,598,961	11,967,757	12,009,048	15,253,667

GVR Cash Requirements Report FY 2024

ACTUAL / PROJECTED

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

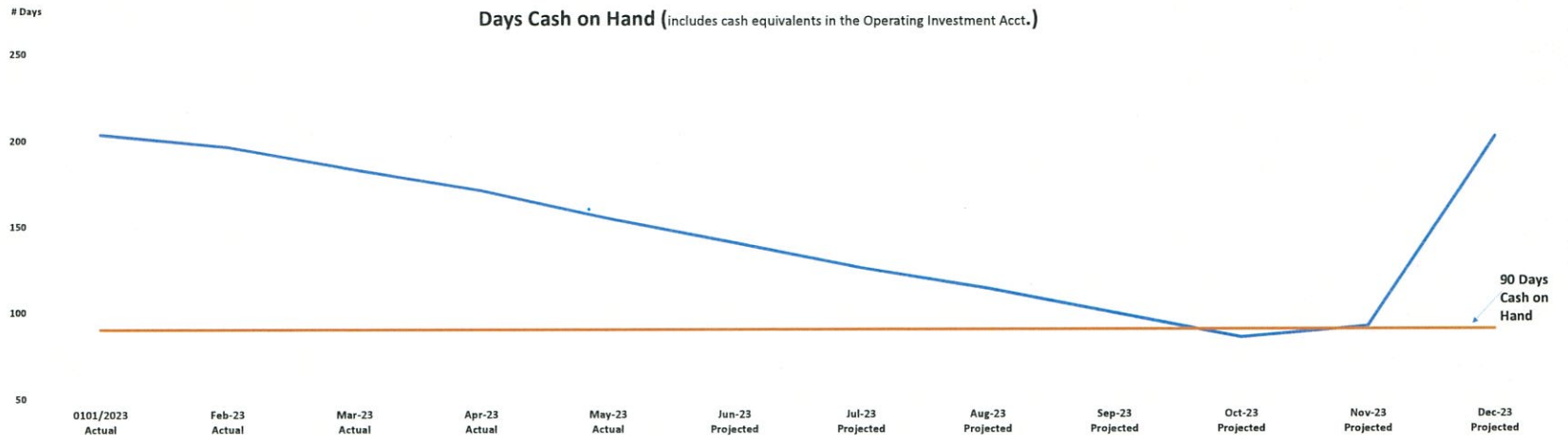
Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Projected Nov-24	Projected Dec-24
203	196	183	171	155	140	126	114	99	85	92	202

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	7,966,876
Total Operating Cash	6,129,584
Grand Total Cash & Investments	14,096,460

Operating Cash (CHASE)	6,166,445	5,961,655	5,576,095	5,220,736	4,744,071	4,323,428	3,891,503	3,534,774	3,117,044	2,704,840	2,892,754	6,129,584
Invested Total (SBH & JP MORGAN)	17,146,519	16,904,797	16,239,226	15,403,686	14,550,149	14,034,826	13,111,260	12,423,883	11,694,256	10,978,943	10,394,943	13,339,263

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.



GREEN VALLEY RECREATION
CAPITAL PROJECTS REPORT
5/31/2024

			TOTAL	2024	Project to Date		
Project ID	Center	Description	Total Project Budget	2024 Budget	Total Project Spent to Date	2024 Spent to Date	Project Budget Balance
NON RESERVE CAPITAL							
ALL		2024 Unplanned Unbudgeted Items	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000
CR		Shade Structure for Canoa Ranch pool	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ 16,000
CP1 / ABS		Deck shade structures for CP1 and Abr	\$ 26,000	\$ 26,000	\$ -	\$ -	\$ 26,000
ALL		Accessibility Initiatives	\$ 67,023	\$ 50,000	\$ 17,023	\$ -	\$ 50,000
PBC		Pickleball Fencing	\$ 35,000	\$ 35,000	\$ 6,080	\$ -	\$ 28,920
WC		Vacuum System for Woodshop	\$ 90,000		\$ 33,315	\$ 21,168	\$ 56,685
INITIATIVES							
SRS		Remodel for Glass Arts	\$ 900,000		\$ 828,605	\$ (24,224)	\$ 71,395
DH		Desert Hills Fitness Center	\$ 1,127,744		\$ 1,128,161	\$ -	\$ (417)
DH		DH Locker-room Expansion	\$ 299,355	\$ 299,355	\$ 9,591	\$ -	\$ 289,764
DH		Desert Hills Stage Removal	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ 15,000
DSCH		Del Sol Clubhouse Note Payable	\$ 110,000	\$ 11,000	\$ 22,000	\$ 22,000	\$ 88,000
DSCH		Del Sol Clubhouse Rennovation	\$ 1,900,000	\$ -	\$ 1,534,805	\$ 1,022,521	\$ 365,195
WC		West Center Expansion (Lap, Wood, Ar	\$ 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
WC		West Center Lobby improvements	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000
ALL		Security Cameras	\$ 50,000	\$ -	\$ 49,974	\$ 49,974	\$ 26



Green Valley Recreation, Inc.
Fiscal Affairs Committee Meeting
Finance Policies

Prepared By: Scott Somers, CEO

Meeting Date: June 18, 2024

Presented By: Scott Somers, CEO

Originating Department: Administration
Action Requested: Review and discuss recommended Finance Policies for inclusion into the CPM; consider recommendation to the Board.
Strategic Plan Goal #4: Cultivate and maintain a sound financial base that generates good value for our members
Background Information: Staff has provided a redlined edit of recommended Finance Policies to the Corporate Policy Manual (CPM). Recommended changes can be found in the following sections, which are attached: <ol style="list-style-type: none">1. Edits and relocation of Section 1, Budget Development Policy from the Appendix to Part 5 Fiscal/Accounting, Section 5.2. Section 1.1.7, Other Fees Among creating and amending additional policies, these edits amend and incorporate the Capital Improvement Project Policy Process and assessment tool pilot program, and item 4 of the Board Goals for CEO, 2024, into the CPM. <i>Board Goals for CEO, 2024</i> <ol style="list-style-type: none">4. (Capital) Include usage, trade-offs, and justification as part of the annual budget and capital planning process to provide the Board of Directors (BOD) with the necessary information to make capital planning decisions.
Fiscal Impact: No direct fiscal impact.
Fiscal Affairs Committee Options: <ol style="list-style-type: none">1) Review and discuss recommended Finance Policy changes to the CPM; consider recommendation to the Board of directors.
Staff Recommendation: Option 1
Attachments: <ol style="list-style-type: none">1) Relevant portions of the CPM, redlined2) Updated Capital Improvement Project Assessment tool3) Current redlined Capital Improvement Project Policy Process pilot program4) Current Capital Improvement Project Assessment tool



CORPORATE POLICY MANUAL

Version 2024.13

February 28, 2024

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**GREEN VALLEY RECREATION, INC.
CORPORATE POLICY MANUAL**

1.

Table of Contents

INTRODUCTION.....	1
PART 1: MEMBERSHIP AND FACILITIES	2
SECTION 1 - DUES AND FEES	2
1.1.1 General	2
1.1.2 Annual Dues	2
1.1.3 Annual Dues Installment Payment Plan	2
1.1.4 Due Date and Effect of Nonpayment of Annual Dues	3
1.1.5 Initial Fees.....	3
1.1.6 Membership Change Fee.....	3
1.1.7 Other Fees.....	4
1.1.8 Member Payment Transactions	5
SECTION 2 - USE OF GVR FACILITIES	5
1.2.1 Identification Cards.....	5
1.2.2 Guest Policy	6 5
1.2.3 Life Care Members	6
1.2.4 Code of Conduct.....	7 6
1.2.5 General Facilities Rules and Regulations	7
1.2.6 Use of GVR Facilities	8
1.2.7 Political Activities.....	10
1.2.8 Special Uses	11 10
1.2.9 Rentals and Fees	11
SECTION 3 - SUSPENSION OF PRIVILEGES	12
1.3.1 Suspension for Delinquency	12
1.3.2 Suspension for Conduct.....	12
PART 2: BOARD OF DIRECTORS.....	1514
BOARD CREDO	1514
SECTION 1 - GOVERNANCE	1514
2.1.1 Powers and Responsibilities	15 14
SECTION 2 - OFFICER ELECTIONS	1615
2.2.1 General	16 15
2.2.2 The Nominating Ballot.....	16 15
2.2.3 The Electing Ballot	17 16
2.2.4 Director Vacancies	17 16
SECTION 3 - MEETINGS	1716
2.3.1 Board Meetings	17 16
2.3.2 Conduct for Board Meeting.....	19 18
2.3.3 Agenda Scheduling and Preparation	20 19
2.3.4 Minutes and Recordings of Board Meetings	21 19

Formatted: List Paragraph

i

SECTION 4 - CODE OF CONDUCT	<u>2120</u>
2.4.1 Board Code of Conduct.....	<u>2120</u>
2.4.2 Code Enforcement Procedures.....	<u>2221</u>
SECTION 5 – LEGAL COUNSEL.....	<u>2322</u>
2.5.1 Use of Legal Counsel.....	<u>2322</u>
PART 3: COMMITTEES.....	<u>2423</u>
SECTION 1 – GENERAL	<u>2423</u>
3.1.1 Committees of The Board of Directors	<u>2423</u>
SECTION 2 - BOARD AFFAIRS COMMITTEE	<u>2524</u>
3.2.1 Membership	<u>2524</u>
3.2.2 Responsibilities	<u>2524</u>
SECTION 3 – FISCAL AFFAIRS COMMITTEE.....	<u>2624</u>
3.3.1 Membership	<u>2624</u>
3.3.2 Responsibilities	<u>2624</u>
SECTION 4 – PLANNING & EVALUATION COMMITTEE	<u>2625</u>
3.4.1 Membership	<u>2625</u>
3.4.2 Responsibilities	<u>2625</u>
SECTION 5 - AUDIT COMMITTEE.....	<u>2625</u>
3.5.1 Membership	<u>2625</u>
3.5.2 Responsibilities	<u>2625</u>
SECTION 6 - NOMINATIONS & ELECTIONS COMMITTEE.....	<u>2726</u>
3.6.1 Membership	<u>2726</u>
3.6.2 Responsibilities	<u>2726</u>
SECTION 7 - INVESTMENTS COMMITTEE	<u>2827</u>
3.7.1 Membership	<u>2827</u>
3.7.2 Responsibilities	<u>2827</u>
PART 4: CHIEF EXECUTIVE OFFICER.....	<u>3029</u>
SECTION 1 - AUTHORITY OF THE CEO	<u>3029</u>
4.1.1 General	<u>3029</u>
4.1.2 Fiscal Authority	<u>3029</u>
4.1.3 Programmatic Authority.....	<u>3129</u>
SECTION 2 - RESPONSIBILITIES	<u>3130</u>
4.2.1 Board Relationship.....	<u>3130</u>
4.2.2 Human Resources.....	<u>3130</u>
4.2.3 Other Responsibilities.....	<u>3231</u>
SECTION 3 - CEO REVIEW.....	<u>3231</u>
4.3.1 CEO Annual Review.....	<u>3231</u>
PART 5: FISCAL/ACCOUNTING	<u>3332</u>
SECTION 1 - FISCAL POLICY.....	<u>3332</u>
5.1.1 Definitions	<u>3332</u>
5.1.2 Accounting.....	<u>3332</u>
5.1.3 Purchasing.....	<u>3332</u>
5.1.4 Investment Policy	<u>3332</u>

5.1.5	Financing.....	3332
5.1.6	Revolving Line of Credit.....	3433
SECTION 2 – OPERATING CASH POLICY		3433
5.2.1	Overview.....	3433
5.2.2	Purpose.....	3433
5.2.3	Description of Cash Accounts	3433
5.2.4	Operating Cash Policy	3534
SECTION 3 - RESERVE POLICY		3837
5.3.1	Overview.....	3837
5.3.2	Maintenance of GVR Financial Reserve System	3837
5.3.3	Maintenance, Repair & Replacement Reserve Fund (MRR-A).....	4039
5.3.4	Maintenance, Repair and Replacement Fund (MRR-B).....	4139
5.3.5	Initiatives Reserve Fund	4140
5.3.6	Emergency Reserve Fund	4240
SECTION 4 – PROCUREMENT POLICY.....		4241
5.4.1	Overview	4241
5.4.2	Bidding and Disbursement Process.....	4342
5.4.3	Exceptions to Bidding and/or Approval Process.....	4543
5.4.4	Requirement for Obtaining Bids Waived.....	4644
5.4.5	Lease or Rental Agreement.....	4644
5.4.6	Vendor Relationships.....	4644
SECTION 5 - BUDGET DEVELOPMENT POLICY		6764
1.1.1	Objective.....	6764
1.1.2	Policy.....	6764
1.1.3	Limitations.....	7465
PART 6: GVR PROGRAMS AND CLUBS		4745
SECTION 1 - GVR PROGRAMS		4745
6.1.1	Objective	4745
6.1.2	Acceptance of Grant Funding.....	4745
6.1.3	GVR Activities Open to the General Public.....	4745
6.1.4	General Public Ticket Surcharges.....	4745
6.1.5	GVR as Ticket Outlet for Non-GVR Sponsored Programs	4745
SECTION 2 - GVR CLUBS		4745
6.2.1	Organization	4745
6.2.2	Membership/Guests/Monitoring	4846
6.2.3	Insurance	5047
6.2.4	Financial and Tax Requirements	5048
6.2.5	Sales Tax	5048
6.2.6	Facilities	5149
6.2.7	Clubs and Class Offerings	5149
6.2.8	Club Reporting and Records Management	5250
6.2.9	Club Bylaws	5250
6.2.10	Member Code of Conduct.....	5250
6.2.11	Dissolution of a Club	5351
SECTION 3 - HOBBY SHOPS AND STUDIO CLUBS.....		5351

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6.3.1	Basic Services	5351
6.3.2	Equipment	5451
6.3.3	Members' Use of Hobby Shops	5452
6.3.4	Merchandise/Product Sales	5552
PART 7:	COMMUNICATIONS	5653
SECTION 1 – OVERVIEW.....		5653
7.1.1	Communications Statement	5653
SECTION 2 – EXTERNAL COMMUNICATIONS		5653
7.2.1	Public Information Officer (PIO) as Point of Contact	5653
7.2.2	Information Prohibited from Public Release	5653
7.2.3	Correction of Inaccurate Information.....	5653
7.2.4	Media Access	5753
SECTION 3 – MEMBER COMMUNICATIONS		5754
7.3.1	Member Communications Sent to Staff.....	5754
7.3.2	Member Communications Sent to Board of Directors	5754
SECTION 4 – BOARD OF DIRECTORS COMMUNICATIONS.....		5754
7.4.1	Board of Directors Email Policy	5754
7.4.2	Board of Directors Internal Email Policy	5854
PART 8: RISK MANAGEMENT		5956
SECTION 1 – GENERAL.....		5956
8.1.1	Policy	5956
8.1.2	Disaster Recovery.....	5956
SECTION 2 – INSURANCE AND INDEMNIFICATION		6057
8.2.1	Coverages	6057
8.2.2	Volunteers and Members	6057
8.2.3	Committee Members	6057
8.2.4	Indemnification	6057
SECTION 3 – FRAUD POLICY.....		6057
8.3.1	Scope of Policy	6057
8.3.2	Actions Constituting Fraud	6057
8.3.3	Reporting Procedures	6158
8.3.4	Investigative Responsibilities	6158
8.3.5	Confidentiality	6259
8.3.6	Results of Investigation	6259
8.3.7	Administration.....	6259
PART 9: HUMAN RESOURCES.....		6360
SECTION 1 – EMPLOYMENT PRACTICES MANDATES		6360
9.1.1	Non-Discrimination Policy	6360
9.1.2	Non-Discrimination Practices.....	6360
SECTION 2 – CORPORATE PERSONNEL.....		6360
9.2.1	Policy Statement	6360
9.2.2	Equal Employment Opportunity Policy	6360
SECTION 3 – MISCELLANEOUS		6461

9.3.1	Volunteers	6461
9.3.2	GVR 401(K) Contribution Plan	6461
9.3.3	Records Retention Policy	6461
PART 10: MISCELLANEOUS		6562
SECTION 1 - PETITIONS FOR BOARD CANDIDATES & PROPOSED BYLAW AMENDMENTS		6562
10.1.1	Petition Process	6562
10.1.2	Requirements for Signatures	6562
SECTION 2 - EXAMINATION OF CORPORATE DOCUMENTS		6562
10.2.1	Inspection of Records	6562
10.2.2	Charge for Documents	6562
SECTION 3 - TYPOGRAPHICAL ERRORS		6662
10.3.1	Discovery of Error	6663
10.3.2	Correction of Error	6663
APPENDIX 1 – BOARD POLICIES		6764
SECTION 1 – BUDGET DEVELOPMENT POLICY		6764
1.1.1	Objective	6764
1.1.2	Policy	6764
1.1.3	Limitations	7465
SECTION 2-1 - GVR FACILITIES POLICY STATEMENT		7466
1.2.1	Resolution	7466
SECTION 3-2 - GVR INVESTMENT POLICY STATEMENT		7566
1.3.1	Introduction	7566
1.3.2	Purpose and Scope	7567
1.3.3	Definitions	7667
1.3.4	Management of Investments	7667
1.3.5	Operating Cash Investment Objectives	7667
1.3.6	Permitted Investments	8172
1.3.7	Review and Monitoring	8273
1.3.8	Responsibilities of the Client	8273
1.3.9	Responsibilities of the Advisor	8274
1.3.10	Remediation	8374
1.3.11	Acknowledgments	8475
1.3.12	Investment Policy Statement – Definition of Terms	8475
SECTION 4-3 - GVR PHILANTHROPIC NAMING OPPORTUNITIES POLICY		8677
1.4.1	Purpose	8677
1.4.2	Naming in Recognition of Financial Support	8677
1.4.3	General Provisions	8677
1.4.4	Approvals	8778
1.4.5	Naming Conventions	8778
SECTION 5-4 - GVR RESERVE STUDY POLICY		8778
1.5.1	Overview	8778
1.5.2	Reserve Study	8879

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1.5.3 Annual Reserve Study	8980
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- the trustees of the trust immediately prior to the transfer.
2. A person or legal entity who acquires ownership of a legal or beneficial interest of the GVR property resulting from death, sells it within six (6) months of the date of death will be exempt from the Membership Change Fee (and Transfer Fee) provided they do not elect to utilize the facilities or have Tenants in the property who wish to utilize the facilities.

B. The Membership Change Fee shall be refunded if the following apply:

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1. A Member has owned and occupied a GVR property within 365 days of transfer of title, provided that the Member demonstrates that she/he has moved from one owner-occupied primary GVR residence to another owner-occupied primary GVR residence and has presented GVR with background material showing this was a change in primary residence.
2. The Member(s) has owned and occupied the GVR property being sold for at least one (1) year.
3. A tenant card has not been issued on the property within the twelve (12) months immediately prior to the sale of the owner-occupied property.
4. The Member(s) submit a refund request for the Membership Change Fee. GVR will review the property transaction details to confirm ownership and eligibility for both properties. Refunds will be processed upon verification.

C. Revenue from the Membership Change Fee may be used as will most effectively further the general purpose of The Corporation to provide for current and future needs. A portion of the revenue from Membership Change Fee is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.

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1.1.7

Other Fees

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

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

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

1.1.8 Member Payment Transactions

Member payment transactions are subject to a processing fee.

SECTION 2 - USE OF GVR FACILITIES

1.2.1 Identification Cards

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

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APPENDIX 1 – BOARD POLICIES

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

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1.1.1 Objective

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

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

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

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1.1.2 Policy

A. References

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

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~~E.~~ B. Schedule for annual budget preparation and approval process
(structured for a calendar year):

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1. January/February:
 - a. CEO/staff will solicit any capital or operational needs from GVR Clubs and programs. A list of operational and capital needs will be developed. Staff will provide cost estimates for these projects.
 - b. Staff begin the annual Facilities Center Assessments process.
2. March:
 - ~~a. The Planning & Evaluation (P&E) Committee reviews and prioritizes Club requests greater than \$2,500 for current Fiscal Year implementation. Projects less than \$2,500 are included in the Center Assessments. Clubs will be notified by P&E (or designee) of the status of their projects (either funded or unfunded).~~
3. April/May:
 - a. Staff prepare, prioritize and provide cost estimates for Center Assessments' maintenance and capital replacement project lists.
4. June/July:
 - a. CEO/staff prepare operations and capital budgets.
5. August/September:
 - a. Staff provides recommendations for Center Assessments' priorities from Center Assessments and Reserve Study. (maintenance and capital replacements)
 - b. P&E Committee considers the Strategic Plan, Five Year Capital Improvement Plan, and the 10-Year Strategic Master Plan, etc. for projects when recommending updates of the Five-Year Capital Improvement Plan to the Board of Directors for upcoming fiscal year.
 - c. FAC considers staff proposal recommendations for fiscal year operating and capital budgets, and schedule of dues and fees. After review, FAC will forward to the Board with the recommendation that the budget be accepted as presented.
 - ~~d. FAC considers P&E Committee recommendations for new capital improvement projects from the 10-Year Strategic Master Plan.~~
 - ~~e. Staff determines and notifies the P&E Committee of budget available for capital club requests for the following calendar year.~~
6. September/October:
 - a. The Board ~~will~~ approves the Schedule of Dues and Assessments; the Board reviews and approves annual operating ~~and capital budgets, and the Five Year Capital Improvement Plan.~~
 - b. The Board ~~will~~ have an approved budget available for execution no later than November 15.

7. Approved Annual Operating & Capital Budget Implementation:

a. Once the annual operating and capital budget is approved, the CEO will execute the budgets within the overall budget totals. ~~Any proposed additions to the annual budget after approval by the Board will be forwarded to the Board for authorization prior to execution.~~

a.

C. Balanced Operating Budget

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

- Non-Reserve Capital Projects
- Nonessential hiring for staff vacancies
- Other Nonessential expenses
- Training and travel Expenses
- Overtime for Staff

D. Capital Improvement Program and Capital Budget

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

2. Preliminary planning and design for a capital project, excluding Maintenance, Repair, and Replacement Reserve Fund (MRR-A only) projects, since they are addressed

Commented [SS2]: See 1.1.3 Limitations

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separately, typically occurs before the project is approved; the cost for this work is usually charged to the Operations Fund. If the project is approved, the preliminary planning and design costs for it may be charged to the project, with the project budget reimbursing the fund to which the work was originally charged. If a project is not approved, the cost of the preliminary planning and design for it are absorbed by the fund originally charged, typically the Operations Fund.

3. Policy and Process

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

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

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

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

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

Staff provides an initial review by following the listed process:

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

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2. Is the proposed project:

i. unplanned and unbudgeted?

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

iii. anticipated to begin in current year?

iv. not included in the MRR Reserve study?

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v. not a club responsibility per the CPM and Club Agreement?

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

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

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Staff provides an initial review by following the listed process:

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

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

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Assessment Phase

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

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The following apply only to Type I Capital Improvement Projects:

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1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.
2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

The following apply only to Type II Capital Improvement Projects:

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

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Project Planning

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

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

4. **Prioritizing**

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

5. **Miscellaneous**

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

E. Budget Document

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

The budget will be presented by fund, with logical breakdown of programs and expenditures. The budget will focus on policy issues and will summarize expenditures at the Personnel, Materials and Services, Capital, and Interfund Transfer Level.

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

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1.1.3

Limitations

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

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

1.2.1

Resolution

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

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Capital Improvement Project Assessment

Project Name: _____ Proposed by: _____

Proposed Inception Year: _____

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? _____
(If Yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)
2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? _____
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option?

4. Please explain how the project advances the goals of Green Valley Recreation:

5. What are the 3-5 year participation trends related to this capital project request?

6. Please explain how this capital project supports the interest level of the general membership:

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group of GVR members? _____
(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What are the anticipated annual operational costs associated with this capital improvement? \$_____

9. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$_____

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes:

Capital Improvement Project Assessment

Additional Considerations:

- ☐ ***Club's history of Capital Funding Requests reviewed and included?***
Review data sheet of previous requests and awards, include in report

GVR Capital Improvement Project Policy and Process

Definition

Capital improvement project: Any equipment or other fixed asset costing \$5,000 or more and with a useful life of greater than one year.

Policy and Process

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

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

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Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL

IMPROVEMENT PROJECTS - Each year, when the budget allows, GVR will earmark an identified amount ~~\$100,000~~ in the Non-Reserve Capital Budget solely for the purpose of funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

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

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

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. under an estimated cost of \$50,000?
 - iii. anticipated to begin in current year?
 - iv. not included in the MRR study?

v. not a club responsibility per the CPM and Club Agreement?
If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT

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

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.
2. Is the proposed project:
 - vi. unplanned and unbudgeted?
 - vii. anticipated to begin in a future year?
 - viii. not a club responsibility per the CPM and Club Agreement?If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

Assessment Phase

Staff completes the Capital Improvement Project Assessment for all completed and timely applications.

~~Score <7 The proposal will not be considered at this time. Notify source party.~~

~~Score =>7 Follow Type I or Type II steps below for all other proposals.~~

The following apply only to Type I Capital Improvement Projects:

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

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

The following apply only to Type II Capital Improvement Projects:

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

Project Planning

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents any concept drawings and associated cost estimates to the Board of Directors for approval.
5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.

6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

Capital Improvement Project Assessment

Project Name: _____ Proposed by: _____
 Proposed Inception Year: _____ Proposed Completion Year: _____

Criteria / Assessment	Rating		Details
If this is a request for new or expanded club space, has the Club taken steps to maximize utilization?	Yes No		If No, stop assessment. Club should take appropriate steps and reapply in the future.
Does the request conform to the CPM?	Yes No		If No, stop assessment and re-categorize request (ex. Club responsibility)
Does this request support GVR's mission and vision and align with the 5-year strategic plan?	Yes No		If No, project will not be considered at this time without extenuating circumstances.
Are there health & safety impact/benefits tied to this project/request?	Yes No		If Yes, stop assessment and reallocate request (ex. Operations) for alternative resolution
Would the project improve member accessibility?	Yes No		If Yes, stop assessment and reallocation request for alternative resolution
What are the 3-5 year participation trends related to the recreation amenity affected by this proposal?	Unknown Decreasing No change Increasing N/A	0 0 2 4	Consider in-house attendance data or research of national/regional trends.
Does this project improve GVR's marketability and/or competitive advantage?	No Moderately Yes	0 1 2	Consider: growing trends, what is offered elsewhere, etc.
Estimated additional annual maintenance costs (E.g., Long-term costs? Annual replacements? Additional staff required?)	Decrease or 0 1-5% increase 5-10% increase 10-15% increase	4 3 2 1	If proposal would add or remove services that exceed 5% of operating budget, a vote of the membership is required.
Rate the interest level of this improvement to the general membership	Limited Moderate Broad	1 2 3	Examples: <i>Limited:</i> Enhances a smaller club with modest anticipated growth trends <i>Moderate:</i> An emerging sport <i>Broad:</i> A pool or fitness center
Would this request have an adverse effect on another group or GVR members?	Yes No	0 1	
	Total Score		

Capital Improvement Project Assessment

Scoring Range	
Will not be considered at this time	<7
Will be considered this round	= or >7

Aggregate Score

Notes:

Additional Considerations:

- ☐ **Club's history of Capital Funding Requests reviewed and included?**
Review data sheet of previous requests and awards, include in report

Capital Improvement Project Assessment

Project Name: _____ Proposed by: _____

Proposed Inception Year: _____

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? _____
(If Yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)
2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? _____
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option?

4. Please explain how the project advances the goals of Green Valley Recreation:

5. What are the 3-5 year participation trends related to this capital project request?

6. Please explain how this capital project supports the interest level of the general membership:

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group of GVR members? _____
(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What are the anticipated annual operational costs associated with this capital improvement? \$_____

9. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$_____

Criteria	Weight (1-5)	Clearly No 0 1 2 3 4 5 Clearly Yes	Total
Legal mandate			
Removes or reduces a hazard			
Advances organizational goals			
Improves efficiency			
Addresses participation trends			
Supports interest of general membership			
Does NOT create an adverse effect on another group or GVR members			
TOTAL			

Notes:

Capital Improvement Project Assessment

Additional Considerations:

- ☐ ***Club's history of Capital Funding Requests reviewed and included?***
Review data sheet of previous requests and awards, include in report
