



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF

DIRECTORS was held on Tuesday, June 21, 2016 at Las Campanas. The President being in the chair and the Secretary being present.

Directors Present: Tony Zabicki (Vice-President), Vicky Mournian (Treasurer), Leslie Shipley (Assistant Secretary), Bob Allen (Assistant Treasurer), John Arnold, Richard Kidwell, Pat Lynch, Barb Mauser, Jim Nelson, Kathy Palese, Kent Blumenthal (non-voting)

Present Via Teleconference: Joe Gunton (President), Don Lathrop

Staff: Jim Conroy (COO), Cheryl Moose (CFO), Jen Morningstar (Executive Office Manager), David Jund (Facilities Director), Sherri Cadeaux (Marketing & Communications Specialist), Payton Snider (System Administrator), Julie Vance (Sr. Recreation Supervisor), Shelly Freeman (Sound & Lighting Lead)

Visitors: 18

I. Call to Order / Establish Quorum

President Gunton called the meeting to order at 1:30pm
Roll call by Blumenthal; Quorum established.

II. Adopt Agenda

MOTION: Nelson / Seconded. Adopt Agenda as amended presented
Passed: unanimous.

III. Consent Calendar

MOTION: Allen / Seconded. Approve Consent Calendar, as presented:

- **Approval of Board of Directors Meeting Minutes of May 24, 2016**
- **May 2016 Financial Documents**

Passed: unanimous

IV. President's Comments

President Gunton commented on his thoughts for the separation of GVR and GVR Foundation; suggesting a strategic planning meeting between GVR Board of Directors and GVR Foundation Board of Directors.

V. CEO Blumenthal Reported the following:

AVANTI! or FORWARD! Is what every pedestrian in Rome sees when they begin to cross an intersection.

Avanti or Forward is what makes our monthly GVR Board meetings so impressive. Everything that's accomplished, everything that's said, whether you agree or disagree with specific actions, all is focused on moving our Corporation forward.

This meeting is no different.

Several agenda items require extra attention from the board and consideration by our members.

First, there is the proposed 2016/2017 GVR Work Plan. The interesting thing about GVR's Work Plans is that they are not static. They are dynamic, and represent the collective aspirations of the Board and staff at a particular point in time to add value to GVR members and vigor to our Corporation. The proposed 2016/2017 Work Plan builds on the achievements and successes of past Work Plans. It incorporates the expectations and goals of GVR committees and recognizes our special place in this community. Our membership occupies 75% of Green Valley homes, and likewise 75% of its population. I anticipate open and honest conversation about the proposed elements within the Work Plan, who we are, where we are, and what we hope to be.

I have included the 2016 goals of the GVR Foundation in the proposed work plan. Technically, The GVR Foundation, a tax-exempt, charitable giving, 501© (3) nonprofit organization is a separate legal entity from GVR. Then why you might ask was it included within this year's proposed work plan? Because the GVR Foundation Board is focused directly and indirectly on assisting GVR members, and by extension, the Corporation. If it does not do this, it ought not be in business. Originally, the GVR Foundation was the brainchild of the GVR Board of Directors, an aspiration published in the 2014/2015 Work Plan. The Foundation's goals were included in this Work Plan to enable the GVR Board to be aware of the work of the Foundation when it came time to determine its own plans. The Foundations goals can easily be removed from the final product before being endorsed by the Board. CFO Cheryl Moose and I will attend a day-long "accounting for nonprofits" conference tomorrow in Phoenix. We will use this opportunity to seek expert legal and accounting advice about the formal business and financial relationship between GVR and the GVR Foundation since the Foundation is still evolving and in its infancy.

Another very important conversation today concerns our financial reserves and determining how much in reserves is enough. I applaud GVR directors and committee members in moving forward the conversation about reserves and the need for a bona fide reserve study.

Lastly, though we seldom find time for celebrations, GVR does not lack for things to celebrate.

* On June 13, we welcomed about 30 GVR members to showcase the grand re-opening of the handsome new Member Services Center lobby. Re-modeling the lobby was a fortunate byproduct of reconfiguring the MSC to allow for more usable office space. All work was performed under County permit by very talented GVR Facilities staff that in-turn saved the Corporation thousands of dollars.

* On July 1st at 9 AM, we will celebrate the Grand Re-Opening of Canoa Ranch Center, our premier indoor swimming pool and spa, with refurbished locker rooms. Directors, I hope you're able to attend the event and ribbon cutting.

* On Thursday, July 7, from 8:30 AM until noon, GVR and the Green Valley Council, in partnership with members of the Southern Arizona Chapter of the Public Relations Society of America, are hosting a free half-day training. Directors of GVR and the GVR Foundation are encouraged to attend if their schedules allow. Most of GVR's Staff Leadership Team will participate, as will representatives of the GVC and the Greater Green Valley Community Foundation.

VI. New Business

A. 2015/16 GVR Work Plan – Year End Report

Discussion

B. 2016/17 Proposed GVR Work Plan

MOTION: Nelson /Seconded. Accept 2015/16 GVR Work Plan as amended.

Passed: unanimous

C. Reserve Study Report & Recommendation

MOTION: Allen / Seconded. Adopt the 2016 Reserve Study, completed by Browning Reserve Group, at a funding level of 90% and a component cost level of \$5,000 or more.

Passed: unanimous

D. Funding Request – Canoa Hills Pool Heater

MOTION: Zabicki / Seconded. Remove and replace the existing heating system (boiler) at Canoa Hills pool with funds from the Capital Replacement Reserve Fund, not to exceed \$25,000. The Unit will be designed by Aqua Design for professional architectural design. Staff will obtain three bids from contractors and obtain necessary Pima County permits. Staff will also prepare construction contract for selected contractor. This process could take up to eight weeks to complete. We will keep the pool open as long as we can during the installation of this new heating unit. If approved, staff will initiate this process immediately.

Passed: unanimous



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Statement of Financial Position
As of Date: 6/30/2016

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	Current Year	Prior Year
Assets		
Current Assets		
Cash/Cash Equivalent	930,813	9,819,109
Accounts Receivable	265,774	255,938
Prepaid Expenses	114,764	117,160
Edward Jones Investments	10,772,941	0
Current Assets	<u>12,084,292</u>	<u>10,192,207</u>
Fixed Assets		
Contributed Assets	17,593,785	17,593,785
Purchased Assets	14,936,021	14,593,173
Less: Accum. Depreciation	(16,390,992)	(15,575,337)
Fixed Assets	<u>16,138,814</u>	<u>16,611,621</u>
Other Assets		
Other Assets	<u>0</u>	<u>0</u>
Assets	<u><u>28,223,106</u></u>	<u><u>26,803,828</u></u>
Liabilities & Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	406,378	129,375
Deferred Dues & Fees	3,197,576	3,012,078
Deferred Programs	46,447	39,955
Current Liabilities	<u>3,650,401</u>	<u>3,181,408</u>
Liabilities	<u>3,650,401</u>	<u>3,181,408</u>
Net Assets		
Unrestricted Accumulated Net Assets	15,861,906	16,554,763
Temp Restricted - Board Designated for Operations	789,366	789,366
Temp Restricted - Board Designated for Capital Re	5,003,289	3,425,789
Temp Restricted - Board Designated Initiatives	2,069,845	1,904,845
Retained Earnings	848,299	947,656
Net Assets	<u>24,572,705</u>	<u>23,622,419</u>
Liabilities & Net Assets	<u><u>28,223,106</u></u>	<u><u>26,803,827</u></u>

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GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Statement of Activities
Monthly Report: 6/1/2016 - 6/30/2016
YTD Period: 1/1/2016 - 6/30/2016
FY Budget Period: 1/1/2016 - 12/31/2016

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	Monthly Report			Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year	
	Actual	Budget	Variance				Budget	Remaining FY Budget
Revenue								
1 Member Dues	533,689	534,335	(646)	3,202,015	3,206,013	(3,998)	6,412,025	3,210,010
2 Life Care, Transfer, Tenant & Add'l Card Fee	42,403	53,901	(11,498)	335,739	323,403	12,336	646,806	311,067
3 Facility Rent	65	1,750	(1,685)	11,424	10,500	924	21,000	9,576
4 Programs	12,154	27,590	(15,436)	229,750	165,540	64,210	331,050	101,330
5 Instructional	7,148	29,114	(21,966)	281,517	174,687	106,830	349,373	67,856
6 Advertising Income	1,455	550	905	9,455	3,300	6,155	6,600	(2,855)
8 Communication	4,918	4,542	376	14,753	27,252	(12,499)	54,504	39,751
9 NMCF/Initial Fees	179,321	135,847	43,474	1,090,253	815,080	275,173	1,630,160	539,907
12 Interest Income	8,184	11,405	(3,221)	108,894	68,429	40,465	136,857	27,963
13 Other Income	2,447	50	2,397	19,609	300	19,309	600	(19,009)
Revenue	791,784	799,084	(7,300)	5,303,409	4,794,504	508,905	9,589,005	4,285,596
Expenses								
17 Wages, Benefits, Payroll Expenses	461,360	317,672	(143,688)	2,097,326	1,906,034	(191,292)	3,812,068	1,714,742
18 Commercial Insurance	12,390	16,667	4,277	93,554	100,002	6,448	200,004	106,450
19 Conferences & Training	75	2,777	2,702	5,386	16,662	11,276	33,324	27,938
20 Recreation Contracts	14,997	55,257	40,260	477,979	331,543	(146,436)	663,086	185,107
21 Supplies	19,228	31,137	11,909	129,124	186,823	57,699	373,645	244,521
22 Advertising	0	0	0	13,590	0	(13,590)	0	(13,590)
23 Bank & Credit Card Fees	776	895	119	46,842	5,370	(41,472)	10,740	(36,102)
24 Professional Fees	5,525	12,384	6,859	67,617	74,302	6,685	148,604	80,987
25 Postage	16	3,770	3,754	13,153	22,622	9,469	45,245	32,092
26 Printing	10,248	4,532	(5,716)	26,382	27,190	808	54,380	27,998
27 Utilities	68,047	90,340	22,293	457,039	542,040	85,001	1,084,080	627,041
28 Communications	5,422	7,867	2,445	41,576	47,202	5,626	94,404	52,828
29 Taxes	0	500	500	0	3,000	3,000	6,000	6,000
30 Furniture & Equipment	(8,804)	31,406	40,210	46,950	188,434	141,484	376,868	329,918
31 Vehicles	4,944	4,867	(77)	29,542	29,202	(340)	58,404	28,862
32 Information Technology	2,758	4,229	1,471	21,564	25,375	3,811	50,750	29,186
33 Facility Maintenance	20,839	17,794	(3,045)	125,554	106,761	(18,793)	213,522	87,968
34 Major Projects-Repair & Maintenance	13,503	33,360	19,857	94,740	200,159	105,419	400,318	305,578
35 Fees & Assessments	20	2,770	2,750	2,487	16,620	14,133	33,240	30,753
36 Dues & Subscriptions	37	584	547	6,951	3,562	(3,389)	7,125	174
37 Food & Catering	1,179	4,396	3,217	18,301	26,375	8,074	52,750	34,449
38 Travel & Entertainment	29	1,708	1,679	3,909	10,250	6,341	20,500	16,591
39 Other Operating Expense	854	2,235	1,381	(9,773)	13,408	23,181	26,815	36,588
40 Provision for Bad Debt	(971)	2,917	3,888	9,544	17,502	7,958	35,004	25,460
41 Depreciation	105,961	110,950	4,989	635,774	665,700	29,926	1,331,400	695,626
Expenses	738,433	761,024	22,591	4,455,111	4,566,138	111,027	9,132,276	4,677,165
Excess or (Deficiency) of Revenue Over Expenses	53,351	38,060	15,291	848,298	228,366	619,932	456,729	(391,569)

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GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Statement of Financial Position
As of Date: 7/31/2016

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	Current Year	Prior Year
Assets		
Current Assets		
Cash/Cash Equivalent	1,308,386	9,385,451
Accounts Receivable	237,369	223,343
Prepaid Expenses	187,324	224,860
Edward Jones Investments	9,772,941	0
Current Assets	11,506,020	9,833,654
Fixed Assets		
Contributed Assets	17,593,785	17,593,785
Purchased Assets	14,955,115	14,636,471
Less: Accum. Depreciation	(16,443,954)	(15,681,992)
Fixed Assets	16,104,946	16,548,264
Other Assets		
Other Assets	0	0
Assets	27,610,966	26,381,918
Liabilities & Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	140,021	221,257
Deferred Dues & Fees	2,664,647	2,510,065
Deferred Programs	84,404	77,180
Current Liabilities	2,889,072	2,808,502
Liabilities	2,889,072	2,808,502
Net Assets		
Unrestricted Accumulated Net Assets	15,786,906	16,504,763
Temp Restricted - Board Designated for Operations	789,366	789,366
Temp Restricted - Board Designated for Capital Re	5,078,289	3,475,789
Temp Restricted - Board Designated Initiatives	2,069,845	1,904,845
Retained Earnings	997,488	898,653
Net Assets	24,721,894	23,573,416
Liabilities & Net Assets	27,610,966	26,381,918

DRAFT-FOR INTERNAL DISCUSSION PURPOSES ONLY



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Statement of Activities
Monthly Report: 7/1/2016 - 7/31/2016
YTD Period: 1/1/2016 - 7/31/2016
FY Budget Period: 1/1/2016 - 12/31/2016

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	Monthly Report			Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
	Actual	Budget	Variance					
Revenue								
1 Member Dues	533,142	534,335	(1,193)	3,733,157	3,740,348	(5,191)	6,412,025	2,676,868
2 Life Care, Transfer, Tenant & Add'l Card Fees	34,415	53,901	(19,486)	370,154	377,304	(7,150)	646,806	276,652
3 Facility Rent	135	1,750	(1,615)	11,559	12,250	(691)	21,000	9,441
4 Programs	(6,029)	27,590	(33,619)	223,721	193,130	30,591	331,080	107,359
5 Instructional	5,148	29,114	(23,966)	286,665	203,801	82,864	349,373	62,708
6 Advertising Income	6,252	550	5,702	15,707	3,850	11,857	6,600	(9,107)
8 Communication	6,651	4,542	2,109	21,404	31,794	(10,390)	54,504	33,100
9 NMCF/Initial Fees	155,200	135,847	19,353	1,245,453	950,927	294,526	1,630,160	384,707
12 Interest Income	7,795	11,405	(3,610)	116,689	79,833	36,856	136,857	20,168
13 Other Income	(3)	50	(53)	19,606	350	19,256	600	(19,006)
Revenue	742,706	799,084	(56,378)	6,046,115	5,593,587	452,528	9,589,005	3,542,890
Expenses								
17 Wages, Benefits, Payroll Expenses	302,052	317,672	15,620	2,399,378	2,223,706	(175,672)	3,812,068	1,412,690
18 Commercial Insurance	14,913	16,667	1,754	108,467	116,669	8,202	200,004	91,537
19 Conferences & Training	3,920	2,777	(1,143)	9,306	19,439	10,133	33,324	24,018
20 Recreation Contracts	23,696	55,257	31,561	501,674	386,800	(114,874)	663,086	161,412
21 Supplies	10,300	31,137	20,837	139,424	217,960	78,536	373,645	234,221
22 Advertising	0	0	0	13,590	0	(13,590)	0	(13,590)
23 Bank & Credit Card Fees	(861)	895	1,756	45,981	6,265	(39,716)	10,740	(35,241)
24 Professional Fees	23,374	12,384	(10,990)	90,990	86,686	(4,304)	148,604	57,614
25 Postage	1,023	3,770	2,747	14,176	26,393	12,217	45,245	31,069
26 Printing	488	4,532	4,044	26,870	31,722	4,852	54,380	27,510
27 Utilities	61,305	90,340	29,035	518,344	632,380	114,036	1,084,080	565,736
28 Communications	5,969	7,867	1,898	47,545	55,069	7,524	94,404	46,859
29 Taxes	0	500	500	0	3,500	3,500	6,000	6,000
30 Furniture & Equipment	9,383	31,406	22,023	56,333	219,840	163,507	376,868	320,535
31 Vehicles	4,978	4,867	(111)	34,521	34,069	(452)	58,404	23,883
32 Information Technology	552	4,229	3,677	22,116	29,604	7,488	50,750	28,634
33 Facility Maintenance	9,086	17,794	8,708	134,640	124,555	(10,085)	213,522	78,882
34 Major Projects Repair & Maintenance	6,662	33,360	26,698	101,402	233,519	132,117	400,318	298,916
35 Fees & Assessments	10	2,770	2,760	2,497	19,390	16,893	33,240	30,743
36 Dues & Subscriptions	26	584	568	6,977	4,156	(2,821)	7,125	148
37 Food & Catering	590	4,396	3,806	18,891	30,771	11,880	52,750	33,859
38 Travel & Entertainment	61	1,708	1,647	3,970	11,958	7,988	20,500	16,530
39 Other Operating Expense	88	2,235	2,167	(9,705)	15,642	25,347	26,815	36,520
40 Provision for Bad Debt	10,438	2,917	(7,521)	19,982	20,419	437	35,004	15,022
41 Depreciation	105,485	110,950	5,465	741,258	776,650	35,392	1,331,400	590,142
Expenses	593,518	761,024	167,506	5,048,627	5,327,162	278,535	9,132,276	4,083,649
Excess or (Deficiency) of Revenue Over Expenses	149,188	38,060	111,128	997,488	266,425	731,063	456,729	(540,759)

DRAFT-FOR INTERNAL DISCUSSION PURPOSES ONLY



Green Valley Recreation, Inc.
 Variance Report
 Monthly Report: 7/1/2016-7/31/2016

Row	Revenue	Year-to-Date	Budget	Variance	% Variance	
4	Programs	223,721	193,130	30,591	13.67%	Add'l programs added. Seasonality Accounting adjustment Tours
5	Instructional Revenue	286,665	203,801	82,864	29%	Classes & Tours Revenue over budget
9	New Member Capital Fees	1,245,453	950,927	294,526	24%	NMCF over budget due to more home sales
12	Interest Income	116,689	79,833	36,856	32%	Higher earnings on investments
13	Other Income	19,606	350	19,256	98%	Dues Payment Plan Fees
	Expense	Actual	Budget	Variance	% Variance	
17	Wages, Benefits, Payroll Expenses	2,399,378	2,223,706	(175,672)	-7%	3 Payperiods in July, WC audit adjustment
19	Conferences & Training	9,306	19,439	10,133	109%	Trainings scheduled for later in 2016
20	Recreation Contracts	501,674	386,800	(114,874)	-23%	Rec contracts over budget matches revenue
21	Supplies	139,424	217,960	78,536	56%	Computer Supplies under budget
23	Bank & Credit Card Fees	45,981	6,265	(39,716)	-86%	Credit cards fees-no offset fee, more cc used
27	Utilities	518,344	632,380	114,036	22%	Gas utility under budget-ABN
30	Furniture & Equipment	56,333	219,840	163,507	290%	Equip maint & new furniture under budget
34	Major Projects	101,402	233,519	132,117	130%	Unbudgeted uniform expense
39	Other Operating Expense	(10,627)	11,173	21,800	-205%	Adjustment to dues payment plan fees