



AGENDA
BOARD OF DIRECTORS MEETING
 Tuesday, September 25, 2018
 1:30pm – West Center

Directors: Carol Crothers (President), Donna Coon (Vice-President), Denise Nichols (Secretary), Roger Myers (Treasurer), Carol Lambert (Assistant Secretary), Tom Sadowski (Assistant Treasurer), Nina Campfield, Lynne Chalmers, Charles Sieck, Tim Stewart, Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (non-voting)

	Agenda Topic	Director	Exhibit	Action
I.	Call to Order / Quorum	Crothers		
II.	Adopt Agenda	Crothers	X	X
III.	Consent Calendar 1. Minutes: Board of Directors Meeting August 28, 2018	Crothers	X	X
IV.	President Report	Crothers		
V.	CEO Report	Blumenthal		
VI.	Committee Reports			
	1. Planning & Evaluation (P&E) A. Exhibit – Recommendation to Proceed with East Center Pickleball Courts Addressing Safe Play Conditions & Court Improvements	Coon	X	X
	2. Fiscal Affairs (FAC) A. Exhibit – Financial Statements August 2018 (draft) B. Exhibit – Recommendation to Approve Funding for Planning & Evaluation Committee – Endorsed East Center Pickleball Courts Addressing Safe Play Conditions & Court Improvements	Myers	X X	X X
	3. Board Affairs (BAC) A. Action - Legal Opinion Provided to Board Regarding BAC-recommended Changes to CPM (Privileged & Confidential Memo and Exhibit, dated 9/6/18)	Vanderhoof		X
	4. Survey Ad Hoc (SAH) A. Exhibit - Request for Legal Opinion on Sanctions for Board Code of Conduct Violations B. Exhibit - Recommendation to Establish FAQ Ad Hoc Committee	Lambert	X X	X X
	5. GVR-GVR Foundation Relationship Ad Hoc	Sieck		
	6. Nominations & Elections (N&E)	Nichols		
	7. Investments Ad Hoc	Sadowski		
	8. Bylaws Ad Hoc	Chalmers		
	9. Audit	Sieck		
VII.	New Business			
	1. Action – Legal Opinion Provided to Board Regarding Changes to CPM Pertaining to Electioneering on GVR Property (Attorney email dated 9/10/18)	Blumenthal		X
	2. Exhibit – Affirm that Board Desires DRAFT Meeting Minutes Posted Prior to Formal Board of Directors’ Approval	Blumenthal	X	X
VIII.	Member Comments			
IX.	Executive Session (if necessary)			
X.	Adjournment			X

Members and guests are expected to show respect and common courtesy and refrain from using offensive language and behavior. The Board may recess or adjourn into Executive Session to consider legal or personnel issues, if needed.



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, August 28, 2018 at West Center, the President being in the chair and the Secretary being present.

Directors Present: Carol Crothers (President), Donna Coon (Vice-President), Nina Campfield, Charles Sieck, Tim Stewart, Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (CEO)

Directors Present Electronically: Lynne Chalmers, Denise Nichols (Secretary)

Directors Absent: Carol Lambert, Roger Myers (Treasurer), Tom Sadowski

Staff: Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), George Rushing II (Recreation Director), Randy Cheatham (IT Director), Conal Ward (IT Technician)

Visitors:

I. Call to Order / Establish Quorum

President Crothers called the meeting to order at 1:31 MST
Roll call by Vice President Coon; Quorum established.

II. Adopt Agenda as amended

MOTION: Vanderhoof / Seconded. Adopt Agenda as amended.
Passed: 6 yes / 3 no (Campfield, Coon, Stewart)

III. Consent Calendar

MOTION: Stewart / Seconded. Approve June 26, 2018 Meeting Minutes as presented.
Passed: unanimous

MOTION: Sieck / Seconded. Approve August 10, 2018 Special Meeting Minutes as amended.
Passed: unanimous

MOTION: Vanderhoof / Seconded. Approve Financial Statements of June

IV. President's Report

We have a very full agenda so I will be brief.

First, you can see from the agenda that your board has been busy. We have many subjects to cover this afternoon.

What seems to be top of many members' minds is the state of the relationship between the GVR board and the GVR Foundation. Let me assure you that your board wants to see a solid productive relationship that benefits our members and our entire community.

We have created an ad hoc committee with the express purpose of building the relationship. Tim Stewart, Charlie Sieck, Donna Coon and Roger Myers form the committee. I will let Tim tell you all that he and his team have accomplished already, and Charlie will talk about the answers he has found to some of our questions. A major first step was getting the background information that describes the legal framework under which we (GVR) as a 501c(4) need to work with the Foundation a 501c(3). This document answers many of the board's questions and also reinforces the need for a written document on how we must proceed to prevent tax problems.

The ad hoc committee is committed to getting all questions answered and moving us towards the necessary written documentation.

We are changing the order of our agenda items today. Most of the business of GVR goes through our committees so I think it is appropriate to address committee items first.

Our Board Affairs committee has been busy working through the CPM to be sure it is in compliance with our bylaws and Arizona law. You will see a number of recommended CPM updates later in the meeting.

Our Survey Ad hoc committee has been hard at work. Sandra Thornton with the underserved subcommittee will be giving a report and recommendation. The communications sub group gave an excellent report at our work session. We had hoped to present and approve some of the recommendations today but Carol Lambert is out of town.

The Fiscal Affairs committee is in the middle of the 2019 budget which includes our dues. I would urge all interested members to attend their meetings to stay up to speed on the deliberations.

The P&E committee has work underway with our WSM architects on the new Pickleball courts and they have promised us to move as quickly as possible. Donna will be giving you an update.

A major activity of your board and CEO was to agree on a Work Plan for the governance year. There have been many recommendations and updates from all sides to be sure this year's work plan lines up the objectives of the board with the administration's overall activities.

We received a letter from GVR Foundation VP Regina Ford asking for a supporting letter for a grant application for the MAP program. Of course we will comply. I asked our CEO to prepare the letter for my signature. I want to thank the Foundation folks who have put in so many hours of volunteer effort helping our less fortunate members and our community at large.

V. CEO Report

Maybe it is because it has been eight weeks since our last regular session meeting of the GVR Board. Or perhaps it is because with every passing day, the stakes get higher for an 'Envisioned Future' for GVR. Either way, this board meeting where only 10 of the 12 Directors are present promises to be the most important of the year, if not the past five years.

What the Board will consider today is nothing less than:

- A comprehensive work plan for this governance year that expires in just seven months.
- The hope for a mutually respectful, collaborative relationship between GVR and the GVR Foundation.
- Reliance on sound legal advice that will continue to protect our Corp. today and tomorrow.
- Transparency in communications that affects the lives of all GVR members.
- Affordability, as defined in its broadest context, of all things we know and enjoy about GVR and its offerings to our 24,000 individual members.

Meanwhile, the work of the Corp. continues even as we meet here today:

1. On Thursday at 1:30 PM here in this West Center auditorium is a member forum on our Solar Panel Installation Project initiative. A \$4.2 million initiative, by the way, that will not cost GVR a penny. In fact, GVR will save tens of thousands of dollars each year, once all solar installations are completed.
2. The new GVR SOS Volunteer initiative launches just after Labor Day.
3. GVR Now! Newsletter production has been made more efficient and its distribution expanded. We were able to reduce production costs for our monthly newsletter by completing virtually all design in-house. This has reduced expenses and shortened the production schedule for each issue. GVR Now! newspaper-type stands are now in place at Continental Shopping Center and other local retail sites.
4. The 2018 Reserve Study Updates prepared by the Browning Reserve Group under contract with GVR is completed and is posted on GVR Website.
5. Development of the proposed FY2019 budget is progressing nicely and on a fast-track, in accordance with Fiscal Affairs Committee and Board expectations. With this being late-August, I am pleased that we are as far along as we are with budget development. Our early progress on the FY2019 budget allows for more Board and committee review and discussion than before.

Upcoming FY2019 budget review meetings include:

- A FAC review of capital projects on August 30;
- A September 13 Board budget work session;
- A September 18 regular FAC committee meeting;
- And a presentation of the proposed FY2019 budget for adoption at the September 25 GVR Board meeting.

At this point in the process, the FY2019 proposed \$11.6M (approx.) budget reviewed by the Fiscal Affairs Committee this past week is balanced at '\$0' net revenue/expenses. In the FY2019 proposal, the percentage of the annual operating and capital budget covered by member dues is 61.33%, up slightly from 2018 (at 59.42%).

FAC Chair Roger Myers, CFO Cheryl Moose, and Accounting Manager David Webster are working hard to see that this budget timeline is met. It is obvious to me that the budget development process and all that must be considered as part of it is not universally understood. I'm hoping that Roger and the Fiscal Affairs Committee can soon host a 'GVR budget primer' that will describe the budget development process and answer questions about GVR budget 'unducables,' as I like to call them.

Lastly, finalizing the 2018/2019 GVR Work Plan is of particular importance. My hope and expectation is that it is intended as a 'win-win-win' between the Board, staff and membership. Determining how to measure success for each work plan item is critical. Some of the proposed work plan items are loaded with needed additional administrative and accounting work.

For these items, more implementation discussions between me and the Board are required to identify how to avoid bloating the GVR bureaucracy while keeping staff focused on operations and the Board focused within its policy-making purview. More about this issue when we get to that agenda item.

Thank you for being here today. Let's have a productive and success-driven afternoon.

VI. Committee Reports

A. Foundation Ad Hoc

1. **Motion: Sieck / Seconded. Send response letter prepared by ad hoc relationship committee to GVR Foundation**
Passed: unanimous
2. **Motion: Sieck / Seconded. Upon clarification of appropriate steps to assure compliance with federal tax rules, GVR cover the Foundation's cost for the marketing materials for the Pickleball fundraising campaign, up to \$9500 if the Foundation decides to pursue the campaign.**
Passed: unanimous

B. Board Affairs

1. **Motion: Vanderhoof / Seconded. Approve changes to policy (Exhibit A – Suspension of Privileges) and incorporate changes into Corporate Policy Manual.**
Passed: 5 yes / 4 no (Campfield, Coon, Nichols, Stewart)

MOTION: Sieck / Seconded. Call the question.
Passed: unanimous

2. **MOTION: Sieck / Seconded.** Take these exhibits and get legal opinions on them and make adjustments accordingly and then bring them back to the Board for voting. Make sure they go back to Board Affairs and they agree with the changes and then come back to the Board, and I want to see what the legal cost for the opinion.

3. **MOTION TO AMEND: Campfield / Seconded.** Include Exhibit A in legal opinion request.

Passed: 7 yes / 2 no (Chalmers, Vanderhoof)

AMENDED MOTION: send Exhibits A-E to legal counsel opinions on them and make adjustments accordingly and then bring them back to the Board for voting. Make sure they go back to Board Affairs and they agree with the changes and then come back to the Board, and I want to see what the legal cost is for the opinion.

Passed: 7 yes / 2 no (Chalmers, Vanderhoof)

C. Audit

Chair Charles Sieck introduced committee member Ted Schultz. The committee will begin work over the next few months.

D. Survey Ad Hoc

MOTION: Thornton / Seconded. The Board of Directors request the Fiscal Affairs Committee to thoroughly review the impact of keeping GVR dues level until an alternative can be developed that recognizes the struggle of some of our members to afford the ever increasing GVR dues.

Passed: 5 yes / 4 no (Campfield, Coon, Nichols, Stewart)

E. Fiscal Affairs

Director Campfield explained the Fiscal Affairs Committee is looking at changing the budget development policy giving staff and the Board more time to prepare and review proposed annual budgets.

F. Planning & Evaluation

Director Coon reported on the progress of solar panel installation, East Center pickleball court lighting and the Pickleball Center design.

G. Nominations & Elections no report

H. Investments no report

VII. New Business

A. Letter of support for GVR Foundation (White Elephant Grant)

MOTION: Stewart / Seconded. Board approve sending letter of support for GVR Foundation White Elephant MAP grant.

Passed: unanimous

B. Proposed 2018-19 GVR Work Plan

MOTION: Sieck / Seconded. Approve 2018-2019 GVR Work Plan with the condition that outstanding items be finalized by the Executive Board and the CEO within the next week.

Outstanding Items:

II. Marketing & Communications

4. Strategic - Non-Dues Revenue

- Continue to Identify and grow non-dues revenue.
 - Note from 8/9 Work Session: Myers will work with Blumenthal to provide reword so success can be measured

III. Information Technology

4. Operational – GVR Website

- Create FAQ pilot for answering member inquiries
- Within the FAQ create a ‘Pending Response’ area for questions sent to the Board that need a response and are relevant to all the membership. Once an answer is given they would be moved to FAQ area.
 - Note from 8/9 Work Session: Lambert and Blumenthal will propose language; Board will determine procedures for responding to/answering member inquiries and forwarding to staff for web posting.

V. Administration, Facilities & Recreation Management

9. Operational – Investment of Reserve Funds

- Move three reserve funds (MR&R, Emergency and New Initiative) to managed accounts through development of a formal RFP which seeks open competition.
- Final selection of successful bidder to be submitted for approval by the Board.
- Create a cash flow analysis that projects the requirements for operations, MR&R, Capital expenditures and new initiatives. CEO and CFO will work with the committee to define requirements.
 - Note from 8/9 Work Session: Board agreed that Myers and Campfield will propose new language to support Investment Committee for this section in anticipation of move to managed funds:
 - Propose cash flow and maturity of investments
 - CEO & CFO will work with committee to define requirements for cash flow analysis that predicts cash requirements

Passed: unanimous

C. Proposal: Board Responses to Member emails

MOTION: Campfield / Seconded.

- **CEO place the following statement adjacent to the hotlink board@gvrec.org: “The Board of Directors appreciates hearing member views and suggestions. If you wish to receive a response, please indicate ‘Response’ in the subject line of your email;”**

- **CEO change the automatic reply to member emails sent to the Board of Directors to: “Thank you for your email, which has been received by all members of the Board of Directors. If you requested a response, you will hear from the Secretary of the BOD;”**
- **Secretary of the Board of Directors be authorized to determine where the subject of an email should be dealt with, i.e., which committee or Board meeting, and to respond to member emails that request a response; and**
- **Notification of this change be published in the eBlast and *GVR Now!***
- **Refer to Board Affairs Committee for placement in Corporate Policy Manual**
- **Have these changes reviewed by corporate attorney.**

Passed: unanimous

D. Establish Bylaws Ad Hoc Committee and Appoint Chair

MOTION: Crothers / Seconded. President Crothers proposed forming an ad hoc committee to review the proposed amended and restated bylaws. The completion date of the ad hoc committee’s work would be October 31, 2020. Additionally, appoint Lynne Chalmers as chair.

Passed: unanimous

E. Appoint New Co-Chair to Survey Ad Hoc Committee

MOTION: Crothers / Seconded. Appoint Charles Sieck as third co-chair of Survey Ad Hoc Committee, specifically to work on

Passed: unanimous

F. Request: Release Summary of Legal Opinion – “Standard of Service”

MOTION: Campfield / Seconded. Direct CEO to prepare a statement based on the April 23, 2018 legal opinion defining Standard of Service as described in GVR Bylaws, Article III Section 3. Further, direct the CEO distribute the statement to GVR Board and to general GVR Membership.

Passed: unanimous

G. Request: Legal Opinion (Civil Rights of Board Members)

Discussion

VIII. Member Comments:

IX. Adjournment

MOTION: Campfield / Seconded. Meeting Adjourned at pm MST.

Passed: unanimous



APPROVED
9/13/18

EXHIBIT

Planning & Evaluation Committee
September 13, 2018 – GVR East Center

East Center Pickleball Courts **Addressing Safe Play Conditions & Court Improvements**

Posting approved by Donna Coon September 17, 2018

Overview

On February 27, 2018 the GVR Board of Directors unanimously approved to fund lighting of Pickleball courts #1, #2 and #3 at East Center (EC). The Board stipulated that up-to \$90,000 may be reallocated for this purpose within the Board-approved FY 2018 budget for non-Reserve Capital Projects. On March 22, 2018, the GVR Board of Directors voted to retain WSM to explore converting EC Court #1 east/west-oriented court into two (2) north/south oriented courts.

The current lay-out of courts #1 & #2 has physical safety concerns that have existed for many years. The GVR Board recently received more communication from members about these safety issues, which include having courts #2 & #3 laid out too close to each other thereby exposing players to potential collisions (typical on-court dividing/protection fencing is absent due to the narrow court dimensions); cracks; expansion joints; and poor surfacing.

Custom Courts & Tiles (CCT), the Phoenix-based firm that had built East Center Courts #4-#7 has been hired to repair two tennis courts at Las Campanas, as authorized by the GVR Board at its May 24, 2018 meeting. Work to repair the two tennis courts at Las Campanas is expected to begin late July 2018 and be completed by mid-September 2018.

Staff requested a proposal from CCT to construct two new lighted, post-tensioned courts out of EC Court #1 and to overlay EC Courts #2 & #3 with post-tensioned concrete lighted courts, with required sidewalks and court entry gateways. CCT also provided, at staff's request, a quote for re-lamping the existing quad of courts to match the new LED court lights designated for the new EC 1-4 courts. Current pole lights are 8 - 1000w Metal Halide fixtures.

Addressing safe play conditions and court improvements at East Center Pickleball courts now would have an added benefit of providing additional Pickleball play opportunities during GVR's peak season in early 2019 while the 24-court Pickleball Center is under development.

Supplemental to the 2/27/18 Board motion approving \$90,000 for this project, funding of \$98,270 is required to address all aforementioned East Center Pickleball issues: court safety considerations, converting Court #1 into two courts, and court lighting (new and improved).

Specifically, the EC Pickleball court improvements will include:

- Address court surface safety and court dimension concerns on courts #2 and #3.
- Convert court #1 into two courts. The corrective process will be primarily achieved by capping the existing three courts with a 6” post-tensioned concrete slab to standard court dimensions with proper fencing.
- Light the new four courts with LED pole light fixtures.
- Convert existing lighted courts to the energy conscious LED light fixtures.
- Provide required sidewalks and court entry gateways.

Project Costs Breakdown:

Apply the approved \$90,000 toward the project costs. Additional funding to be determined by the Fiscal Affairs Committee.

Estimated additional costs to complete the project are **\$98,270**.

Fee Proposal for Professional Services – EC Site Lighting Design	\$5,170.00
Fee Proposal for Professional Services - EC PB Renovation	\$3,100.00
Earthwork based on Western Technologies Report	\$15,000.00
Court Construction	\$122,400.00
Replace lighting on courts #4-7 w/ LED Fixtures	\$20,000.00
Final Electrical	\$6,000.00
Custom Handrails and Wrought Iron Fencing	\$8,500.00
Windscreens	\$1000.00
Shade materials and installation	\$3500.00
Proximity Reader	\$3600.00
Total	\$188,270.00

*\$188,270 total project cost – <\$90,000> prior Board authorization = \$98,270 supplemental funding request

Recommendation

Approve \$98,270 supplemental funding for East Center Pickleball court safety and improvements as described within this exhibit.

The accompanying pages are the Financial Reports for August 31, 2018. 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.

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: August 31, 2018 and December 31, 2017



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	August 31, 2018	December 31, 2017
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 1,315,182	4,539,157
Accounts Receivable	209,263	123,604
Edward Jones Investments (@ Market)	11,964,896	10,274,921
Prepaid Expenses	268,420	173,447
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	18,808,785	17,939,723
Sub-Total	36,402,570	35,533,507
Less - Accumulated Depreciation	(19,774,273)	(18,846,580)
Property and Equipment - net	16,628,297	16,686,927
Total Assets	30,386,057	31,798,057
LIABILITIES		
Accounts Payable	182,269	409,923
Deferred Dues & Fees	2,203,811	4,230,453
Deferred Programs	109,798	329,352
Total Liabilities	2,495,878	4,969,728
TOTAL NET ASSETS	\$27,890,179	26,828,329
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 951,327	930,342
Maint - Repair - Replacement	6,020,938	6,264,272
Initiatives	2,031,971	1,531,549
Unrestricted Net Assets	18,885,943	18,102,166
TOTAL NET ASSETS	\$27,890,179	26,828,329

Statement of Activities
Current Year - January to August 31, 2018

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	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	4,416,958	4,448,504	(31,546)	6,672,756	2,255,798
Life Care, Transfer, Tenant & Add'l Card Fees	545,948	464,019	81,929	696,017	150,069
Capital Revenue	1,799,264	1,585,587	213,677	2,378,383	579,119
Programs	274,508	260,767	13,741	391,149	116,641
Instructional	263,630	287,636	(24,006)	431,450	167,820
Recreation Income	538,137	548,403	(10,266)	822,599	284,462
Advertising Income	60,945	50,000	10,945	75,000	14,055
Communication	27,752	38,000	(10,248)	57,000	29,248
Communication Income	88,697	88,000	697	132,000	43,303
Investment Income	207,960	186,664	21,296	280,000	72,040
Other Income	20,652	13,400	7,252	20,100	(552)
Facility Rent	15,464	15,336	128	23,000	7,536
Marketing Events	-	4,000	(4,000)	6,000	6,000
Other Income	36,116	32,736	3,380	49,100	12,984
Total Revenue	7,633,080	7,353,913	279,167	11,030,855	3,397,775
Expenses					
Major Projects-Repair & Maintenance	311,390	194,877	(116,514)	292,315	(19,075)
Facility Maintenance	138,397	342,913	204,517	514,370	375,974
Fees & Assessments	8,714	59,400	50,686	89,100	80,386
Utilities	653,157	765,414	112,257	1,148,121	494,964
Depreciation	933,672	830,667	(103,006)	1,246,000	312,328
Furniture & Equipment	164,563	161,216	(3,347)	241,824	77,261
Vehicles	37,958	53,336	15,378	80,004	42,046
Facilities & Equipment	2,247,851	2,407,823	159,972	3,611,734	1,363,883
Wages, Benefits, Payroll Expenses	2,966,338	3,217,205	250,868	4,825,808	1,859,471
Conferences & Training	39,396	58,000	18,604	87,000	47,604
Personnel	3,005,734	3,275,205	269,472	4,912,808	1,907,074
Food & Catering	28,093	34,067	5,974	51,100	23,007
Recreation Contracts	420,869	429,024	8,155	643,536	222,667
Bank & Credit Card Fees	62,654	70,000	7,346	105,000	42,346
Program	511,615	533,091	21,475	799,636	288,020
Communications	64,163	65,187	1,024	97,780	33,617
Printing	48,331	39,560	(8,771)	59,340	11,009
Advertising	3,734	10,000	6,266	15,000	11,266
Communications	116,227	114,747	(1,481)	172,120	55,893
Supplies	207,678	302,827	95,149	454,240	246,562
Postage	8,565	21,160	12,595	31,740	23,175
Dues & Subscriptions	6,960	4,067	(2,893)	6,100	(860)
Travel & Entertainment	1,477	12,960	11,483	19,440	17,963
Other Operating Expense	15,676	44,725	29,049	67,087	51,411
Operations	240,356	385,738	145,382	578,607	338,252
Information Technology	43,227	76,500	39,799	114,750	71,523
Professional Fees	188,907	202,333	13,426	303,500	114,593
Commercial Insurance	130,990	136,667	5,677	205,000	74,010
Taxes	638	9,800	9,162	14,700	14,062
Provision for Bad Debt	9,895	16,000	6,105	24,000	14,105
Corporate Expenses	373,658	441,300	74,167	661,950	288,292
Expenses	6,495,441	7,157,904	668,988	10,736,855	4,241,414
Net surplus (Deficit)	1,137,639	196,009	948,155	294,000	(843,640)
Unrealized Gain/Loss on Investment	(75,789)	-	(75,789)	-	(75,789)
Net change in Net Assets-GVR	1,061,851	196,009	872,366	294,000	(767,851)

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GREEN VALLEY RECREATION, INC.

**GREEN VALLEY RECREATION, INC.
STATEMENT OF CHANGES IN NET ASSETS**

As of Date: August 31, 2018 and December 31, 2017

	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
	Unrestricted	Fixed Assets			
Totals					
\$ 1,061,851	1,061,851				
-	(626,669)		626,669		
	388,626		(888,626)		500,000
	933,672	(933,672)			
	-	-			
	-				-
	(115,065)		11,075	73,088	30,902
	5,022		(4,782)	(240)	-
	70,012		14,693	(54,224)	(30,481)
	-				
1,061,851	1,717,450	(933,672)	20,986	(243,334)	500,421
26,828,329	1,415,239	16,686,927	930,341	6,264,272	1,531,550
\$27,890,179	3,132,689	15,753,255	951,327	6,020,939	2,031,971

Net change in Net Assets-GVR

Transfers between unrestricted and reserves:

Reserve Study Allocation
Principal Transfers

Depreciation
Purchase of Fixed Assets
Transfer For Fixed Asset Purchase

Allocations of Net Change components:

Investment income
Investment Expenses

Unrealized Gains (Losses) on Market
Repairs and replacements

Net change to August 31, 2018

NET ASSETS, December 31, 2017

Net Assets as at August 31, 2018

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GREEN VALLEY RECREATION, INC.

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

	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Totals				
\$ 10,274,921	1,548,758	930,342	6,264,272	1,531,550
1,626,669	500,000	-	626,669	500,000
-	-	-	-	-
144,118	29,053	11,075	73,088	30,902
-	888,626	-	(888,626)	-
(5,022)	-	(4,782)	(240)	-
1,765,764	1,417,679	6,293	(189,109)	530,902
12,040,685	2,966,437	936,634	6,075,163	2,062,452
(75,789)	(5,776)	14,693	(54,224)	(30,481)
\$ 11,964,897	2,960,660	951,327	6,020,938	2,031,971

Balance December 31, 2017 (at Market)

Changes since January 1, 2018

- Principal additions
 - Rebalance Transactions
 - Investment income
 - Withdrawals
 - Investment Expenses
- Net Change for 8 Months**

Balance before Market Change at August 31, 2018

8 month Change in Unrealized Gain (Loss)

Balance at August 31, 2018 (at Market)



EXHIBIT

**Board of Directors
September 25, 2018**

9/20/18 Fiscal Affairs Committee Special Meeting

To determine funding source(s) P&E's revised East Center Pickleball courts and lighting of \$98,270.

Recommendation:

The Fiscal Affairs Committee recommends the following GVR reserve accounts and amounts as funding sources for the Planning and Evaluation Committee's revised East Center Pickleball Courts and Lighting Project supplemental funding of \$98,270 dated 9/18/2018 which is attached and included in this recommendation.

Maintenance, Repair and Replace Reserve ¹	\$ 16,891
Initiatives Reserve	\$ 66,379
Emergency Reserve	\$ 15,000
Total	\$ 98,270

Note 1 – Reserve Study line items:
Center 00030-East Center

		FFB
Category 17000-Tennis courts	Line 700-Pickleball wind screen	1,000
Category 17500-Basketball/Sport Courts	Line 210-Seal & Striping Pickleball	3,105
Category 17500-Basketball/Sport Courts	Line 430-Overlay [3] Pickleball Courts	8,929
Category 19000-Fencing	Line 130-Chain link 10', Pickleball portion	3,857

16,891



EXHIBIT

**Board of Directors
September 25, 2018**

Board of Directors Sanctions

Overview:

In the recent GVR member survey, almost half (48%) of respondents replied that they somewhat/strongly disagreed that “the Board of Directors follows their Code of Conduct which commits them to act in the best interest of the membership as a whole, above their own individual needs...” The Ad Hoc Survey committee-Board sub-committee believes that this issue is as relevant with the current board as it is with previous boards, and therefore would like to suggest that the Board Code of Conduct be “beefed up” to make it more enforceable.

There is a GVR Member Code of Conduct (Section II Membership, Subsection 1) and member sanctions (Section II Membership, Subsection 5 Suspension of Privileges), but the Board Code of Conduct (Section VI Board, Subsection VI) has no sanctions.

Recommendation:

Secure a legal opinion on a range of appropriate sanctions consistent with GVR Bylaws and Arizona statutes.



EXHIBIT

**Board of Directors
September 25, 2018**

Board of Directors FAQ

Overview:

Member questions come from a variety of sources – GVR center suggestion boxes, the GVR hotline, the member survey and the generic board email address. The Committee recommends that a Board committee be formed (perhaps 3 Directors, 1 GVR member, and 1 GVR staff person) to address these questions. GVR staff have committed to include an FAQ section in GVR electronic publications.

Recommendation:

The Ad Hoc Survey Committee - Communication subcommittee recommends that the Board form an FAQ Ad Hoc Committee, chaired by the Board Secretary. The purpose of the FAQ Ad Hoc Committee is to prioritize, answer and publish answers to questions about GVR and its governance frequently asked by members.



EXHIBIT

Board of Directors September 25, 2018

Posting DRAFT Board of Directors Meeting Minutes

Overview

Board of Directors meeting minutes are posted after they have been reviewed and approved by the Board. The Board would like the opportunity to review minutes while the events of the meeting are still fresh in their minds.

Recommendation

Approve posting minutes from Board of Directors meetings as 'DRAFT, pending approval' as soon as possible after completion of meeting; update CPM, accordingly.