



AGENDA

SPECIAL BOARD OF DIRECTORS MEETING

Wednesday, April 24, 2019 – 2pm

West Center Auditorium

Directors: Charles Sieck (President), Lynne Chalmers (Vice President), Sandra Thornton (Secretary), Carol Crothers (Treasurer), Donna Coon (Assistant Secretary), Tom Sadowski (Assistant Treasurer), Suzan Curtin, Christine Gallegos, Denise Nichols, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (non-voting)

	Agenda Topic	Director	Time	Exhibit	Action
1.	Call to Order / Quorum	Sieck	2:00		
2.	Adopt Agenda	Sieck	2:02	X	X
3.	Consent Calendar A. Minutes March 19, 2019 B. Minutes March 26, 2019 C. Minutes April 4, 2019 D. Financial Report December 2018 E. Financial Report January 2019 F. Financial Report February 2019 G. Financial Report March 2019	Sieck	2:04	X	X
4.	President Report	Sieck	2:10		
5.	CEO Report	Blumenthal	2:12		
6.	Committee Reports A. Planning & Evaluation B. Fiscal Affairs C. Investments 1. Revised Investment Policy D. Audit E. Board Affairs F. Nominations & Elections G. Bylaws Ad Hoc H. Survey / Facility Access Ad Hoc	Nichols Crothers Sadowski Vanderhoof Curtin Gallegos Sieck Thornton	2:15 2:20 2:30 2:40 2:45 2:50 2:55 3:00	X	X X
7.	Board Project Status Reports A. Member Concierge Kiosks B. Solar Gain Status Update C. Pickleball Center Update	Blumenthal Sieck Blumenthal	3:05 3:10 3:15	X X	
8.	New Business A. Policy Governance Ad Hoc Committee B. MedAvail / Spot RX Lease Agreement	Chalmers Blumenthal	3:20 3:25	X X	X X
9.	GVR Foundation Report	Counter	3:50		
10.	Member Comments (limited to two minutes each)		3:55		
11.	Executive Session (if necessary)				
12.	Adjournment		4:00		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 necessary.



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, March 19, 2019 at West Center, the Vice-President being in the chair and the Secretary being present.

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

Directors Present Electronically: Carol Crothers (President), Lynne Chalmers

Staff: Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Interim Recreation Director), Miles Waterbury (Communications Specialist), Karen Miars (Administrative Assistant), Payton Snider (System Administrator), Conal Ward (IT Technician)

Visitors: 40 (includes additional staff)

1. Call to Order / Establish Quorum

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

2. Adopt Agenda

MOTION: Lambert / Seconded. Adopt Agenda as presented.
Passed: unanimous

3. Consent Calendar

A. February 26, 2019 Minutes

MOTION: Sieck / Seconded. Approve February 26, 2019 Meeting Minutes as presented.
Passed: unanimous

B. January 2019 Financial Statements

MOTION: Sieck / Seconded. Table January Financial Statements until next meeting.
Passed: 11 yes / 1 no (Campfield)

4. President Report – President Crothers encouraged members to vote and will give a full report at the Annual Meeting of Members.

5. CEO Report

Good afternoon fellow GVR members, Board, and staff. I again thank my fellow staff colleagues for helping me and the Board prepare for this regular session meeting of the Board. This report affords me an opportunity to update members on a few important and continuing activities, of which only one is on today's meeting agenda.

1. GVR Staff Appreciation Breakfast

I wish to thank GVR Directors Donna Coon, Tom Sadowski, Carol Lambert, and Nina Campfield for participating in yesterday's GVR Staff Appreciation Breakfast. Your presence and kind words about the good work of GVR's 120 employees were greatly appreciated.

2. Site Visit to Denver for Investment Firm Finalist

CFO Cheryl Moose, Accounting Manager David Webster, and I traveled to Denver on February 27 to meet with officials of an investment firm that is a finalist to manage GVR reserve accounts. As was reported to the Investment Committee upon our return, we were impressed by the

overall wherewithal of the firm and the competency and friendliness of its employees. Officials of the firm emphasized its employee retention and continuing investment in its staff.

3. GVR Pickleball Center, Phase I

The Pickleball Center Design Group met last week. The project is close to going out for bid. Updates appear in the weekly GVR Friday eBlast with a link to the design and construction schedule in the form of a Gantt chart. As many as five bids to prequalified selected General Contractors will be sought. The bid period lasts approximately 3 weeks.

4. Arizona House Bill 2374

GVR still waiting to hear whether or not the Senate Government Committee will schedule a hearing on HB 2374. At the close of last week's stakeholders meeting in Phoenix, were encouraging signs that Committee Chair, David Farnsworth would add HB 2374 to the agenda.

5. GVR Metal Working Club

The GVR Metal Working Club is open for business in its new home in the former Facilities Fleet Parking lot behind the Administrative Offices.

6. Forum on Fitness & Pools

A well-attended Member Forum on GVR Fitness Centers & Pools held yesterday and facilitated by Director Tom Sadowski and P & E Committee member Keith Skytta was insightful and informative. Look for follow-up during the ensuing GVR Governance Year.

7. Live video streaming of today's Board meeting

We are live video streaming today's Board meeting as a beta test for next week's broadcast of the Annual Meeting of the Corp, and will upload to YouTube and post on the GVR website the resulting video of the meeting. In discussions with our IT Director Randy Cheatham, he explained that it is actually easier and more efficient for GVR to live stream and then post the video of each Board meeting instead of resurrecting the video streaming process each year. We are considering implementing this for the next governance year.

Thank you for joining us today and stay well.

6. Committee Reports

A. Board Affairs

1. CPM Amendment – Membership ID Cards

MOTION: Sieck / Seconded. I move that the GVR Board of Directors approve changes to the CPM to become effective January 1, 2020 as written below:

CORPORATE POLICY MANUAL

Section II - Membership

SUBSECTION 2. GENERAL

GVR property and member definitions, use of facilities, suspension of privileges and voting rights are as set forth in the bylaws of the Corporation or the Corporate Policy Manual.

~~A. GVR Membership Cards (updated 4/19/2016)~~

~~1. GVR membership cards shall be issued to each owner of a GVR membership property.~~

~~2. A spouse of a GVR member shall be issued a GVR membership card regardless of whether the spouse is on title to the property unless the spouse has disclaimed interest in the property. Moved #2 below~~

~~3. If a GVR property is held in a trust, each trustee shall be issued a GVR membership card unless the trust specifies otherwise. Moved #3 below~~

- ~~4. If a GVR property is owned by a corporation, LLC, or similar entity, a GVR membership card shall be issued to up to two (2) managing member(s) of the entity.~~
- ~~5. A GVR membership card shall be issued to a person who shares a common household with a GVR member upon proof of residency and payment of an Additional Card Holder fee as established by the Board.~~
- ~~6. Any single owner GVR membership property that was issued an Annual Guest Card or Additional Card Holder card prior to the effective date of this policy may renew such cards without payment of a fee.~~

A. GVR Identification Cards

It is the policy of GVR that each authorized user of GVR facilities be issued a GVR identification card as set forth herein.

- 1. A GVR identification card shall be issued to each GVR member, each Assigned Member, each CRCF user and each Life Care user.**
- 2. A spouse of a GVR member shall be issued a GVR membership identification card regardless of whether the spouse is on title to the property unless the spouse has disclaimed interest in the property.**
- 3. If a GVR property is held in a trust, each trustee shall be issued a GVR membership identification card unless the trust specifies otherwise.**
- 4. If a GVR property is owned by a corporation, LLC, or similar entity, a GVR identification card shall be issued to up to two (2) managing partners.**
- 5. Additional Card Holder:**
 - a) GVR identification shall be issued at no fee for one (1) Additional Card Holder where the individual is residing with a sole owner GVR member or sole Assigned Member and proof of residency has been provided to GVR.**
 - b) For a fee established by the Board of Directors, GVR identification shall be issued to other Additional Card Holders where proof of residency has been provided to GVR.**

Call the question: Sieck / Seconded.

Failed: 6 yes (Chalmers, Crothers, Sadowski, Sieck, Thornton, Vanderhoof) / 6 no

MOTION TO TABLE: Campfield / Seconded. Table this to a work session no later than May 15, 2019.

Motion to Table Failed: 5 yes (Campfield, Coon, Lambert, Nichols, Stewart) / 7 no

Motion Passed: 7 yes / 5 no (Campfield, Coon, Lambert, Nichols, Stewart)

2. CPM Amendment – Guest Policy

MOTION: Sieck / Seconded. I move that the GVR Board of Directors approve the changes to the CPM as written below effective January 1, 2020:

B. Guest Policy (updated 8/29/2017)

- 1. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, or Life Care User of GVR CRCF Resident and who live outside a twenty (20) mile radius of established GVR Boundaries. In**

general, guest cards are provided for visitors who are staying in a GVR household with the member or who are staying in a local commercial hotel as a guest of the member.

2. Anyone residing **in** a non-GVR property within the jurisdiction of the corporation is not an eligible guest.
3. GVR Members, **Assigned Members and CRCF residents** may purchase an Annual Guest Card for a fee determined by the Board of Directors. GVR Members, **Assigned Members and CRCF residents** may also purchase daily guest cards for an additional fee. Limit one (1) Annual Guest Card per household. The Annual Guest Card allows for an unlimited number of guests and guest visits. Daily Guest passes allow for unlimited number of guests on specific days only.
4. ~~GVR Members who own more than one GVR property may purchase an Annual Guest Card only for the property in which they reside.~~
4. 5. No more than one (1) Annual Guest Card may be purchased by an individual(s) owning GVR properties regardless of the number of properties owned.
5. 6. Annual Guest Cards may not be purchased for properties which are tenant occupied. Tenants may purchase Daily Guest passes for a fee determined by the Board of Directors.
6. 7. Annual Guest Cards are valid through the end of the calendar year (December 31). Annual Guest Card fees are not prorated.
7. 8. Adult guests 18 years of age and older are required to have a valid guest card when visiting GVR facilities. Multiple guests visiting the same facility may use the same Annual Guest Card.
8. 9. Guests under the age of 18 do not require guest cards and must be accompanied by a GVR-issued card-carrying adult.
9. 10. Replacement of a lost or damaged Annual Guest Card must be obtained at a GVR Member Services office. The fee for replacement cards is determined by the Board of Directors. Lost cards will be deactivated to prevent future use of the card. Damaged cards must be returned to a GVR Member Services office before a replacement card will be issued.
11. ~~Tenants with guests may purchase a day pass for each guest over the age of 18.~~
10. 12 Guest cards are required for all general facility use and club activities. However, guest cards are not required for ticketed GVR events where guests pay a higher ticket price than the member price.
11. 13 At management's discretion, guest usage of GVR facilities may be limited to non-primetime hours. Signage will be added to all facility gates reminding individuals that each person must swipe (or 'tap' for proximity cards) a GVR-issued ID Card. In addition, members and guests who abuse GVR ID card privileges may be subject to sanctions and penalties up to and including fines and/or loss of privileges, as determined by the Board of

Directors. Rules governing board-authorized sanctions and penalties will be publicized to the general membership.

~~14. GVR stopped issuing Annual Guest Cards on a complimentary basis to new Single Member Households on March 1, 2016. Annual Guest cards offered on a complimentary basis to Single Member Households prior to March 1, 2016 (whereby the GVR member property remains a single member household) will continue to be issued, provided that the affected GVR Member formally requests a Single Member Annual Guest Card each year. The formal request may be made any time during a calendar year and for each subsequent calendar year. Failure to request a card during a calendar year will result in forfeiture of the Single Member Annual Guest Card privilege for the GVR member. Cards are specific to a GVR member property and are not transferable to a new owner of the property.~~

~~15. Life Care Privilege – Life Care Users may purchase Annual Guest Cards and Daily Guest Passes following the same guidelines established for guests of any GVR Member.~~

12. A Single User Only annual guest card provides access to GVR facilities for only one individual guest at a time and shall be issued in the name of the sole-owner GVR member requesting the card.

13. A Single User Only Annual guest card shall be issued to sole-owner GVR members for no fee where there is no other person residing with the GVR member.

Call the question: Sieck / Seconded.

Passed: 10 yes / 2 no (Campfield, Lambert)

Motion Passed: 6 yes / 5 no (Campfield, Lambert, Myers, Nichols, Stewart) / 1 abstain (Coon)

B. Fiscal Affairs

1. Proposed Bylaws Amendment – Change in date for schedule of dues

MOTION: Myers / Seconded. GVR Board of Directors approve the Fiscal Affairs Committee recommendation for the following changes to GVR's Bylaws Article III, Section 4:

Current Bylaws, Page 3, Article III – Dues and Assessments, Section 4 – Announcement by the Board of Directors:

On or before December 10th of each year, the Board of Directors shall announce the schedule of membership dues and the Operating and Capital Budgets for the next calendar year.

Changes to Bylaws Article III, Section 4

Existing words to be deleted are struck-through and new words to replace them are in red.

On or before ~~December 10th~~ **September 30th of each year, the Board of Directors shall announce the schedule of membership dues and the Operating and Capital Budgets for the next calendar year.**

Revised Bylaws Article III, Section 4

On or before September 30th of each year, the Board of Directors shall announce the schedule of membership dues and the Operating and Capital Budgets for the next calendar year.

Call the question: Stewart / Seconded.

Passed: unanimous

**Motion Failed: 6 yes (Campfield, Coon, Lambert, Myers, Nichols, Stewart)
/ 6 no**

C. Planning & Evaluation

1. Update – GVR Capital Projects 3-5 Year Plan for 2020

MOTION: Coon / Seconded. GVR Board of Directors approve the 2020 Capital Project Plan as an update to the current GVR Capital Projects 3-5 Year Plan as presented as a conceptual framework with each project subject to GVR Board of Directors approval, Fiscal Affairs Committee determination of funding and presentation of cost-benefit analysis for each project prior to approval. Engineering and design should proceed to enable accurate analysis prior to approval of each project.

MOTION TO AMEND: Nichols / Seconded. Move Pickleball Complex Construction Phase 2 to 2021 and Construction Phase 3 to 2022.

Motion to Amend Passed: unanimous

Amended Motion Passed: 10 yes / 2 no (Chalmers, Crothers)

APPROVED AMENDED MOTION: GVR Board of Directors approve the 2020 Capital Project Plan as an update to the current GVR Capital Projects 3-5 Year Plan as a conceptual framework with each project subject to GVR Board of Directors approval, Fiscal Affairs Committee determination of funding and presentation of cost-benefit analysis for each project prior to approval, moving Pickleball Complex Construction Phase 2 to 2021 and Construction Phase 3 to 2022. Engineering and design should proceed to enable accurate analysis prior to approval of each project.

D. Audit – Director Sieck gave an update.

E. Nominations & Elections – no report

F. Investments Ad Hoc

1. Financial Advisor Recommendation

MOTION: Sadowski / Seconded.

WHEREAS, the Investment Ad Hoc Committee previously recommended to the GVR Board of Directors, that Segall Bryant Hamill (SBH) be the financial advisor for managing the GVR Initiatives, Emergency and Maintenance, Repair and Replacement reserve accounts.

WHEREAS, GVR staff scheduled and completed an in-person meeting with SBH representatives on February 27, 2019.

WHEREAS, the GVR Staff Team was impressed by SBH and believe that SBH has competent and professional staff and other resources necessary to manage GVR assets with Charles Schwab as the custodian.

WHEREAS, the Investment Committee and GVR Board has reviewed and recommended small changes and an addendum to the GVR/SBH agreement.

Now, therefore, let it be resolved, that the Board President is authorized to sign the agreement between GVR and SBH, and is further authorized to initiate and sign account opening documents with Charles Schwab, with GVR CEO Kent Blumenthal and Cheryl Moose as authorized signers on the custodial account.

Call the question: Lambert / Seconded.

Passed: unanimous

Motion Passed: unanimous

G. GVR-GVR Foundation Ad Hoc – Director Stewart reported the GVR Board submitted a Request for Funding Grant Application for the Pickleball Complex to GVR Foundation (GVRF) Board, who has formally accepted the application. GVR Board is waiting for an attorney’s second opinion on the GVRF Grant Agreement before having the President sign.

H. Bylaws Ad Hoc – no report

~~ Lynne Chalmers left the meeting.

7. Unfinished Business

A. Recording of January 29 Board Meeting pertaining to Pickleball Center Funding

B. Approval of January 29, 2019 Minutes

MOTION: Sadowski / Seconded. Approve January 29, 2019 Meeting Minutes as presented.

Passed: 8 yes / 1 no (Vanderhoof)

8. New Business

9. GVR Foundation Update – GVR Foundation President Jim Counter reported:

A joint effort with GVR, GVR Members, the White Elephant, Amazon Smile, Jim Click, Kroger Rewards and the GVR Foundation provided another successful conclusion to the Member Assistance Program giving almost \$20,000 to GVR Members in need.

The joint effort of the Greater Green Valley Community Foundation and the GVR Foundation with the Southern Arizona CultureFest in Tubac brought in nearly \$4,500 to each Foundation.

The same joint effort has organized a Write-A-Will Workshop to be presented on March 27 from 9am to 12pm at GVR Santa Rita Springs Center in the Anza Room.

The Pickleball Campaign is underway. GVR Foundation provided a table for donations and info at the Southern Arizona Senior Games Pickleball competition where donations/pledges were collected.

The GVR Foundation is in the process of updating its brochures and forms.

The next step for the GVR Foundation is to get a letter of total support from the GVR Board so we may start the balance of our major fundraising campaign for the Pickleball Complex.

MOTION: Stewart / Seconded. GVR Board of Directors authorizes the President to write a letter of strong support for the GVR Foundation.

Passed: unanimous

10. Member Comments: 1

11. Adjournment

MOTION: Campfield / Seconded. Adjourn at 4:12pm MST.

Passed: unanimous

DRAFT

Denise Nichols
Secretary

Date

Karen Miars
Administrative Assistant

Date



A regular meeting of the GREEN VALLEY RECREATION, INC.

BOARD OF DIRECTORS held Tuesday, March 26, 2019 at West Center. The President being in the chair and the Secretary being present.

Directors Present: Lynne Chalmers, Donna Coon, Carol Crothers, Suzan Curtin, Christine Gallegos, Denise Nichols, Tom Sadowski, Charles Sieck, Sandra Thornton, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (CEO)

Staff: Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Interim Recreation Director), Miles Waterbury (Communications Specialist), Karen Miars (Administrative Assistant), Payton Snider (System Administrator)

Visitors: 30 (includes additional staff)

I. Call to Order / Establish Quorum

President Crothers called the meeting to order at 10:38am MST.
Roll call by Secretary Nichols; Quorum established.

II. Adopt Agenda

**MOTION: Chalmers / Seconded. Adopt Agenda as amended.
Passed: unanimous**

III. New Business

A. Election of Officers

1. President

- a) Nomination
 - a. Crothers - will not run
 - b. Nichols - will not run
 - c. Sieck - will run

b) Election

- a. Sieck - 12

2. Vice-President

- a) Nomination
 - a. Chalmers - will run
 - b. Coon - will not run
 - c. Crothers - will not run
 - d. Nichols - will not run

b) Election

- a. Chalmers - 12

3. Secretary

- a) Nomination
 - a. Coon - will run
 - b. Nichols - will not run
 - c. Thornton - will run

b) Election

- a. Thornton 7 / Coon 5

4. **Treasurer**
 - a) Nomination
 - a. Crothers – will run
 - b. Sadowski - will not run
 - c. Weaver - will run
 - b) Election
 - a. Crothers 8 / Weaver 4

5. **Assistant Secretary**
 - a) Nomination
 - a. Coon - will run
 - b. Gallegos - will not run
 - c. Nichols - will not run
 - d. Vanderhoof – will not run
 - e. Zelenak – will not run
 - b) Election
 - a. Coon - 12

6. **Assistant Treasurer**
 - a) Nomination
 - a. Nichols - will not run
 - b. Sadowski – will run
 - c. Vanderhoof - will not run
 - d. Weaver - will run
 - b) Election
 - a. Sadowski 8 / Weaver 4

B. Carver Coaching/Training Proposal

Proposal: Given the completed one day workshop on March 22, and a commitment by the Board to continue with implementation of the policy governance model, the following proposal is presented to follow-up on what was learned at the workshop, as well as continue with ongoing training in order to implement the policy governance model.

1. **Susan Mogensen will be contracted for 20 hours of coaching support at a cost of \$2250, useable as needed across the next year. Coaching may occur via phone, Skype, or email. Any subcommittees of the Board, the Board itself, and the CEO will have access to coaching.**
2. **The policy governance sub-committee (Charlie, Carol, Gail, Lynne) will complete a draft of the executive limitations policies using the template provided by Susan Mogensen and submit it to Susan for feedback. Once completed, the draft of the executive limitations policies will be presented to the Board for approval. Completion target date: May 1, 2019.**
3. **The policy governance sub-committee (Charlie, Carol, Gail, Lynne) will complete a draft of the board governance policies using the template provided by Susan Mogensen and submit it to Susan for feedback. Once completed, the draft of the board governance policies will be presented to the Board for approval. Completion target date: June 1, 2019.**
4. **The policy governance sub-committee (Charlie, Carol, Gail, Lynne) will complete a draft of the board management delegation policies**

using the template provided by Susan Mogensen and submit it to Susan for feedback. Once completed, the draft of the board management delegation policies will be presented to the Board for approval. Completion target date: July 1, 2019.

5. CEO, Kent Blumenthal, will work with Susan to draft his reasonable interpretations of the policies approved by the Board (½ -1 hour on overview of his role and 1-2 hours for feedback on his draft of reasonable interpretations) and present the draft to the Board for approval. Completion target date: August 1, 2019.
6. Implementation of the ends, policies, and executive limitations approved by the Board. Completion target date: September 1, 2019.
7. All coaching time with Susan Mogensen will be approved through representative Director Chalmers, determined by the Board to be the single point of contact.

MOTION: Chalmers / Seconded. GVR Board commit to implementing the Carver Policy Governance Model (all ten principles) and approve the ongoing policy governance coaching/training and implementation as described in the above proposal.

Passed: unanimous

C. Status of SBH Contract Signing

MOTION: Chalmers / Seconded. GVR Board approve signing today, March 26, 2019, the Segall Bryant & Hamill (SBH) contract as financial advisor for managing GVR Initiatives, Emergency and Maintenance, Repair and Replacement reserve accounts.

Passed: unanimous

D. Calendar of 2019-20 Board of Directors Meetings

IV. Member Comments: 0

V. Adjournment

MOTION: Sadowski / Seconded. Adjourn meeting at 11:42am MST.

Passed: unanimous

Sandra Thornton
Secretary

Date

Karen Miars
Administrative Assistant

Date



A special meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, April 4, 2019 at Santa Rita Springs. The President being in the chair and the Secretary being present.

Directors Present: Charles Sieck (President), Lynne Chalmers (Vice President), Sandra Thornton (Secretary), Carol Crothers (Treasurer), Donna Coon (Assistant Secretary), Suzan Curtin, Christine Gallegos, Gail Vanderhoof, Mike Zelenak, Kent Blumenthal (non-voting)

Directors Absent: Denise Nichols, Tom Sadowski, Don Weaver

Staff: Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Interim Recreation Director), Miles Waterbury (Communications Specialist), Melanie Stephenson (Project Manager)

Visitors: 13

I. Call to Order / Establish Quorum

President Sieck called the meeting to order at 8:30am MST.
Roll call by Secretary Thornton; Quorum established.

II. Adopt Agenda

**MOTION: Chalmers / Seconded. Adopt Agenda as presented.
Passed: unanimous**

III. President Report

This is the first meeting of our new Board but it is a very important meeting. We will decide on the chairmen of the committees to the Board who in turn select the members that will be critical in setting the direction of GVR for the next year.

The first thing I would like to note is the seating arrangements. Very few decisions I will make without Board guidance but this is one I did make. Our CEO, Dr. Kent Blumenthal, will be seated to my left and vice president, director Lynne Chalmers will be on my right. This is no accident. Going forward I will make every possible effort to keep this Board unified. It should be noted that I will have very little tolerance for anyone or anything that tries to divide or segment this Board.

Before we get into the business at hand, I want to give you an update on the Investment Committee progress. Per the motion at the March 26th board meeting, the contract with SBH was signed on that day and sent to SBH. The next milestone came on Friday, March 29th where the documents to open the accounts at Charles Schwab were completed and signed. Next Tuesday, the Investment Committee will meet to finalize the addendum which includes an update to the GVR investment policy. This will then have to be approved through the Fiscal Affairs Committee and finally our Board.

Motions relative to this initiative by the Investment Committee at the previous 3 board meeting have been unanimously approved. To expedite this approval by our Board, we will attempt to approve this using email unanimous consent.

In the past, it has been suggested several times that the Board hire a parliamentarian to run our meetings. We are looking into that and will report back at the next meeting.

With that I will turn it over to our CEO, Dr. Kent Blumenthal.

IV. CEO Report

Since this special meeting precedes a lengthy presentation by our Reserve Study Consultant, I will present my report on April 24. Thank you.

V. New Business

A. Appoint Committee Chairs

- | | |
|-------------------------------|--------------------|
| 1. Board Affairs | Suzan Curtin |
| 2. Fiscal Affairs | Carol Crothers |
| 3. Planning & Evaluation | Denise Nichols |
| 4. Audit | Gail Vanderhoof |
| 5. Nominations & Elections | Christine Gallegos |
| 6. Investments | Tom Sadowski |
| 7. Bylaws Ad Hoc | Lynne Chalmers |
| 8. Survey Ad Hoc | Sandra Thornton |
| 9. Facility Access Ad Hoc | Sandra Thornton |
| 10. GVR-GVR Foundation Ad Hoc | Donna Coon |
| 11. Executive Evaluation | Charles Sieck |

MOTION: Crothers / Seconded. Approve President Sieck's appointment of 2019-20 Committee Chairs.

Passed: unanimous

B. Approve 2019-20 Board Meeting Schedule

MOTION: Sieck / Seconded. Approve 2019-20 Meeting Schedule.

Passed: unanimous

VI. Member Comments: 2

VII. Adjournment

MOTION: / Seconded. Adjourn meeting at am 8:42am MST.

Passed: unanimous

Sandra Thornton
Secretary

Date

Jennifer Morningstar
Director of Administrative Services

Date

The accompanying pages are the Financial Reports for December 31, 2018. The four statements

Statement of Financial Position.

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

Statement of Activities

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

Statement of Changes in Net Assets

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

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

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

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

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

Investment Portfolios

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



Green Valley Recreation, Inc.
Statement of Financial Position
As of Date: December 31, 2018 and December 31, 2017

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	<u>Total</u>	<u>Total</u>
ASSETS		
Cash/Cash Equivalents	\$ 1,099,888	4,539,157
Accounts Receivable	97,020	123,604
Edward Jones Investments (@ Market)	10,995,715	10,274,921
Prepaid Expenses	207,872	173,447
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	19,354,268	17,939,723
Sub-Total	<u>36,948,053</u>	<u>35,533,507</u>
Less - Accumulated Depreciation	<u>(20,315,542)</u>	<u>(18,846,580)</u>
Property and Equipment - net	<u>16,632,511</u>	<u>16,686,927</u>
Total Assets	<u>29,033,006</u>	<u>31,798,057</u>
LIABILITIES		
Accounts Payable	342,959	409,923
Deferred Dues & Fees	1,106,509	4,230,453
Deferred Programs	260,046	329,352
Total Liabilities	<u>1,709,514</u>	<u>4,969,728</u>
TOTAL ASSETS LESS LIABILITIES	<u>\$27,323,491</u>	<u>26,828,329</u>
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 804,646	930,342
Maint - Repair - Replacement	5,881,453	6,264,272
Initiatives	1,996,087	1,531,549
Sub-Total	<u>8,682,185</u>	<u>8,726,163</u>
Unrestricted Net Assets	<u>18,641,306</u>	<u>18,102,166</u>
TOTAL NET ASSETS	<u>\$27,323,491</u>	<u>26,828,329</u>

Green Valley Recreation, Inc.
 Summary Statement of Activities
 12 month period ending December 31, 2018

	Actual	Annual Budget	%
REVENUES:			
Member Dues	\$ 6,690,385	6,672,756	100.3%
Life Care, Transfer, Tenant & Add'l Card Fees	746,853	696,017	107.3%
New Member Capital/Initial Fees	2,345,508	2,378,383	98.6%
Recreation Income	736,508	822,599	89.5%
Communication Income	152,220	132,000	115.3%
Investment Income/Realized Gains	323,151	280,000	115.4%
Other Income	47,916	49,100	97.6%
Total Revenues	11,042,541	11,030,855	100.1%
EXPENSES:			
Facilities & Equipment	3,483,230	3,611,731	96.4%
Personnel	4,659,396	4,912,808	94.8%
Program	737,143	799,636	92.2%
Communications	190,575	172,120	110.7%
Operations	327,679	578,607	56.6%
Corporate Expenses	883,891	661,950	133.5%
Total Expenses	10,281,914	10,736,852	95.8%
Net Change in Net Assets from Operations	760,627		
Net Unrealized Market Value Change	(265,464)		
Net Excess (Deficiency) GVR (All Reserves)	\$ 495,163		
MRR Funding	(940,003)		
Restricted Investment Earnings	(208,659)		
Net Surplus (Deficit)	(653,499)		



**Green Valley Recreation
Statement of Activities
Current Year - January to December 31, 2018**

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	6,690,385	6,672,756	17,629	6,672,756	(17,629)
Life Care, Transfer, Tenant & Add'l Card Fees	746,853	696,017	50,836	696,017	(50,836)
Capital Revenue	2,345,508	2,378,383	(32,875)	2,378,383	32,875
Programs	360,835	391,149	(30,314)	391,149	30,314
Instructional	375,673	431,450	(55,777)	431,450	55,777
Recreation Income	736,508	822,599	(86,091)	822,599	86,091
Advertising Income	108,861	75,000	33,861	75,000	(33,861)
Communication	43,358	57,000	(13,642)	57,000	13,642
Communication Income	152,220	132,000	20,220	132,000	(20,220)
Investment Income	323,151	280,000	43,151	280,000	(43,151)
Other Income	22,372	20,100	2,273	20,100	(2,272)
Facility Rent	25,543	23,000	2,543	23,000	(2,543)
Marketing Events	-	6,000	(6,000)	6,000	6,000
Other Income	47,915	49,100	(1,184)	49,100	1,185
Total Revenue	11,042,541	11,030,855	11,687	11,030,855	(11,686)
Expenses					
Major Projects-Repair & Maintenance	500,790	292,315	(208,475)	292,315	(208,475)
Facility Maintenance	260,502	514,370	253,863	514,370	253,868
Fees & Assessments	13,710	89,100	75,390	89,100	75,390
Utilities	933,502	1,148,121	214,618	1,148,121	214,618
Depreciation	1,474,941	1,246,000	(228,941)	1,246,000	(228,941)
Furniture & Equipment	239,916	241,824	1,908	241,824	1,908
Vehicles	59,869	80,004	20,135	80,004	20,135
Facilities & Equipment	3,483,230	3,611,734	128,499	3,611,734	128,504
Wages, Benefits, Payroll Expenses	4,601,298	4,825,808	224,510	4,825,808	224,510
Conferences & Training	58,098	87,000	28,902	87,000	28,902
Personnel	4,659,396	4,912,808	253,412	4,912,808	253,412
Food & Catering	44,018	51,100	7,082	51,100	7,082
Recreation Contracts	622,585	643,536	20,951	643,536	20,951
Bank & Credit Card Fees	70,539	105,000	34,461	105,000	34,461
Program	737,143	799,636	62,493	799,636	62,493
Communications	93,552	97,780	4,228	97,780	4,228
Printing	93,288	59,340	(33,948)	59,340	(33,948)
Advertising	3,734	15,000	11,266	15,000	11,266
Communications	190,575	172,120	(18,455)	172,120	(18,455)
Supplies	260,274	454,240	193,966	454,240	193,966
Postage	19,120	31,740	12,620	31,740	12,620
Dues & Subscriptions	11,084	6,100	(4,984)	6,100	(4,984)
Travel & Entertainment	5,220	19,440	14,220	19,440	14,220
Other Operating Expense	31,981	67,087	35,106	67,087	35,106
Operations	327,679	578,607	250,929	578,607	250,929
Information Technology	360,330	114,750	(238,551)	114,750	(245,580)
Professional Fees	225,219	303,500	78,281	303,500	78,281
Commercial Insurance	196,848	205,000	8,152	205,000	8,152
Taxes	20,750	14,700	(6,050)	14,700	(6,050)
Provision for Bad Debt	80,744	24,000	(56,744)	24,000	(56,744)
Corporate Expenses	883,892	661,950	(214,912)	661,950	(221,942)
	10,281,914	10,736,855	461,966	10,736,855	454,941
Net surplus (Deficit)	760,626	294,000	473,653	294,000	(466,627)
Unrealized Gain/Loss on Investment	(265,464)	-	(265,464)	-	(265,464)
Net change in Net Assets-GVR	495,162	294,000	208,189	294,000	(201,163)



GREEN VALLEY RECREATION, INC.
STATEMENT OF CHANGES IN NET ASSETS
As of Date: December 31, 2018 and December 31, 2017

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in Net Assets-GVR	\$ 495,164	495,164				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(940,003)			940,003	
Principal Transfers		813,488			(1,313,488)	500,000
Depreciation		1,474,941	(1,474,941)			
Purchase of Fixed Assets		(1,414,545)	1,414,545			
Transfer For Fixed Asset Purchase		108,105		(55,717)		(52,388)
Allocations of Net Change components:						
Investment income	-	(208,659)		51,948	120,067	36,644
Investment Expenses	-	8,218		(7,825)	(393)	-
Unrealized Gains (Losses) on Market	-	262,828		(114,102)	(129,007)	(19,719)
Repairs and replacements	-	-				
Net change to December 31, 2018	495,164	599,537	(60,396)	(125,696)	(382,818)	464,537
NET ASSETS, December 31, 2017	26,828,329	1,415,239	16,686,927	930,341	6,264,272	1,531,550
Net Assets as at December 31, 2018	\$ 27,323,493	2,014,776	16,626,531	804,645	5,881,454	1,996,087



Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance December 31, 2017 (at Market)	\$ 10,274,921	1,548,758	930,342	6,264,272	1,531,550
Changes since January 1, 2018					
Principal additions	740,003	(700,000)	-	940,003	500,000
Rebalance Transactions	-	-	-	-	-
Investment income	254,473	45,814	51,948	120,067	36,644
Withdrawals	-	1,421,593	(55,717)	(1,313,488)	(52,388)
Investment Expenses	(8,218)	-	(7,825)	(393)	-
Net Change for 12 Months	986,258	767,407	(11,594)	(253,812)	484,256
Balance before Market Change at December 31, 2018	11,261,179	2,316,165	918,748	6,010,460	2,015,806
12 month Change in Unrealized Gain (Loss)	(265,464)	(2,636)	(114,102)	(129,007)	(19,719)
Balance at December 31, 2018 (at Market)	\$ 10,995,715	2,313,529	804,646	5,881,454	1,996,087

The accompanying pages are the Financial Reports for January 31, 2019. 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: January 31, 2019 and December 31, 2018

	January 31, 2019	December 31, 2018
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 5,068,248	1,099,888
Accounts Receivable	1,135,274	97,020
Edward Jones Investments (@ Market)	11,191,974	10,995,715
Prepaid Expenses	168,782	207,872
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	19,372,151	19,354,268
Sub-Total	36,965,936	36,948,053
Less - Accumulated Depreciation	(20,446,971)	(20,315,542)
Property and Equipment - net	16,518,965	16,632,511
Total Assets	34,083,242	29,033,006
LIABILITIES		
Accounts Payable	106,651	342,959
Deferred Dues & Fees	6,071,432	1,106,509
Deferred Programs	234,802	260,046
Total Liabilities	6,412,885	1,709,514
TOTAL ASSETS LESS LIABILITIES	\$27,670,357	27,323,492
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 841,826	804,646
Maint - Repair - Replacement	6,023,945	5,881,453
Initiatives	2,011,474	1,996,087
Sub-Total	8,877,245	8,682,186
Unrestricted Net Assets	18,793,112	18,641,306
TOTAL NET ASSETS	\$27,670,357	27,323,492



**Green Valley Recreation
Statement of Activities
Current Year - January to January 31, 2019**

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	559,562	558,446	1,116	6,701,349	6,141,787
Life Care, Transfer, Tenant & Add'l Card Fees	178,871	62,720	116,151	752,640	573,769
Capital Revenue	166,766	224,429	(57,663)	2,693,151	2,526,385
Programs	38,373	35,583	2,790	427,000	388,627
Instructional	84,947	35,954	48,993	431,450	346,503
Recreation Income	123,320	71,538	51,783	858,450	735,130
Advertising Income	11,920	6,250	5,670	75,000	63,080
Communication	3,360	4,750	(1,390)	57,000	53,640
Communication Income	15,280	11,000	4,280	132,000	116,720
Investment Income	7,299	24,583	(17,284)	295,000	287,701
Other Income	14,420	1,708	12,712	20,500	6,080
Facility Rent	2,015	1,917	98	23,000	20,985
Marketing Events	-	250	(250)	3,000	3,000
Other Income	16,435	3,875	12,560	46,500	30,065
Total Revenue	1,067,533	956,591	110,942	11,479,090	10,411,557
Expenses					
Major Projects-Repair & Maintenance	48,682	19,769	(28,913)	237,229	188,547
Facility Maintenance	2,118	40,289	38,171	483,468	481,350
Fees & Assessments	843	2,883	2,040	34,600	33,757
Utilities	94,691	62,647	(32,044)	751,765	657,074
Depreciation	131,429	109,092	(22,337)	1,309,109	1,177,680
Furniture & Equipment	21,491	19,248	(2,243)	230,975	209,484
Vehicles	5,748	6,717	969	80,604	74,856
Facilities & Equipment	305,002	260,646	(44,356)	3,127,750	2,822,748
Wages, Benefits, Payroll Expenses	295,793	417,003	121,209	5,004,031	4,708,238
Conferences & Training	1,400	4,833	3,433	58,000	56,600
Personnel	297,193	421,836	124,643	5,062,031	4,764,838
Food & Catering	3,349	4,300	951	51,600	48,251
Recreation Contracts	105,873	58,394	(47,479)	700,731	594,857
Bank & Credit Card Fees	15,957	8,333	(7,624)	100,000	84,043
Program	125,179	71,028	(54,152)	852,331	727,152
Communications	10,609	8,540	(2,069)	102,480	91,871
Printing	4,148	6,821	2,674	81,853	77,705
Advertising	-	1,250	1,250	15,000	15,000
Communications	14,756	16,611	1,855	199,333	184,577
Supplies	28,248	37,160	8,913	445,923	417,675
Postage	491	3,103	2,612	37,240	36,749
Dues & Subscriptions	1,577	546	(1,031)	6,550	4,973
Travel & Entertainment	-	1,950	1,950	23,400	23,400
Other Operating Expense	(882)	5,180	6,062	62,154	63,036
Operations	29,434	47,939	18,505	575,267	545,833
Information Technology	9,069	11,463	2,393	141,150	132,081
Professional Fees	21,281	25,492	4,211	305,900	284,619
Commercial Insurance	25,728	17,917	(7,812)	215,000	189,272
Taxes	-	1,225	1,225	14,700	14,700
Provision for Bad Debt	2,000	2,000	-	24,000	22,000
Corporate Expenses	58,079	58,096	17	700,750	642,671
	829,644	876,155	46,512	10,517,462	9,687,818
Net surplus (Deficit)	237,889	80,436	157,454	961,628	723,739
Unrealized Gain/Loss on Investment	109,016	(1,500)	110,516	(18,000)	127,016
Net change in Net Assets-GVR	346,905	78,936	267,970	943,628	596,723

Green Valley Recreation, Inc.
 Summary Statement of Activities
 1 month period ending January 31, 2019

	Actual	Annual Budget	%
REVENUES:			
Member Dues	\$ 559,562	6,701,349	8.3%
Life Care, Transfer, Tenant & Add'l Card Fees	178,871	752,640	23.8%
New Member Capital/Initial Fees	166,766	2,693,151	6.2%
Recreation Income	123,320	858,450	14.4%
Communication Income	15,280	132,000	11.6%
Investment Income/Realized Gains	7,299	295,000	2.5%
Other Income	16,435	46,500	35.3%
Total Revenues	1,067,533	11,479,090	9.3%
EXPENSES:			
Facilities & Equipment	305,002	3,127,750	9.8%
Personnel	297,193	5,062,031	5.9%
Program	125,179	852,331	14.7%
Communications	14,756	199,333	7.4%
Operations	29,434	575,267	5.1%
Corporate Expenses	58,079	700,750	8.3%
Total Expenses	829,644	10,517,462	7.9%
Net Change in Net Assets from Operations	237,889	961,628	
Net Unrealized Market Value Change	109,016	(18,000)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 346,905	943,628	
MRR Funding	(80,527)		
Restricted Investment Earnings	(108,649)		
Net Surplus (Deficit)	157,729		



GREEN VALLEY RECREATION, INC.
STATEMENT OF CHANGES IN NET ASSETS
As of Date: January 31, 2019 and December 31, 2018

	Totals	Unrestricted		Emergency Reserve Fund	Repair - Replace Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in Net Assets-GVR	\$ 346,905	346,905				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(80,527)			80,527	
Principal Transfers		-			-	-
Depreciation		131,429	(131,429)			
Purchase of Fixed Assets		(17,883)	17,883			
Transfer For Fixed Asset Purchase				-		-
Allocations of Net Change components:						
Investment income	-	(6,667)		471	3,077	3,119
Investment Expenses	-	783		(713)	(70)	-
Unrealized Gains (Losses) on Market	-	(108,649)		37,422	58,958	12,268
Repairs and replacements	-	-				
Net change to January 31, 2019	346,905	265,393	(113,547)	37,180	142,491	15,387
NET ASSETS, December 31, 2018	27,323,492	2,014,776	16,626,531	804,645	5,881,453	1,996,087
Net Assets as at January 31, 2019	\$ 27,670,397	2,280,169	16,512,984	841,825	6,023,945	2,011,474



Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance December 31, 2018 (at Market)	\$ 10,995,715	2,313,529	804,646	5,881,453	1,996,087
Changes since January 1, 2019					
Principal additions	80,527	-	-	80,527	-
Rebalance Transactions	-	-	-	-	-
Investment income	7,499	832	471	3,077	3,119
Withdrawals	-	-	-	-	-
Investment Expenses	(783)	-	(713)	(70)	-
Net Change for 1 Months	87,243	832	(242)	83,533	3,119
Balance before Market Change at January 31, 2019	11,082,958	2,314,362	804,404	5,964,986	1,999,206
1 month Change in Unrealized Gain (Loss)	109,016	368	37,422	58,958	12,268
Balance at January 31, 2019 (at Market)	\$ 11,191,974	2,314,729	841,826	6,023,945	2,011,474

The accompanying pages are the Financial Reports for February 28, 2019. 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: February 28, 2019 and December 31, 2018

	February 28, 2019	December 31, 2018
	<u>Total</u>	<u>Total</u>
ASSETS		
Cash/Cash Equivalents	\$ 5,079,154	1,099,888
Accounts Receivable	565,883	97,020
Edward Jones Investments (@ Market)	11,417,828	10,995,715
Prepaid Expenses	132,942	207,872
Total Current Assets	<u>17,195,807</u>	<u>12,400,495</u>
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	19,509,472	19,354,268
Sub-Total	37,103,257	36,948,053
Less - Accumulated Depreciation	(20,578,247)	(20,315,542)
Property and Equipment - net	<u>16,525,010</u>	<u>16,632,511</u>
Total Assets	<u>33,720,817</u>	<u>29,033,006</u>
LIABILITIES		
Accounts Payable	359,546	342,959
Deferred Dues & Fees	5,513,293	1,106,509
Deferred Programs	149,206	260,046
Total Liabilities	<u>6,022,045</u>	<u>1,709,514</u>
TOTAL ASSETS LESS LIABILITIES	<u>\$27,698,772</u>	<u>27,323,492</u>
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 870,213	804,646
Maint - Repair - Replacement	6,197,879	5,881,453
Initiatives	2,315,172	1,996,087
Sub-Total	9,383,264	8,682,186
Unrestricted Net Assets	18,315,508	18,641,306
TOTAL NET ASSETS	<u>\$27,698,772</u>	<u>27,323,492</u>

Green Valley Recreation, Inc.
 Summary Statement of Activities
 2 month period ending February 28, 2019

	Actual	Annual Budget	%
REVENUES:			
Member Dues	\$ 1,120,285	6,701,349	16.7%
Life Care, Transfer, Tenant & Add'l Card Fees	231,825	752,640	30.8%
New Member Capital/Initial Fees	301,758	2,693,151	11.2%
Recreation Income	267,549	858,450	31.2%
Communication Income	26,499	132,000	20.1%
Investment Income/Realized Gains	35,078	295,000	11.9%
Other Income	20,755	46,500	44.6%
Total Revenues	2,003,749	11,479,090	17.5%
EXPENSES:			
Facilities & Equipment	657,399	3,611,731	18.2%
Personnel	723,249	4,912,808	14.7%
Program	282,109	852,331	33.1%
Communications	20,869	199,333	10.5%
Operations	51,137	575,267	8.9%
Corporate Expenses	120,766	700,750	17.2%
Total Expenses	1,855,528	10,852,220	17.1%
Net Change in Net Assets from Operations	148,220		
Net Unrealized Market Value Change	227,059		
Net Excess (Deficiency) GVR (All Reserves)	\$ 375,279		
MRR Funding	(161,054)		
Restricted Investment Earnings	(225,568)		
Net Surplus (Deficit)	(11,343)		



**Green Valley Recreation
Statement of Activities
Current Year - January to February 28, 2019**

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	1,120,285	1,116,892	3,393	6,701,349	5,581,084
Life Care, Transfer, Tenant & Add'l Card Fees	231,825	125,440	106,385	752,640	520,815
Capital Revenue	301,758	448,859	(147,101)	2,693,151	2,391,393
Programs	105,996	71,167	34,829	427,000	321,004
Instructional	161,553	71,908	89,645	431,450	269,897
Recreation Income	267,549	143,075	124,474	858,450	590,901
Advertising Income	19,780	12,500	7,280	75,000	55,221
Communication	6,720	9,500	(2,780)	57,000	50,280
Communication Income	26,499	22,000	4,499	132,000	105,501
Investment Income	35,078	49,167	(14,088)	295,000	259,922
Other Income	16,095	3,417	12,678	20,500	4,405
Facility Rent	4,660	3,833	827	23,000	18,340
Marketing Events	-	500	(500)	3,000	3,000
	20,755	7,750	13,005	46,500	25,745
Total Revenue	2,003,749	1,913,182	90,567	11,479,090	9,475,341
Expenses					
Major Projects-Repair & Maintenance	140,282	39,538	(100,744)	237,229	96,947
Facility Maintenance	10,125	80,578	70,453	483,468	473,343
Fees & Assessments	2,039	5,767	3,727	34,600	32,561
Utilities	181,988	125,294	(56,694)	751,765	569,777
Depreciation	262,706	218,185	(44,521)	1,309,109	1,046,403
Furniture & Equipment	48,206	38,496	(9,710)	230,975	182,769
Vehicles	12,053	13,434	1,381	80,604	68,551
Facilities & Equipment	657,399	521,291	(136,107)	3,127,750	2,470,351
Wages, Benefits, Payroll Expenses	716,349	834,005	117,657	5,004,031	4,287,683
Conferences & Training	6,900	9,667	2,767	68,000	51,100
Personnel	723,249	843,672	120,423	5,062,031	4,338,783
Food & Catering	5,152	8,600	3,448	51,600	46,448
Recreation Contracts	220,610	116,789	(103,821)	700,731	480,121
Bank & Credit Card Fees	56,347	16,667	(39,680)	100,000	43,653
Program	282,109	142,055	(140,054)	852,331	570,222
Communications	18,166	17,080	(1,086)	102,480	84,314
Printing	2,703	13,642	10,939	81,853	79,150
Advertising	-	2,500	2,500	15,000	15,000
Communications	20,869	33,222	12,354	199,333	178,464
Supplies	44,069	74,320	30,251	445,923	401,854
Postage	859	6,207	5,348	37,240	36,381
Dues & Subscriptions	2,237	1,092	(1,145)	6,550	4,313
Travel & Entertainment	1,405	3,900	2,494	23,400	21,994
Other Operating Expense	2,566	10,359	7,793	62,154	59,588
Operations	51,137	95,878	44,741	575,267	524,130
Information Technology	17,919	22,925	5,006	137,550	119,631
Repair & Maint. Network	402	600	198	3,600	3,000
Professional Fees	47,652	50,983	3,331	305,900	258,248
Commercial Insurance	50,793	35,833	(14,959)	215,000	164,207
Taxes	-	2,450	2,450	14,700	14,700
Provision for Bad Debt	4,000	4,000	-	24,000	20,000
Corporate Expenses	120,766	116,792	(3,975)	700,750	579,786
	1,855,528	1,752,910	(102,618)	10,517,462	8,661,736
Net surplus (Deficit)	148,220	160,271	(12,051)	961,628	813,606
Unrealized Gain/Loss on Investment	227,059	(3,000)	230,059	(18,000)	245,059
Net change in Net Assets-GVR	375,279	157,271	218,008	943,628	568,547



Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance December 31, 2018 (at Market)	\$ 10,995,715	2,313,529	804,646	5,881,453	1,996,087
Changes since January 1, 2019					
Principal additions	161,054	-	-	161,054	-
Rebalance Transactions	-	-	-	-	-
Investment income	35,478	2,828	1,247	19,193	12,210
Withdrawals	-	(283,285)	-	-	283,285
Investment Expenses	(1,478)	-	(1,408)	(70)	-
Net Change for 2 Months	195,054	(280,457)	(161)	180,177	295,495
Balance before Market Change at February 28, 2019	11,190,769	2,033,072	804,485	6,061,630	2,291,582
2 month Change in Unrealized Gain (Loss)	227,059	1,491	65,729	136,249	23,590
Balance at February 28, 2019 (at Market)	\$ 11,417,828	2,034,564	870,213	6,197,879	2,315,172



GREEN VALLEY RECREATION, INC.
STATEMENT OF CHANGES IN NET ASSETS
As of Date: February 28, 2019 and December 31, 2018

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in Net Assets-GVR	\$ 375,280	375,280				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(161,054)			161,054	
Principal Transfers		-			-	-
Depreciation		262,706	(262,706)			
Purchase of Fixed Assets		(155,204)	155,204			
Transfer		(283,285)		-		283,285
Allocations of Net Change components:						
Investment income	-	(32,650)		1,247	19,193	12,210
Investment Expenses	-	1,478		(1,408)	(70)	-
Unrealized Gains (Losses) on Market Repairs and replacements	-	(225,568)		65,729	136,249	23,590
	-	-				
Net change to February 28, 2019	375,280	(218,297)	(107,502)	65,568	316,425	319,086
NET ASSETS, December 31, 2018	27,323,492	2,014,776	16,626,531	804,645	5,881,453	1,996,087
Net Assets as at February 28, 2019	\$ 27,698,772	1,796,479	16,519,029	870,213	6,197,879	2,315,172

The accompanying pages are the Financial Reports for March 31, 2019. 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: March 31, 2019 and December 31, 2018



	March 31, 2019	December 31, 2018
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 946,021	1,099,888
Accounts Receivable	435,164	97,020
Edward Jones Investments (@ Market)	15,111,730	10,995,715
Prepaid Expenses	133,582	207,872
Total Current Assets	16,626,497	12,400,495
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	19,620,210	19,354,268
Sub-Total	37,213,995	36,948,053
Less - Accumulated Depreciation	(20,713,294)	(20,315,542)
Property and Equipment - net	16,500,701	16,632,511
Total Assets	33,127,198	29,033,006
LIABILITIES		
Accounts Payable	271,286	342,959
Deferred Dues & Fees	4,955,154	1,106,509
Deferred Programs	74,392	260,046
Total Liabilities	5,300,832	1,709,514
TOTAL ASSETS LESS LIABILITIES	\$27,826,366	27,323,492
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 791,102	804,645
Maint - Repair - Replacement	6,015,821	5,881,453
Initiatives	2,191,881	1,996,087
Sub-Total	8,998,804	8,682,185
Unrestricted Net Assets	18,827,562	18,641,307
TOTAL NET ASSETS	\$27,826,366	27,323,492

Green Valley Recreation, Inc.
Summary Statement of Activities
3 month period ending March 31, 2019

	Actual	Annual Budget	%
REVENUES:			
Member Dues	\$ 1,680,005	6,701,349	25.1%
Life Care, Transfer, Tenant & Add'l Card Fees	299,415	752,640	39.8%
New Member Capital/Initial Fees	539,483	2,693,151	20.0%
Recreation Income	364,598	858,450	42.5%
Communication Income	37,051	132,000	28.1%
Investment Income/Realized Gains	111,550	295,000	37.8%
Other Income	27,803	46,500	59.8%
Total Revenues	3,059,903	11,479,090	26.7%
EXPENSES:			
Facilities & Equipment	1,078,560	3,127,750	34.5%
Personnel	1,086,185	5,062,031	21.5%
Program	375,754	852,331	44.1%
Communications	44,829	213,833	21.0%
Operations	90,089	575,267	15.7%
Corporate Expenses	179,954	686,250	26.2%
Total Expenses	2,855,370	10,517,462	27.1%
Net Change in Net Assets from Operations	204,533		
Net Unrealized Market Value Change	298,581		
Net Excess (Deficiency) GVR (All Reserves)	\$ 503,114		
MRR Funding	(241,581)		
Restricted Investment Earnings	(296,854)		
Net Surplus (Deficit)	(35,321)		



**Green Valley Recreation
Statement of Activities
Current Year - January to March 31, 2019**

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	1,680,005	1,675,337	4,667	6,701,349	5,021,344
Life Care, Transfer, Tenant & Add'l Card Fees	299,415	188,160	111,255	752,640	453,225
Capital Revenue	539,483	673,288	(133,805)	2,693,151	2,153,668
Programs	145,746	106,750	38,996	427,000	281,254
Instructional	218,851	107,863	110,989	431,450	212,599
Recreation Income	364,598	214,613	149,985	858,450	493,852
Advertising Income	26,961	18,750	8,211	75,000	48,039
Communication	10,000	14,250	(4,160)	57,000	46,910
Communication Income	37,051	33,000	4,051	132,000	94,949
Investment Income	111,550	73,750	37,800	295,000	183,450
Other Income	17,331	5,125	12,206	20,500	3,169
Facility Rent	10,471	5,750	4,721	23,000	12,529
Marketing Events	-	750	(750)	3,000	3,000
	27,803	11,625	16,178	46,500	18,697
Total Revenue	3,059,903	2,869,773	190,130	11,479,090	8,419,187
Expenses					
Major Projects-Repair & Maintenance	253,064	59,307	(193,757)	237,229	(15,835)
Facility Maintenance	35,301	120,867	85,129	483,468	448,167
Fees & Assessments	5,837	8,650	2,813	34,600	28,763
Utilities	270,683	187,941	(81,015)	751,765	481,082
Depreciation	397,753	327,277	(70,475)	1,309,109	911,356
Furniture & Equipment	64,325	57,744	(6,581)	230,975	166,650
Vehicles	51,597	20,151	(31,446)	80,604	29,007
Facilities & Equipment	1,078,560	781,937	(294,333)	3,127,750	2,049,190
Wages, Benefits, Payroll Expenses	1,077,505	1,251,008	173,503	5,004,031	3,926,526
Conferences & Training	8,680	14,500	7,576	58,000	49,320
Personnel	1,086,185	1,265,508	181,079	5,062,031	3,975,846
Food & Catering	11,281	12,900	1,639	51,600	40,339
Recreation Contracts	301,082	175,183	(125,899)	700,731	399,649
Bank & Credit Card Fees	63,411	25,000	(38,411)	100,000	36,589
Program	375,754	213,083	(162,671)	852,331	476,577
Communications	25,390	25,620	231	102,480	77,091
Printing	19,439	23,943	4,504	96,353	76,914
Advertising	-	3,750	3,750	15,000	15,000
Communications	44,829	53,313	8,485	213,833	169,004
Supplies	67,246	111,481	49,104	445,923	378,677
Postage	7,497	9,310	1,813	37,240	29,743
Dues & Subscriptions	3,704	1,638	(2,067)	6,550	2,846
Travel & Entertainment	1,643	5,850	4,207	23,400	21,757
Other Operating Expense	9,999	15,539	5,540	62,154	52,155
Operations	90,089	143,817	58,598	575,267	485,178
Information Technology	26,743	34,388	5,006	137,550	110,807
Repair & Maint. Network	402	600	198	3,600	3,198
Professional Fees	93,971	72,850	(21,121)	291,400	197,429
Commercial Insurance	52,838	53,750	912	215,000	162,162
Taxes	-	3,675	3,675	14,700	14,700
Provision for Bad Debt	6,000	6,000	-	24,000	18,000
Corporate Expenses	179,954	171,263	(11,330)	686,250	506,296
	2,855,370	2,628,921	(220,172)	10,517,462	7,662,092
Net surplus (Deficit)	204,533	240,852	(30,041)	961,628	757,095
Unrealized Gain/Loss on Investment	298,581	(4,500)	303,081	(18,000)	316,581
Net change in Net Assets-GVR	503,114	236,352	273,039	943,628	440,514



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

As of Date: March 31, 2019 and December 31, 2018

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in Net Assets-GVR	\$ 503,114	503,114				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(241,581)			241,581	
Principal Transfers	-	329,705			(329,705)	-
Depreciation	-	397,753	(397,753)			
Purchase of Fixed Assets	-	(265,942)	265,942			
Transfer	-	(50,776)		(84,540)		135,316
Allocations of Net Change components:						
Investment income	-	(59,289)		2,834	36,975	19,481
Investment Expenses	-	2,176		(2,057)	(118)	-
Unrealized Gains (Losses) on Market Repairs and replacements	-	(296,854)		70,220	185,636	40,998
	-	-				
Net change to March 31, 2019	503,114	318,306	(131,811)	(13,544)	134,368	195,794
NET ASSETS, December 31, 2018	27,323,492	2,014,776	16,626,531	804,645	5,881,453	1,996,087
Net Assets as at March 31, 2019	\$ 27,826,606	2,333,082	16,494,720	791,101	6,015,821	2,191,881



Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance December 31, 2018 (at Market)	\$ 10,995,715	2,313,529	804,646	5,881,453	1,996,087
Changes since January 1, 2019					
Principal additions	4,303,795	4,062,214	-	241,581	-
Rebalance Transactions	-	-	-	-	-
Investment income	78,030	18,741	2,834	36,975	19,481
Withdrawals	(562,214)	(283,285)	(84,540)	(329,705)	135,316
Investment Expenses	(2,176)	-	(2,057)	(118)	-
Net Change for 3 Months	3,817,435	3,797,670	(83,764)	(51,268)	154,797
Balance before Market Change at March 31, 2019	14,813,150	6,111,199	720,882	5,830,185	2,150,883
3 month Change in Unrealized Gain (Loss)	298,581	1,727	70,220	185,636	40,998
Balance at March 31, 2019 (at Market)	\$ 15,111,730	6,112,926	791,102	6,015,821	2,191,881



EXHIBIT
GVR BOARD OF DIRECTORS
April 24, 2019

INVESTMENT POLICY STATEMENT

1. Introduction

In making investment decisions, the Board of Directors (the “Board”), Investments Committee, GVR’s Chief Executive officer (the “CEO”) and Chief Financial officer (the “CFO”) and GVR’s financial advisor(s), if any, shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of Green Valley Recreation, Inc. (the “GVR”) and manage the assets of GVR in accordance with the Arizona Prudent Investor Act (AZ Rev Stat § 14-10901 et. seq.) and the Arizona Management of Institutional Funds Act (AZ Rev Stat § 10-11801 et. seq.)

2. Purpose and Scope

The purpose of this Investment Policy Statement (the “IPS”) is to provide a framework for ensuring that GVR investments are managed consistently with GVR’s short-term and long-term financial objectives. At the same time, this IPS is intended to provide for sufficient investment flexibility to adjust to operational and market changes.

This IPS applies to all investments of GVR’s excess operating cash and **Reserve Funds** and supersedes GVR’s Corporate Policy Manual concerning investments.

3. Definitions

Defined words used in this IPS are capitalized and written in **Bold** typeface.

See Appendix A for definitions of defined words.

4. Management of Investments.

GVR’s Board has fiduciary responsibility for GVR’s investments.

The Board, Investments Committee, GVR’s CEO and CFO and financial advisor(s), if any, are bound by (1) this IPS unless changed or amended by Board resolution and (2) all federal and state laws and regulations.

5. Investment Objectives, Risk Tolerance, Investment Strategy, Asset Allocation, Liquidity, and Rebalancing.

The primary investment principle is to maintain the safety of GVR’s assets.

The secondary investment principle is to have invested operating cash and **Reserve Funds** available when needed by GVR’s operations without incurring an unwarranted loss of value or costs. The maturity horizon for each **Fund** shall be determined by each **Fund’s** purpose, use, and needs.

Specifically, the target **Asset Allocations** and anticipated allocation ranges for each **Fund** are below:

Fund A (Initiatives Reserve Fund)	Target	Range
Equities	10%	5-20%
Fixed Income	80%	80-100%
Cash	10%	0-20%

Fund B (Maintenance Repair/Replace Reserve Fund)	Target	Range
Equities	25%	15-35%
Fixed Income	70%	65-75%
Cash	5%	0-10%

Fund C (Emergency Reserve Fund)	Target	Range
Equities	70%	60-80%
Fixed Income	30%	15-35%
Cash	0%	0-15%

A specific **Risk Tolerance** to match the purpose and use of operating cash investments and each **Reserve Fund** shall be determined.

Within the constraints of the primary and secondary investment principles and **Risk Tolerance**, a written **Investment Strategy** for operating cash investments and each **Reserve Fund** shall be designed, constructed and implemented to achieve the following.

- a. Match the purpose and use of operating cash investments and each **Reserve Fund**.
- b. Provide a relatively predictable and growing stream of annual income and **Capital Appreciation** after inflation, taxes, if any, fees and costs while minimizing the impact of market Volatility.
- c. Investments in any one single security shall not exceed \$500,000 of any **Fund’s** assets.

Portfolios shall be **Rebalanced** as appropriate but at least annually.

Liquidity of all investments shall be trade-date plus two (2) business days (“T+2”).

6. Permitted Investments:

- a. U.S. Treasury Bills, Notes and Bonds and Certificates of Deposit issued by a bank insured by the Federal Deposit Insurance Corporation
- b. Securities of Federal Agencies that carry the direct or implied guarantee of the U.S. Government including Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Student Loan Marketing Association, World Bank and Tennessee Valley Authority.
- c. U.S. and foreign corporate bonds and notes denominated in US Dollars rated **Investment Grade** including short, medium- and long-term notes rated of Baa3 or better at time of purchase.
- d. Municipal bonds rated Baa3 or BBB- or better at time of purchase.
- e. U.S. corporate common stock.
- f. Small-Capitalization Stocks (defined as market-capitalization below \$2 billion) shall not represent more than 10% of the equity segment of any **Fund**.
- g. International Stocks shall not represent more than 15% of the equity segment of any **Fund**.
- h. American **Depository Receipts (ADR)** of a foreign corporation.

Investments in mutual funds, Exchange Traded Funds (“EFT”) and index funds are permitted provided 85% or more of their investments are in permitted investments shown above and such funds do not use **Leverage**.

Overnight investment in money market funds at GVR’s bank and broker/dealer, if any, are permitted.

7. Investments NOT listed as Permitted are Not permitted (For example)

- a. Derivatives other than foreign exchange contracts and swaps and interest rate swaps
- b. Futures contracts and any commodities contracts
- c. Collateralized Debit Obligations (CDO)/Collateralized Mortgage Obligations (CMO) and similar collateralized debt instruments.
- d. Any bonds below **Investment Grade** (Baa3/BBB-) at time of purchase.
- e. Private notes
- f. Hedge funds
- g. Options

8. Review and Monitoring

- a. GVR's Board of Directors is responsible for GVR's Investment policies, activities, and performance.
- b. The Chief Executive officer (CEO) shall have oversight of and the Chief Financial officer (CFO) is responsible for: a) Monitoring the activities of GVR's financial advisor(s) b) Day-to-day coordination with Advisor regarding investment activity and decisions.
- c. The Investments Committee's responsibilities are listed below.
 - 1) Select, hire and terminate professional outside investment advisor(s) with notice to the CEO
 - 2) Revise GVR's Investment Policy Statement subject to Board approval
 - 3) Monitor, measure, and report on investment advisor's or advisors' performance(s)
 - a) For Equities the following benchmarks shall be considered:
 - i. Russell 1000 (large-cap equities)
 - ii. Russell 2000 (small cap equities)
 - iii. MSCI EAFE (international equities)
 - b) For Fixed Income the following benchmark shall be considered:
 - i. Bloomberg Barclays US Intermediate Govt/Credit Index
 - 4) Ensure GVR management implements and complies with GVR's Investment Policy Statement
 - 5) Meet at least once each calendar quarter to perform its assigned duties and report to the Board.

9. The responsibilities of the Client

- a. The client will authorize specific employees to serve as liaisons between the Client and Advisor.
- b. Client's authorized staff is responsible to ensure the smooth transition of the Clients investment portfolio to Advisor.
- c. Client's authorized staff will oversee that the Advisor's reporting requirements are met.
- d. Client's authorized staff will ensure that communications to Advisor from Client's Board of Directors or Investments Committee are presented to Advisor in a timely manner.
- e. Client's authorized staff will facilitate the Advisor's face-to-face and videoconference presentations to Client's Board of Directors or Investments Committee.
- f. Any proposed changes to this investment policy statement will be discussed with the Advisor promptly.
- g. The client will inform the Advisor, as soon as possible of anticipated additions to or withdrawals from the Portfolio.

10. The responsibilities of the Advisor

- a. Any deviation from these guidelines will be discussed in advance with the Client unless market conditions require immediate action.

The Advisor will, within these guidelines, have full discretion to buy, sell, invest and reinvest in assets on behalf of the Client.

- b. Advisor has a fiduciary responsibility to make investment decisions based upon what is best for the Client and within Investment Policy Guidelines approved by the Client, the Advisor will have discretion to buy, sell, invest, and reinvest in investment assets on behalf of the Client, with notification to the Client of such transactions.
- c. The Investment Advisor will make in-person presentations about the Client’s investment portfolio to the Client’s Board of Directors and/or Investments Committee in Green Valley, AZ at Advisor’s expense at least twice a year, unless otherwise mutually agreed in writing between Advisor and Client.
- d. The Advisor will participate in audio and/or videoconference meetings with the Client’s Investments Committee on a quarterly basis each year, when not meeting in person, unless otherwise mutually agreed in writing between Advisor and Client.

11. Acknowledgments

We, the Board of Directors, recognize the importance of adhering to this Investment Policy Statement and agree to fulfill its objectives to the best of our ability.

On behalf of the Board of Directors

President
Green Valley Recreation, Inc. Board of Directors

Date

APPENDIX A – Definition of Terms

Investment Policy Statement

Green Valley Recreation, Inc.

Investopedia.com is the primary source of definitions. Some definitions have been paraphrased or they are a composite from several sources.

American Depository Receipt (ADR) is a negotiable certificate issued by a U.S. bank representing a specific number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. Dollars, with the underlying security held by a U.S. financial institution overseas. This is an excellent way to buy an investment in a foreign-based company while realizing any dividend and capital gains in U.S. Dollars. However, ADRs do NOT eliminate currency, economic and country risks attributable to the foreign-based company. There are other ADR risks too. Consult your financial advisor(s).

Asset Class means a group of securities that exhibit similar characteristics. The three (3) main asset classes are stocks, fixed income securities (bills, notes, bonds & other debt) and cash and cash equivalents. Some investment professional would include real estate and commodities and, possibly, other types of investments. Whatever the asset lineup, each one is expected to reflect different risk and return characteristics and will perform differently.

Asset Allocation is an **Investment Strategy** aimed to balance risk and reward by apportioning a portfolio's assets according to an investor's goals, **Risk Tolerance**, and investment time horizon. There is no simple formula that can find the right asset allocation for every investor. However, the consensus among most financial professionals is asset allocation is one of the most important decisions an investor can make. In other words, an investor's selection of individual securities is secondary to the way investments are allocated among the various securities.

Capital Appreciation is a rise of an asset price based on a rise in market price.

Credit Rating is a grade composed of a letter or letters and numbers given to a particular security by a **Nationally Recognized Statistical Rating Organization** (a credit agency) that ranks investment according to its ability to meet its obligations.

Diversification is a process of allocating capital in a way that reduces exposure to any one particular asset or risk.

Fund or Fund's and Funds or Funds' means operating cash investments and each **Reserve Fund**.

Investment Grade is a **Credit Rating** that indicates the issuer of a debt security has relatively low probably of default. In the case of stocks, investment grade indicates the financial soundness of the issuer. The investment industry has well-established credit rating standards for investment grade.

Investment Strategy is an investor's plan of attack to guide its investment decisions based on its goals, **Risk Tolerance** and future needs for invested money. The components of most investment strategies include **Asset Allocation**, buy and sell guidelines and **Risk Tolerance**. Investment strategies can differ greatly from a rapid growth strategy to a **Capital Appreciation** strategy. The most important part of an investment strategy is that it aligns with the investor's goal and it is followed closely by the investor and his financial advisor.

Leverage is the use of various financial instruments or borrowed capital such as margin to increase a potential return of an investment.

Liquidity means how quickly and easily an investment can be converted into cash.

Nationally Recognized Statistical Rating Organization (NRSRO) is a term used by the U.S. Federal government in several regulatory areas to define a credit rating company like Standard & Poor's, Moody's, Fitch and others.

Rebalancing is the process of realigning the weightings of a portfolio's assets to match its **Asset Allocation** model's weightings. Over time, the prices of investments rise and fall unevenly thus changing the weighting of a portfolio's assets. For example: If an **Asset Allocation** model is 40% stocks, 50% fixed income and 10% cash and the current portfolio assets are distributed 45% stocks, 35% fixed income and 20% cash, rebalancing buys and sells investments to align the current portfolio's asset weightings with the **Asset Allocation** model. If a different **Asset Allocation** model is applied to a portfolio, rebalancing adjusts the portfolio's assets to the new **Asset Allocation** model's weightings.

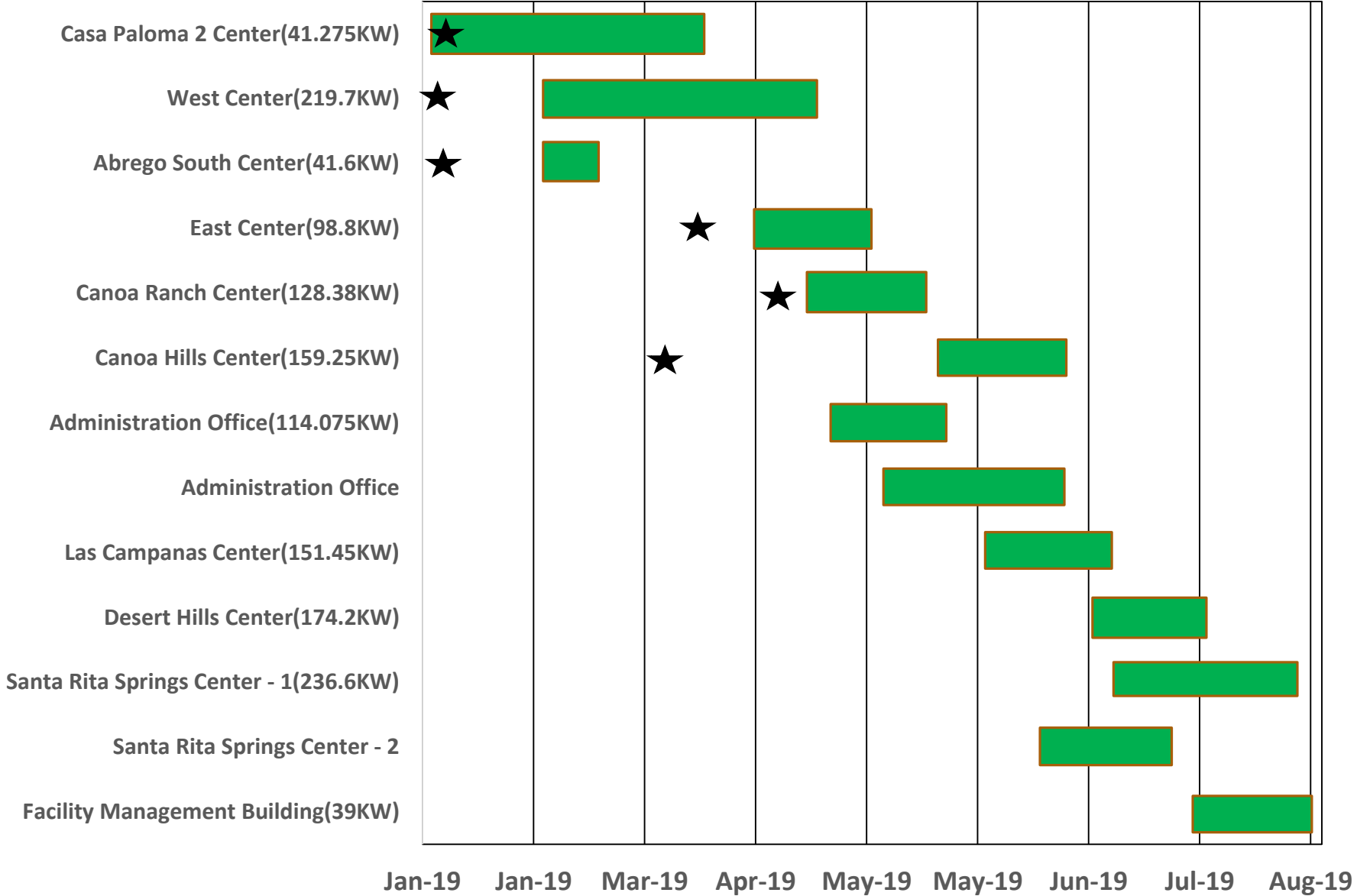
Reserve Fund and Reserve Funds mean a reserve fund as defined in GVR's Corporate Policy Manual, Section V- Fiscal/Accounting, Subsection 2 – Reserve Policy – adopted 11/18/2014, subparagraph B – Maintenance Of GVR Financial Reserve System Updated 8/25/15.

Risk Tolerance is an investor's willingness to risk a potential loss for a potential gain. For example: How comfortable is an investor taking a potential 10% loss for a potential gain of 20%? The investor's risk tolerance is tested at various levels of loss v. gain to assess the investor's overall tolerance for risk and reward.

Volatility is the dispersion of a security's price from its mean price over time. A high deviation from a security's mean indicates high volatility. A low deviation indicates low volatility. Commonly, higher the volatility means higher the risk.

Solar Gain Project Status

★ Actual Start Date



GREEN VALLEY RECREATION, INC.



EXHIBIT

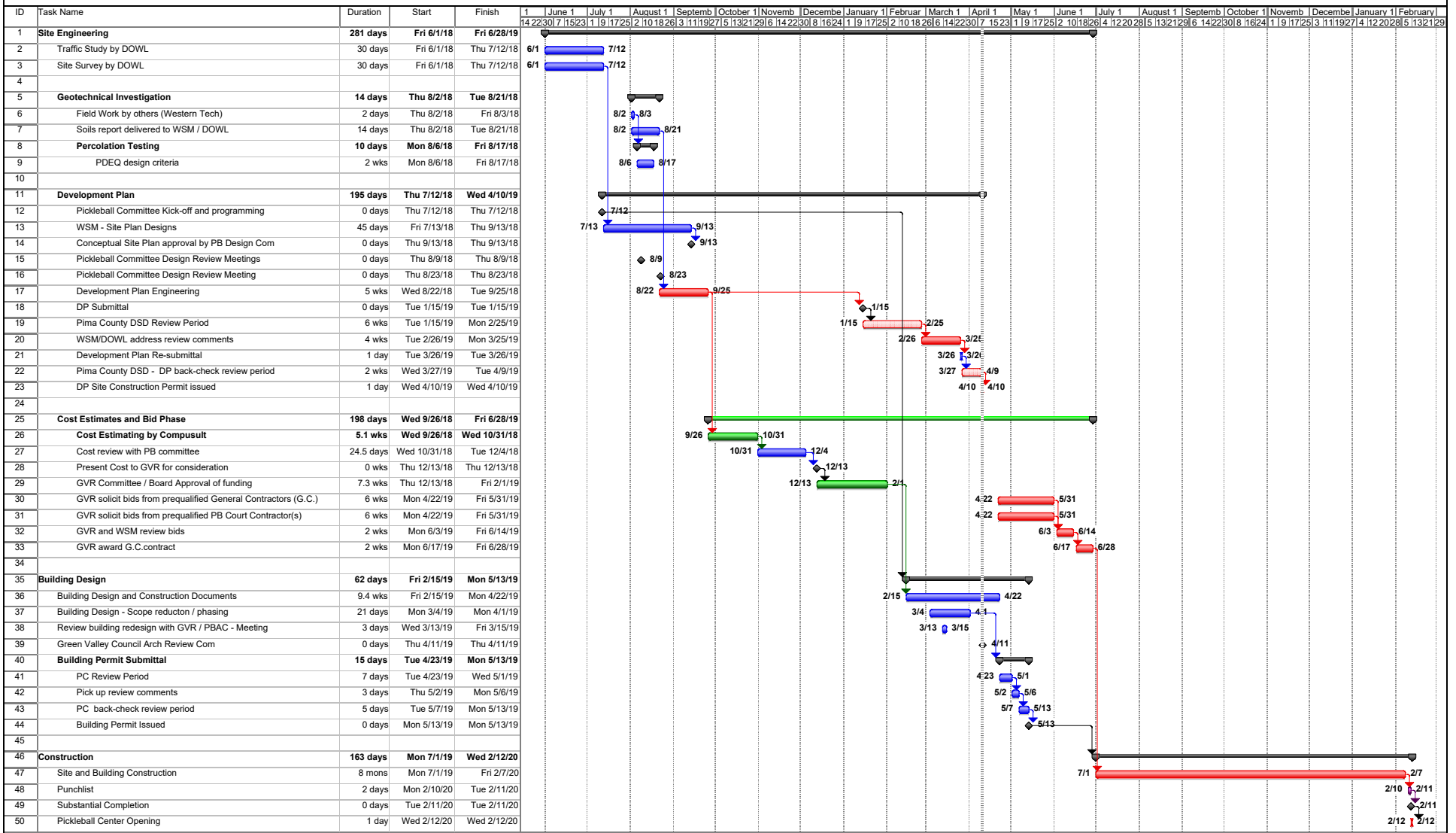
GVR Board of Directors

April 24, 2019

GVR Pickleball Center Update

- 4-29-19: Development Plan Permit issued
- 5-1-19: WSM issues Invitation for Bids to prequalified selected General Contractors. Bid period is approximately 3 weeks.
- 5-29-19: Approximate Bid Review date:
 - GVR and WSM review bids
- 6-5-19: Approximate Bid Award Date

GVR 24-Court Pickleball Center
WSM Architects, Inc. 03-11-19 update



Project: 18-018 Pickleball Canoa Sche
Date: Wed 4/10/19

Task		Milestone		Rolled Up Critical Task		Split		Group By Summary	
Critical Task		Summary		Rolled Up Milestone		External Tasks		Deadline	
Progress		Rolled Up Task		Rolled Up Progress		Project Summary			



EXHIBIT
GVR BOARD OF DIRECTORS
April 24, 2019

Proposal for Carver Policy Governance Ad Hoc Committee

Charge: The charge of the committee will be to 1) draft proposals for Board approval for the steps in policy governance implementation (e.g., ends and executive limitations policies, governance process policies, monitoring of ends and executive limitations, revision of Section VI of the CPM), and 2) recommend feedback to the CEO regarding his interpretation of the ends and executive limitations policies.

Timeframe: The timeframe for the work of the committee will be one year with the following implementation dates:

- Ends and executive limitations policies (expectations for the CEO), governance process policies (roles and responsibilities of the Board), and the CEO's interpretation of the ends and executive limitations policies – September 1, 2019.
- Monitoring process and procedures to enable the board to know the degree to which a reasonable interpretation of its ends and executive limitations policies is being fulfilled: (1) has the CEO made a reasonable interpretation of the policies, and (2) do the data demonstrate accomplishment of that interpretation.– November 1, 2019.
- Revision and reorganization of Section VI of the CPM (board policies) – March 1, 2020.

Recommendation: GVR Board of Directors form an ad hoc committee to facilitate the implementation of the Carver Policy Governance model and recommend President Sieck appoint Lynne Chalmers as Chair.



Board of Directors
Wednesday, April 24, 2019

Summary: Proposed Terms – Pilot GVR/MedAvail Lease Agreement

Overview

Recent discussions with MedAvail Technologies presents a pilot Lease Agreement opportunity to offer a value-added convenience to GVR members. MedAvail Technologies has designed and built an ATM/vending-type kiosk capable of dispensing prescription medications for humans and pets under the supervision of a live remote pharmacist, with live audio-visual consultation through the screen on the kiosk. The kiosk is called the MedAvail MedCenter. If approved, the pilot Lease Agreement would place an ATM/vending machine-type kiosks at three GVR Centers: East Center, Canoa Hills Center and Canoa Ranch Center.

A demonstration of the MedAvail MedCenter kiosk for GVR Directors was conducted on April 11, 2019 at the CareMore Health facility in Green Valley, where a kiosk had been recently installed. MedAvail not only sells the solution to large organizations such as Banner Health, HCA, Ascension Health, but is also deploying the solution directly into the market through their own retail pharmacy which they have branded *SpotRx Pharmacy*. *Walgreens* and *ExpressScripts* are financial investors in MedAvail. MedAvail has two physical pharmacies, one in Phoenix and one in Tucson. It is from these centralized pharmacies which the calls are taken by their pharmacy team.

The proposed terms of the Pilot GVR/MedAvail Lease Agreement were negotiated by GVR CEO Kent Blumenthal and reviewed by GVR's legal counsel and insurance broker, as follows:

1. MedAvail MedCenter installations at the three GVR sites have been approved by the Arizona Board of Pharmacy.
2. Exclusive access by GVR members, guests, tenants.
3. Live pharmacist on screen via audio visual link to Tucson pharmacy.
4. Free pharmacist consultation available with or without purchase.
5. Convenient hours of operation that exceeds availability of local pharmacies.
6. Free home delivery, if requested.
7. May be used for new prescriptions and refills.
8. Pet prescription medications also available.

9. No controlled substances distributed.
10. Extremely fast pick-up of refills through self-service capability ATM-like.
11. Competitive, lower-cost pricing on many common pharmaceuticals.
12. Legal and insurance reviews successfully completed by GVR.
13. Lease payments to GVR at not less than \$5,000 per site, per year.
14. Options to terminate the Lease Agreement with written notice.
15. MedAvail assumes 100% responsibility for cost of installation, and de-installation if required.
16. MedAvail will pay costs for installing security cameras at each GVR location.
17. Upon initial installation, MedAvail will schedule representatives at each GVR location to assist in orienting GVR members to the kiosks.

Below is an image of the MedAvail MedCenter. It is very attractively designed, reliable, safe and secure.

