



AGENDA

BOARD OF DIRECTORS MEETING
 Wednesday, May 22, 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: Board of Directors Meeting April 24, 2019 B. Financial Statements December 2018 C. Financial Statements April 2019	Sieck	2:05	X	X
4.	President Report	Sieck	2:10		
5.	CEO Report	Blumenthal	2:12		
6.	Committee Reports A. Planning & Evaluation B. Fiscal Affairs 1. MRR Funding and Reimbursement 2. Funding of External Financial Expertise C. Audit D. Board Affairs 1. Legal Reviews 2. Vaping Rules E. Nominations & Elections F. Bylaws Ad Hoc G. Survey / Facility Access Ad Hoc H. Policy Governance Ad Hoc Committee	Coon Crothers Vanderhoof Curtin Gallegos Curtin Thornton Chalmers	2:15 2:20 2:40 2:45 3:00 3:05 3:10 3:15	 X X X X	 X X
7.	Board Project Status Reports A. Member Concierge Kiosks B. Solar Gain Status Update C. Pickleball Center Update 1. Modification of RFP D. MedAvail / SpotRX Update	Blumenthal Sieck Blumenthal Sieck Blumenthal	3:20 3:25 3:30 3:40	 X	 X
8.	New Business A. Endorsement of Audit Committee	Weaver	3:45		X
9.	Member Comments (limited to two minutes each)				
10.	Executive Session (if necessary)				
11.	Adjournment				

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 Wednesday, April 24, 2019 at West Center, 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), Tom Sadowski (Assistant Treasurer), Suzan Curtin, Christine Gallegos, Denise Nichols, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (non-voting)

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: 23 (includes additional staff)

1. Call to Order / Establish Quorum

President Sieck called the meeting to order at 2:06pm MST.
Roll call by Secretary Thornton; Quorum established.

2. Adopt Agenda

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

3. Consent Calendar

A. Minutes:

**MOTION: Coon / Seconded. Approve March 19, March 26 and April 4, 2019 Meeting Minutes as presented.
Passed: 8 yes / 0 no / 4 abstain (Curtin, Gallegos, Weaver, Zelenak)**

B. Financial Reports:

**MOTION: Nichols / Seconded. Remove December 2018 Financial Statements until further details provided to the GVR Board. Approve January, February and March 2019 Financial Statements as presented.
Passed: 9 yes / 0 no / 3 abstain (Curtin, Gallegos, Weaver)**

4. President Report

Good Morning. Welcome to our April GVR Board of Directors meeting. Note that our Board meetings have been moved to 2:00 on the last Wednesday afternoon of the month. The exception is next month. The May meeting will be held on the 22nd to avoid the Memorial Day Weekend.

There are some obvious changes to the format of our agenda. The first is I have added times for each item. This is to keep us on track. If we fall behind schedule, some items may have to be tabled until the next meeting. Last year's Board sometimes argued some items beyond being productive. I will try to keep this from happening this year.

The second thing you will notice is the category called Board Projects Status Reports. These are projects that are high level important initiatives that the Board needs to stay

on top of. We want to remove the lag in reporting and unburden our committees from having to report on these items. These will be quick updates. They are not to sell the projects because the Board is already 100% committed to these projects.

To kick off the new year, Dr. Blumenthal and I are meeting individually with each committee chairman to ensure there is a clear understanding of how things are to proceed and what staff support they can expect. Due to scheduling, this has taken more time than I had hoped and has delayed our committees from getting started. I take full responsibility for this delay. While this has been valuable, I am convinced it could have been done in a single meeting with all the committee chairs. This will be my recommendation for next year's president.

You will hear about some changes to the GVR Foundation on sourcing of accounting support. This was initiated by the Foundation and will result in clarity of their finances and simplification of our accounting. Please do not view this as a problem between GVR and the Foundation. We are working together closer than ever. Based on a legal review of the Pickleball Grant Agreement by our independent legal counsel, potential issues have been identified and are being addressed. I do not see any roadblocks with moving ahead on this agreement.

I will now turn it over to Dr. Blumenthal for our CEO's report.

5. CEO Report

Good afternoon fellow GVR members, Board, and staff. I appreciate President Sieck affording me an opportunity to report to the Board on a few important and continuing activities.

1. Arizona Senate Bill 1094

The Arizona House of Representatives may consider SB1094 today (formerly HB2374). If approved, SB1094 will explicitly exclude Green Valley Recreation, Inc. from being considered an HOA-type of organization, since GVR has no authority to enforce CC&R's or otherwise govern the use or appearance of individually owned properties. Passage of SB1094 will mean that GVR can continue to function as a nonprofit corporation, subject to Title 10 of the Arizona Revised Statutes, as well as its Articles of Incorporation and Bylaws. 80% of Green Valley residents are GVR members.

The vote in the House is expected to be close, with political partisanship apparently in play. It is important that our District 2 representatives in the Arizona House support this bill!

Please telephone and email our District 2 Representatives Rosanna Gabaldon and Daniel Hernandez and urge them to support passage of SB1094.

Rep. Rosanna Gabaldon
Tel: (602) 926-3424
rgabaldon@azleg.gov

Rep. Daniel Hernandez
Tel. (602) 926-4840
DHERNANDEZ@azleg.gov

2. **Transfer of Investment Portfolios from Edward Jones to Segall Bryant & Hamill**

Here is a list of things that have transpired related to transferring assets to our new financial advisors, Segall, Bryant and Hamill (SBH).

- a) Most assets were transferred to custodian Charles Schwab accounts on April 12.
- b) GVR received notification from Charles Schwab that some of the mutual funds held in the Edward Jones Emergency Reserve account were "ineligible" to be held at Charles Schwab (our new custodian of investment assets). Subsequently, Edward Jones liquidated the mutual funds and sent cash to Charles Schwab.
- c) SBH did a "test transfer" of moving money between Operations Investment at the Edward Jones account and the new Schwab accounts. The test was successful and we are now set up to initiate reimbursement and MRR funding transactions.

3. **GVR Pickleball Center, Phase I Update**

The most recent schedule for development of the GVR Pickleball Center is posted weekly in Friday eBlast. Here are some important milestones:

- On or about 5-1-19: The Building design will be submitted to Pima County for review.
- The Development Plan Permit will be issued when requested by GVR, pending section of a General Contractor.
- WSM Architects is currently preparing the Invitation for Bids for Phase I construction.
- WSM Architects, GVR staff and representatives of the Design Team will review the Invitation for Bids prior to release.
- On or about 5-15-19: WSM Architects issues Invitation for Bids to at least three (3) prequalified selected General Contractors. Bid period is approximately 3 weeks.
- The Approximate Bid Review date is 6-14-19. GVR and WSM review bids, with notification to GVR Board.
- The Approximate Bid Award Date is 6-21-19.

4. **GVR Concierge Kiosks**

Member Swipe Data:

Total Swipes: 38 (27 unique users)

- Las Campanas had 24 swipes since 4/12/19 (12 days of data)
- Desert Hills had 12 swipes since 4/10/19 (14 days of data)
- West Center had 2 swipes since 4/18/19 (6 days of data)

5. **Solar Panel Installation Update**

Due to a looming deadline with TEP for the AO project, the start of canopy construction at Canoa Hills has shifted to a late May timeframe. The start of the 1st of two phases of the AO portion of the project is now underway.

This 1st phase will see canopies being constructed north of the new canopy at the West Center Tennis Ramada parking lot and the north parking lot of AO. Drilling for the canopy columns will begin as soon as Friday, April 26.

The 2nd phase of this project will have a canopy being erected in the south parking lot of AO. During this 2nd phase of construction, the entire south parking lot will be closed to all members and staff. This phase will begin on May 6.

Thank you for joining us today and stay well.

6. Committee Reports

A. Planning & Evaluation – Director Nichols reported.

B. Fiscal Affairs – Director Crothers reported.

C. Investments – Director Sadowski reported.

MOTION: Sadowski / Seconded. Accept revised Investment Policy Statement as presented.

Passed: unanimous

D. Audit – Director Vanderhoof announced Director Weaver as Vice-Chair.

E. Board Affairs – Director Curtin reported.

F. Nominations & Elections – Director Gallegos reported.

G. Bylaws Ad Hoc – President Sieck reported.

MOTION: Sieck / Seconded. Appoint Suzan Curtin as chair of the Bylaws Ad Hoc Committee.

Passed: 10 yes / 2 no (Weaver, Zelenak)

H. Survey / Facility Access Ad Hoc – Director Thornton reported.

7. Board Project Status Reports

A. Member Concierge Kiosks – GVR CEO Blumenthal reported.

B. Solar Gain Status Update – President Sieck gave the report.

C. Pickleball Center Update – GVR CEO Blumenthal reported.

8. New Business

A. Policy Governance Ad Hoc Committee

MOTION: Chalmers / Seconded. 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.

Passed: unanimous

MOTION: Sadowski / Seconded. Appoint Lynne Chalmers as the point of contact for GVR Board and GVR CEO Kent Blumenthal as the point of contact for GVR Staff with consultant Susan Mogensen.

Passed: unanimous

B. MedAvail / SpotRX Lease Agreement

MOTION: Sieck / Seconded. GVR Board of Directors adopt the Pilot GVR/MedAvail Lease Agreement as presented.

Passed: unanimous

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

	December 31, 2018	December 31, 2017
	Total	Total
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
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	698,017	50,836	698,017	(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	109,861	75,000	33,861	75,000	(33,861)
Communication	43,359	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	253,868	514,370	253,868
Fees & Assessments	13,710	89,100	75,390	89,100	75,390
Utilities	933,502	1,148,121	214,619	1,148,121	214,619
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	4,625,808	224,510	4,625,808	224,510
Conferences & Training	59,098	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	11,094	6,100	(4,994)	6,100	(4,994)
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	198,848	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 April 30, 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.

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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: April 30, 2019 and December 31, 2018



	April 30, 2019	December 31, 2018
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 1,642,707	1,099,888
Accounts Receivable	315,879	97,020
Edward Jones Investments (@ Market)	5,292,699	10,995,715
Schwab Investments (@ Market)	8,903,571	-
Prepaid Expenses	89,506	207,872
Total Current Assets	16,244,362	12,400,495
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	19,704,389	19,354,268
Sub-Total	37,298,174	36,948,053
Less - Accumulated Depreciation	(20,847,200)	(20,315,542)
Property and Equipment - net	16,450,974	16,632,511
Total Assets	32,695,336	29,033,006
LIABILITIES		
Accounts Payable	187,138	342,959
Deferred Dues & Fees	4,397,015	1,106,509
Deferred Programs	69,558	260,046
Total Liabilities	4,653,710	1,709,514
TOTAL ASSETS LESS LIABILITIES	\$28,041,625	27,323,492
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 808,434	804,645
Maint - Repair - Replacement	5,792,752	5,881,453
Initiatives	2,302,385	1,996,087
Sub-Total	8,903,571	8,682,185
Unrestricted Net Assets	19,138,054	18,641,307
TOTAL NET ASSETS	\$28,041,625	27,323,492



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

As of Date: April 30, 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	\$ 718,053	718,053				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(322,108)			322,108	
Principal Transfers	-	698,632			(698,632)	
Depreciation	-	531,658	(531,658)			
Purchase of Fixed Assets	-	(350,121)	350,121			
Transfer		84,540		(84,540)		
						-
						243,695
Allocations of Net Change components:						
Investment income	-	(75,620)		3,843	51,296	20,480
Investment Expenses	-	3,244		(2,936)	(213)	(95)
Unrealized Gains (Losses) on Market	-	(366,579)		87,422	236,740	42,418
Repairs and replacements	-	-				
Net change to April 30, 2019	718,053	921,700	(181,537)	3,789	(88,701)	306,498
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 April 30, 2019	\$ 28,041,545	2,936,476	16,444,994	808,434	5,792,752	2,302,585



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	3,917,247	4,062,214	-	(361,526)	216,559
Rebalance Transactions	-	-	-	-	-
Investment income	94,361	18,741	3,843	51,296	20,480
Withdrawals	(1,096,883)	(1,104,809)	(84,540)	65,529	26,937
Investment Expenses	(3,244)	-	(2,936)	(213)	(95)
Net Change for 4 Months	2,911,480	2,976,146	(83,633)	(244,914)	263,881
Balance before Market Change at April 30, 2019	13,907,195	5,289,675	721,012	5,636,540	2,259,968
4 month Change in Unrealized Gain (Loss)	369,603	3,024	87,422	236,740	42,418
Balance at April 30, 2019 (at Market)	\$ 14,276,798	5,292,699	808,434	5,873,279	2,302,385



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Statement of Activities
Monthly Report: 4/1/2019 - 4/30/2019
YTD Period: 1/1/2019 - 4/30/2019
FY Budget Period: 1/1/2019 - 12/31/2019

		2018 YTD	2019 YTD	YTD	%	Year-to-Date	Year-to-Date	Year-to-Date	%	Fiscal Year	Remaining
		Actual	Actual	Variance		Actual	Budget	Variance		Budget	FY Budget
Revenue											
1	Member Dues	2,209,758	2,239,379	29,621	1%	2,239,379	2,233,783	5,596	0%	6,701,349	4,461,970
2	Life Care, Transfer, Tenant & Add'l Card Fees	355,810	364,583	8,773	2%	364,583	250,880	113,703	45%	752,640	388,057
3	Capital Revenue	956,344	808,742	(147,602)	-15%	808,742	897,717	(88,975)	-10%	2,693,151	1,884,409
4	Programs	246,348	163,938	(82,410)	-33%	163,938	142,333	21,605	15%	427,000	263,062
5	Instructional	229,115	247,034	17,919	8%	247,034	143,817	103,217	72%	431,450	184,416
6	Recreational Revenue	475,463	410,972			410,972	286,150				
7	Investment Revenue	105,628	130,859	25,231	24%	130,859	98,333	32,526	33%	295,000	164,141
8	Advertising Income	28,469	36,580	8,111	28%	36,580	25,000	11,580	32%	75,000	38,420
9	Communication	14,441	11,283	(3,158)	-22%	11,283	19,000	(7,717)	-68%	57,000	45,717
10	Communications Revenue	42,910	47,863			47,863	44,000				
11	Other Income	14,679	18,216	3,537	24%	18,216	6,833	11,383	167%	20,500	2,284
12	Facility Rent	9,425	11,710	2,285	24%	11,710	7,667	4,043	53%	23,000	11,290
13	Marketing Events	0	0	0		0	1,000	(1,000)	-100%	3,000	3,000
14	Other Revenue	24,104	29,926			29,926	15,500				
	Total Revenue	4,170,017	4,032,324	(137,693)	-3%	4,032,324	3,826,363	205,961	5.4%	11,479,090	7,446,766
Expenses											
15	Major Projects-Repair & Maint.	91,162	349,598	(258,436)	-283%	349,598	79,076	(270,522)	-342%	237,229	(112,369)
16	Facilities Maintenance	77,708	49,287	28,421	37%	49,287	161,156	111,869	69%	483,468	434,181
17	Fees & Assessments	4,052	9,042	(4,990)	-123%	9,042	11,533	2,491	22%	34,600	25,558
18	Utilities	363,028	343,465	19,563	5%	343,465	250,588	(92,877)	-37%	751,765	408,300
19	Depreciation	466,890	531,658	(64,768)	-14%	531,658	436,370	(95,288)	-22%	1,309,109	777,451
20	Furniture & Equipment	96,293	85,533	10,760	11%	85,533	76,992	(8,541)	-11%	230,975	145,442
21	Vehicles	18,908	25,921	(7,013)	-37%	25,921	26,868	947	4%	80,604	54,683
22	Facilities & Equipment	1,118,041	1,394,504			1,394,504	1,042,583				
23	Wages, Benefits, Payroll Expenses	1,427,343	1,435,429	(8,086)	-1%	1,435,429	1,668,010	232,581	14%	5,004,031	3,568,602
24	Conferences & Training	18,105	15,028	3,077	17%	15,028	19,333	4,305	22%	58,000	42,972
25	Personnel	1,445,448	1,450,457			1,450,457	1,687,343				
26	Food & Catering	17,918	14,060	3,858	22%	14,060	17,200	3,140	18%	51,600	37,540
27	Recreation Contracts	350,836	331,076	19,760	6%	331,076	233,577	(97,499)	-42%	700,731	369,655
28	Bank & Credit Card Fees	56,875	66,657	(9,782)	-17%	66,657	33,333	(33,324)	-100%	100,000	33,343
29	Program	425,629	411,793			411,793	284,110				
30	Communications	33,657	33,377	280	1%	33,377	34,160	783	2%	102,480	69,103
31	Printing	29,238	25,756	3,482	12%	25,756	31,924	6,168	19%	96,353	70,597
32	Advertising	3,734	0	3,734	100%	0	5,000	5,000	100%	15,000	15,000
33	Communications	66,629	59,133			59,133	71,084				
34	Supplies	83,287	97,556	(14,269)	-17%	97,556	148,641	51,085	34%	445,923	348,367
35	Postage	7,125	7,983	(858)	-12%	7,983	12,413	4,430	36%	37,240	29,257
36	Dues & Subscriptions	4,737	3,959	778	16%	3,959	2,183	(1,776)	-81%	6,550	2,591
37	Travel & Entertainment	804	1,726	(922)	-115%	1,726	7,800	6,074	78%	23,400	21,674
38	Other Operating Expense	16,193	13,531	2,662	16%	13,531	20,718	7,187	35%	62,154	48,623
39	Operations	112,146	124,755			124,755	191,755				
40	Information Technology	7,206	27,333	(20,127)	-279%	27,333	45,850	18,517	40%	137,550	110,217
41	Repair & Maint.-Network	0	426	(426)	-100%	426	1,200	774	65%	3,600	3,174
42	Professional Fees	105,401	106,036	(635)	0%	106,036	97,133	(8,903)	-9%	291,400	185,364
43	Commercial Insurance	66,394	101,437	(35,043)	-53%	101,437	71,667	(29,770)	-42%	215,000	113,563
44	Taxes	54	0	54	100%	0	4,900	4,900	100%	14,700	14,700
40	Provision for Bad Debt	10,991	8,000	2,991	27%	8,000	8,000	0	0%	24,000	16,000
41	Corporate Expenses	190,046	243,232			243,232	228,750				
	Expenses	3,357,939	3,683,874	(325,935)	0.04%	3,683,874	3,505,625	(178,249)	-5.1%	10,517,462	6,833,588
42	Gross surplus(Rev-Exp)	812,078	348,450			348,450	320,738				
43	Unrealized Gain on Investments	(218,844)	369,603			369,603	6,000			18,000	
44	Net from Operations	593,234	718,053			718,053	326,738			10,535,462	



EXHIBIT

APPROVED
Fiscal Affairs
May 21, 2019

MR&R RESERVE FUNDING AND FUNDS REIMBURSEMENT

Background information:

The Maintenance Repair and Replace (MR&R) Reserve Study performed by Browning Reserve Group recommends an annual contribution to the MR&R reserve fund. In the past, 1/12 of the annual amount was transferred each month. Our dues for the year (approximately \$6M) are collected at the end of the previous year. This money sits in checking account or a very low yielding non restricted investment account. The normal annual contribution to MR&R is around \$1M. We have hired a financial management firm to manage our reserves and they expect to achieve a significantly higher return than our operating accounts. To maximize the return on our financial assets, the full annual contribution to the MR&R fund should occur as early as possible in the year. The recommended change is to transfer the funds within one month of the close of dues collection. This year, the transfer of the remaining balance of the MR&R contribution should occur within 7 days of the date we pass this motion.

In the past, we have only reimbursed the operating cash fund up to the projected cost of the MR&R project. After conferring with Browning and to cut down the variances in budget line items, the board policy should be changed to reimburse the full cost of the project after appropriate evidence is supplied as to project dates and actual costs. The details of how this is achieved should be in the administrative operations manuals.

Motion to update the CPM regarding the MR&R reserve fund:

In Section V – Fiscal/Accounting of the CPM, Subsection 2 – Reserve Policy, E. MR&R Reserve Fund, delete 3. Funding Source: and replace with the following:

- 3 Funding Source and Reimbursement Policy
 - a. Funding Source: Annually, GVR shall transfer the full year's annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues

- collection period (normally Jan 31, so the full MR&R funding should be transferred by the end of February.)
- b. Reimbursement Policy: Quarterly (or monthly if necessary), after review by the FAC and approval of the board, the MR&R Reserve Fund will reimburse the operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completion date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost a detailed justification will be provided.

Note: In 2019 the remaining MR&R contribution will be made to the MR&R within 7 days of this motion being passed.



EXHIBIT

APPROVED
Fiscal Affairs
May 21, 2019

Financial Review by Third Party Accounting Firm

The Fiscal Affairs Committee unanimously approved the following and recommends the Board of Directors hire third party to advise GVR how to prepare financial statements:

Whereas, one of the functions of the Fiscal Affairs Committee is to “monitor progress toward achievement of annual fiscal objectives”. Section VI, SubSection 4, C(2) B(2) of the CPM

Whereas, the bylaws state that “The Treasurer shall ensure that timely, accurate financial statements are presented to the directors” Article VII section 4, D. and the Treasurer has asked the FAC to assist in this responsibility

Whereas, one of the functions of the Fiscal Affairs Committee is to “review financial statements and report to the Board of Directors.” Section VI, Subsection 4, C(2)B(3) of the CPM

Whereas, there is substantial disagreement between Staff and the FAC as to the form and methodology of reporting said financial statements and especially how operational surplus or deficit is determined.

Be it resolved, the Fiscal Affairs Committee feels it is necessary to seek expert, 3rd party advice on how GVR’s financial statements should be prepared so that they not only conform to GAAP, but also provide clear, understandable reports that show GVR’s budget, actual expenses, cash flow and clear status of GVR’s financial health.

The FAC requests authorization from the Board of Directors to engage a reputable accounting firm, chosen and hired by the FAC and approved by the Board, to review GVR’s financial reports and make recommendations to the FAC and the administration as to how to achieve the above stated goals. Further, the administration will provide full support and cooperation in this endeavor.

EXHIBIT PROVIDED BY CAROL CROTHERS AND INCLUDED IN THE BOARD PACKET ON FRIDAY, MAY 17, 2019:

Resolution to hire outside financial expertise

Background: There is considerable confusion in the reporting of financial information. For example, our administration has published 4 different amounts labeled as deficits for 2018. The audit for 2018 shows a net surplus in assets of \$495,163 and an increase in operating capital of almost \$600K. Other financial reports show that we hit our revenue numbers in 2018 and came in under in all major areas including operations expense, MR&R, non-reserve capital and club projects. A special FAC workshop was held to try to understand these discrepancies. Explanations were not forthcoming. Therefore, the FAC has passed the following resolution:

Whereas, one of the functions of the Fiscal Affairs Committee is to “monitor progress toward achievement of annual fiscal objectives”. . Section VI, SubSection4, C(2) B(2) of the CPM

Whereas, the bylaws state that “The Treasurer shall ensure that timely, accurate financial statements are presented to the directors” Article VII section 4, D. and the Treasurer has asked the FAC to assist in this responsibility

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Whereas, there is substantial disagreement between Staff and the FAC as to the form and methodology of reporting said financial statements and especially how operational surplus or deficit is determined.

Be it resolved, the Fiscal Affairs Committee feels it is necessary to seek expert, 3rd party advice on how GVR’s financial statements should be prepared so that they not only conform to GAAP, but also provide clear, understandable reports that show GVR’s budget, actual expenses, cash flow and clear status of GVR’s financial health.

The FAC requests authorization from the Board of Directors to engage a reputable accounting firm, chosen and hired by the FAC and approved by the Board, to review GVR’s financial reports and make recommendations to the FAC and the administration as to how to achieve the above stated goals. Further, the administration will provide full support and cooperation in this endeavor.

Motion: I move that the board authorize spending up to \$50K to hire an outside firm experienced in non profit accounting to conduct a full review of our accounting system and reporting methodology in order to make recommendations for clearer accounting and reporting with the following schedule:

1. The FAC will conduct a search for appropriate firms and make a recommendation to the board by the June board meeting
2. The FAC will hire the approved firm who will conduct the assessment and make recommendations back to the FAC by Aug 15
3. The FAC and the firm will review the findings with the administration and the FAC will prepare a report to the board showing the results of the assessment and any recommendations by Sept 15
4. The outside firm must be given full access to the accounting systems and receive the support and cooperation of GVR staff.



EXHIBIT

APPROVED
Board Affairs
May 20, 2019

USE OF LEGAL COUNSEL

The Board Affairs Committee unanimously recommends the Board of Directors adopt a policy with regards to the use of legal counsel and amend the Corporate Policy Manual as follows:

CORPORATE POLICY MANUAL
SECTION VI – BOARD / BOARD COMMITTEES
SUBSECTION 3. – BOARD MEETINGS

D. Use of Legal Counsel

1. The President or Vice-President ~~or Chief Executive Officer~~ shall make initial contact with GVR's legal counsel *on all Board and Board committee matters when needed*. Committee chairs needing a legal opinion shall provide the question(s) *to the President or Vice-President or Chief Executive Officer,* and shall not contact the attorney directly.
2. GVR ~~Board~~ contracts, Bylaw changes and all similar documents shall be submitted to legal counsel for review, and comment prior to approval by the Board.
3. *The President may assign the Chief Executive Officer to make contact with GVR's legal counsel, as needed.*
4. *The Chief Executive Officer shall make the initial legal contact, when needed, on GVR operational matters.*



EXHIBIT

APPROVED
Board Affairs
May 20, 2019

VAPING

The Board Affairs Committee unanimously recommends the Board of Directors adopt a policy with regards to the use of electronic cigarettes (vaping), and add the following language to the Corporate Policy Manual:

CORPORATE POLICY MANUAL
SECTION IV – FACILITY USE
SUBSECTION 2. – SPECIAL FACILITY USAGE

L. Vaping-Free Zone at GVR Facilities

- 1. GVR prohibits vaping in all non-smoking areas, including enclosed areas and areas within 20 feet of all entrances and windows. Vaping is prohibited in all indoor facility areas, pool areas and in all GVR vehicles.**
- 2. Vaping will be allowed in designated outdoor areas and wherever smoking is allowed.**

Background:

The Pickleball Complex motion approved at the January Board meeting included 2 key parameters;

- A minimum of 8 courts
- Maximum of \$1.25M

The request for bids was issued with a minimum of 16 courts.

A completion date was not included in the original motion. The completion date in the request for bids was mid February, 2020.

Two alternatives were requested,

- Add 4 more courts for a total of 20 courts
- Add 8 more courts for a total of 24 courts

Motion:

WSM will be directed to add 2 additional alternatives to the request for bids;

- Remove 4 courts for a total of 12 courts
- Move the completion date for the 16 court baseline to December 31st, 2019