



AGENDA

BOARD OF DIRECTORS MEETING
Wednesday, July 1, 2020
ELECTRONIC MEETING

Directors: Don Weaver (President), Mike Zelenak (Vice President), Christine Gallegos (Secretary), Donna Coon (Treasurer), Beverly Tobiason (Assistant Secretary), Randy Howard (Assistant Treasurer), Mark Kelley, Bev Lawless, Mark McIntosh, Charlie Sieck, Sandra Thornton, Gail Vanderhoof, Jen Morningstar (non-voting)

| | Agenda Topic | Board Member | Exhibit | Action |
|--------------|--|---|---------|--------|
| I. | Call to Order / Quorum | | | |
| II. | Adopt Agenda | Weaver | X | X |
| III. | Consent Calendar A. Minutes May 20, 2020 B. Financial Statements April 2020 C. Financial Statements May 2020 | Weaver | X | X |
| IV. | Committee Reports A. Planning & Evaluation B. Fiscal Affairs 1. Pickleball Center Final Accounting C. Investments D. CEO Search Committee 1. Search Firm Contract E. Board Affairs F. Nominations & Elections G. Policy Governance | Howard Coon Lawless Howard Gallegos McIntosh Tobiason | X | X |
| V. | New Business A. Policy Governance as Ad Hoc Committee B. GVR Foundation Bylaws C. Chase Bank & Bank of America | Weaver Coon/Counter Weaver | X | X X |
| VI. | GVR Foundation Report | Counter | | |
| VII. | Member Comments | | | |
| VIII. | Adjournment | | | X |

**In accordance with GVR Bylaws, all meetings of the Board at which official business of The Corporation is transacted, with the exception of meetings limited to personnel and/or legal matters, shall be open to all members of The Corporation. An executive session "placeholder" is added to each Regular Meeting Board agenda should the Board have personnel and/or legal matters to address. Meetings shall be governed by Roberts Rules of Order unless otherwise determined by the Board of Directors.*



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, May 20, 2020 by teleconference, the President being in the chair and the Secretary being present.

Directors Present by Remote: Don Weaver (President), Mike Zelenak (Vice President), Christine Gallegos (Secretary), Donna Coon (Treasurer), Beverly Tobiason (Assistant Secretary), Randy Howard (Assistant Treasurer), Mark Kelley, Bev Lawless, Mark McIntosh, Charles Sieck, Sandra Thornton, Gail Vanderhoof, Jen Morningstar (Interim CEO) (non-voting)

I. Call to Order / Establish Quorum

President Weaver called the meeting to order at 2:00pm MST.
Roll was called by Secretary Gallegos and a quorum established.

II. Adopt Agenda

MOTION: Lawless / seconded. Adopt agenda as amended, adding Item IVC. East Center Pool Update under New Business. Passed unanimously.

III. Consent Calendar

MOTION: Lawless / seconded. Approve Minutes of April 29, 2020 and May 12, 2020; Accept Restated Financial Statements for December 2019, January 2020, February 2020, and March 2020. Passed unanimously.

IV. New Business

A. MOTION: Lawless / seconded. Suspend March 18, 2020 Investment Policy Statement, reverting back to April 24, 2019 Investment Policy Statement. Vote: Ayes – 8, Nays – 4 (Kelley, Sieck, Thornton, Vanderhoof)

B. Update: Offering Online Classes

Mike Zelenak has spoken with GVR's Emily Bagley who is already working with someone local at Cochise College in regard to offering online classes. She has polled instructors and, to date, 14 have said that they would be willing to teach via Zoom with some training. Jen Morningstar stated that there will be no summer classes offered via Zoom and is not sure if the instructors could be ready by Fall with this type of offering. It is a work in progress.

C. East Center Pool Update

Randy Howard, Chair of the P&E Committee, presented an overview of the condition of the East Center Pool. P&E's Aquatics Subcommittee is looking toward total replacement which would have an initial estimate of \$500,000.

MOTION: Howard / seconded. Approved the P&E Committee to move forward with this project as expeditiously as possible, and earmarking currently estimated \$500,000 for the project. Passed unanimously.

V. Committee Reports

President Weaver stated that there has been criticism because committees weren't formed quickly enough. In response, he stated that committees have already been established, meetings have been scheduled, and they are meeting and doing their work.

A. Planning & Evaluation Committee – Chair Randy Howard

Committee Chair Howard gave an overview of their current work. They held a meeting on Thursday, May 14, 2020. The proposed coffee bar has been postponed until next year due to the pandemic and the committee is moving forward on all other requests from clubs. Committee Chair Howard will also chair the Facilities Expansion P&E Subcommittee which is scheduled to meet June 9, 2020 at 1:00pm.

B. Fiscal Affairs Committee – Chair Donna Coon

Committee Chair Coon gave an overview of their work to date. They held a meeting on Friday, May 15, 2020. They reviewed and accepted the 2019 Audit and Finance is working on recommendations from the audit company HBL. Reports were presented on the effects of the shutdown and the Pickleball Court funding status. They plan a special meeting in early June to review the April 2020 financials.

C. Investments Committee – Chair Bev Lawless

Committee Chair Lawless gave an overview of their work to date. They held a work session on Friday, May 15, 2020, reviewing Investment Policy Statements.

D. CEO Search Committee – Chair Randy Howard

The committee of five has held their first meeting. They plan to restart the search in mid-June once they have determined their process. Plan is to have new hire by end of this year.

E. Nominations & Elections Committee – Chair Mark McIntosh

Committee Chair McIntosh gave an overview of this committee. They are scheduled to meet on June 3, 2020 at 1:30pm.

F. Other Committees

Audit Committee – Chair Bev Lawless

Committee Chair Lawless gave an overview of this committee. Meetings have not been scheduled yet.

Board Affairs Committee – Chair Christine Gallegos

Committee Chair Gallegos gave an overview of this committee. They are scheduled to meet on May 28, 2020 at 1:30pm.

Policy Governance BA Subcommittee and **Bylaws BA Subcommittee** are now subcommittees of the Board Affairs Committee. Barbara Tobiason and Bob Northrup are Co-chairs of the Policy Governance BA Subcommittee. They have scheduled their first meeting for June 2, 2020 at 10:00am. Mike Zelenak and Barbara Mauser are Co-chairs of the Bylaws BA Subcommittee and have their first meeting scheduled for June 2, 2020 at 2:00pm.

GVR – GVR Foundation Ad Hoc Committee – Chair Don Weaver

Committee Chair Weaver stated that this committee plans to meet in the next week to ten days.

Management Committee – Jen Morningstar

Interim CEO Morningstar stated that they are proceeding with a cautious reopening with limited hours in various areas. There are a lot of regulations coming down from the County and they are working to meet all the requirements. They are working on updating the website and hope to have it available by the end of this week.

President Weaver stated that he would like to schedule a Board workshop in the near future.

VI. Member Comments – 7

VII. Adjournment

MOTION: Howard / seconded. Adjourn meeting at 3:05pm MST. Passed unanimously.

Unanimous Consent on May 13, 2020

MOTION: Approve the language and use of the Waiver of Liability dated May 11, 2020 and signage to be posted at GVR facilities.

Unanimously approved.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for April 30, 2020. 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: April 30, 2020 and Dec 31, 2019

| | April 30, 2020 | Dec 31, 2019 |
|---|-----------------------|------------------------|
| | Total | Total |
| ASSETS | | |
| Current Assets | | |
| Cash/Cash Equivalents | 860,189 | 2,505,270 |
| Accounts Receivable | 455,531 | 221,922 |
| Prepaid Expenses | 181,107 | 313,753 |
| Unamortized Deferred Compensation | 316,346 | - |
| Designated Investments (Charles S./SBH) | | |
| Emergency - Fund | 773,054 (1) | 880,329 (15) |
| MRR - Fund | 7,775,528 (2) | 7,055,756 (16) |
| Initiatives - Fund | 2,049,588 (3) | 2,500,602 (17) |
| Total Designated Investments (CS/SBK) | 10,598,170 (4) | 10,436,687 (18) |
| Undesignated Invest. (JP Morgan) | 4,617,428 (5) | 3,274,640 (19) |
| Investments | 15,215,598 (6) | 13,711,327 (20) |
| Total Current Assets | 17,028,772 | 16,752,273 |
| Fixed Assets | | |
| Contributed Fixed Assets | 17,593,785 | 17,593,785 |
| Purchased fixed Assets | 22,425,336 | 21,995,051 |
| Sub-Total | 40,019,121 | 39,588,836 |
| Less - Accumulated Depreciation | (22,485,546) | (21,918,638) |
| Net Fixed Assets | 17,533,575 (7) | 17,670,198 (21) |
| Total Assets | 34,562,347 | 34,422,471 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 407,053 | 494,370 |
| Deferred Dues & Fees | 4,507,483 | 4,331,532 |
| Deferred Programs | 42,993 | 285,935 |
| Compensation Liability | 316,346 | - |
| Total Current Liabilities | 5,273,876 | 5,111,837 |
| TOTAL NET ASSETS | 29,288,471 (8) | 29,310,635 (22) |
| NET ASSETS | | |
| Temporarily Designated: | | |
| Board Designated: | | |
| Emergency | 773,054 (9) | 880,329 (23) |
| Maint - Repair - Replacement | 7,775,528 (10) | 7,055,756 (24) |
| Initiatives | 2,049,588 (11) | 2,500,602 (25) |
| Sub-Total | 10,598,170 (12) | 10,436,687 |
| Unrestricted Net Assets | 18,712,569 | 18,539,950 |
| Net change Year-to-Date | (22,268) (13) | - |
| Unrestricted Net Assets | 18,690,301 (14) | 18,539,950 |
| TOTAL NET ASSETS | 29,288,471 | 28,976,637 |



Green Valley Recreation, Inc. Summary Statement of Activities

4 month period ending April 30, 2020

| | Actual | Budget to Date | % |
|--|--------------------|------------------|----------------|
| REVENUES: | | | |
| Member Dues | \$ 2,249,851 | \$ 2,239,042 | 0.5% |
| Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees | 277,533 | 299,271 | (7.3%) |
| New Member Capital/Initial Fees | 817,910 | 915,604 | (10.7%) |
| Recreation Income | 335,433 | 498,531 | (32.7%) |
| Cell Tower Lease / Advertising Income | 73,858 | 44,552 | 65.8% |
| Investment Income/Realized Gains | 109,305 | 108,658 | 0.6% |
| Other Income | 69,803 | 80,556 | (13.3%) |
| Total Revenues | 3,933,693 | 4,186,213 | (6.0%) |
| EXPENSES: | | | |
| Facilities & Equipment | 1,112,692 | 1,338,187 | 16.9% |
| Personnel | 1,631,312 | 1,618,622 | (0.8%) |
| Program | 381,178 | 512,385 | 25.6% |
| Communications | 64,001 | 53,082 | (20.6%) |
| Operations | 130,094 | 195,306 | 33.4% |
| Corporate Expenses | 220,937 | 274,833 | 19.6% |
| Total Expenses | 3,540,214 | 3,992,415 | 11.3% |
| Net Change in Net Assets from Operations | 393,479 | 193,797 | 103.0% |
| From Investment Activity: | | | |
| Net Unrealized Market Value Change | (415,748) | (26) | |
| Net Excess (Deficiency) GVR (All Reserves) | \$ (22,269) | (27) | 193,797 |



Green Valley Recreation, Inc.
Summary Statement of Activities

YTD Period: 4 month period ending April 30, 2020

FY Budget Period: Jan 1, 2020 - Dec 31, 2020

| | PRIOR YEAR COMPARISON | | | | BUDGET COMPARISON | | | | Fiscal Year Budget | Remaining FY Budget |
|-----------------------------------|-----------------------|------------------|-----------------------|---------------|-------------------|------------------|------------------|---------------|--------------------|---------------------|
| | 2019 YTD Actual | 2020 YTD Actual | Year to Year Variance | % | YTD Actual | YTD Budget | YTD Variance | % | | |
| Revenue | | | | | | | | | | |
| Member Dues | 2,239,379 | 2,249,851 | 10,471 | 0% | 2,249,851 | 2,239,042 | 10,809 | 0% | 6,717,125 | 4,467,274 |
| LC, Trans., Crd Fees. | 364,583 | 277,533 | (87,050) | (24%) | 277,533 | 299,271 | (21,738) | (7%) | 618,000 | 340,467 |
| Capital Revenue | 808,742 | 817,910 | 9,168 | 1% | 817,910 | 915,604 | (97,694) | (11%) | 2,535,200 | 1,717,290 |
| Programs | 163,938 | 124,947 | (38,992) | (24%) | 124,947 | 221,181 | (96,234) | (44%) | 336,000 | 211,053 |
| Instructional | 247,034 | 210,486 | (36,549) | (15%) | 210,486 | 277,350 | (66,864) | (24%) | 460,000 | 249,514 |
| Recreational Revenue | 410,973 | 335,433 | (75,540) | (18%) | 335,433 | 498,531 | (163,098) | (33%) | 796,000 | 460,567 |
| Investment Income | 94,679 | 109,305 | 14,626 | 15% | 109,305 | 108,658 | 647 | 1% | 377,651 | 268,345 |
| Advertising Income | 36,580 | 60,245 | 23,666 | 65% | 60,245 | 33,930 | 26,316 | 78% | 110,000 | 49,755 |
| Cell Tower Lease Inc. | 11,283 | 13,613 | 2,330 | 21% | 13,613 | 10,622 | 2,990 | 28% | 36,000 | 22,387 |
| Comm. Revenue | 47,862 | 73,858 | 25,996 | 54% | 73,858 | 44,552 | 29,306 | 66% | 146,000 | 72,142 |
| Other Income | 54,396 | 48,662 | (5,735) | (11%) | 48,662 | 61,219 | (12,557) | (21%) | 100,500 | 51,838 |
| Facility Rent | 11,710 | 21,142 | 9,432 | 81% | 21,142 | 16,337 | 4,804 | 29% | 100,000 | 78,858 |
| Marketing Events | - | - | - | | - | 3,000 | (3,000) | (100%) | 3,000 | 3,000 |
| Other Revenue | 66,106 | 69,803 | 3,697 | 6% | 69,803 | 80,556 | (10,753) | (13%) | 203,500 | 133,697 |
| Total Revenue | 4,032,325 | 3,933,693 | (98,631) | (2%) | 3,933,693 | 4,186,213 | (252,520) | (6%) | 11,393,476 | 7,459,783 |
| Expenses | | | | | | | | | | |
| Major Proj.-Rep. & Maint. | 349,598 | 73,689 | 275,909 | 79% | 73,689 | 103,040 | 29,351 | 28% | 265,148 | 191,459 |
| Facility Maintenance | 49,287 | 109,949 | (60,662) | (123%) | 109,949 | 181,774 | 71,825 | 40% | 704,554 | 594,605 |
| Fees & Assessments | 9,042 | (1,714) | 10,755 | 119% | (1,714) | 8,233 | 9,946 | 121% | 78,716 | 80,430 |
| Utilities | 343,465 | 311,788 | 31,677 | 9% | 311,788 | 354,962 | 43,174 | 12% | 892,031 | 580,243 |
| Depreciation | 531,658 | 566,908 | (35,249) | (7%) | 566,908 | 582,203 | 15,295 | 3% | 1,869,644 | 1,302,736 |
| Furniture & Equipment | 85,533 | 34,160 | 51,373 | 60% | 34,160 | 70,677 | 36,517 | 52% | 264,764 | 230,604 |
| Vehicles | 25,921 | 17,912 | 8,009 | 31% | 17,912 | 37,298 | 19,386 | 52% | 73,624 | 55,712 |
| Facilities & Equipment | 1,394,505 | 1,112,692 | 281,812 | 20% | 1,112,692 | 1,338,187 | 225,494 | 17% | 4,148,481 | 3,035,788 |
| Wages, Benfts., PR Exp. | 1,435,429 | 1,621,856 | (186,427) | (13%) | 1,621,856 | 1,598,026 | (23,830) | (1%) | 4,616,520 | 2,994,664 |
| Conferences & Training | 15,028 | 9,455 | 5,572 | 37% | 9,455 | 20,596 | 11,140 | 54% | 88,000 | 78,545 |
| Personnel | 1,450,457 | 1,631,312 | (180,855) | (12%) | 1,631,312 | 1,618,622 | (12,690) | (1%) | 4,704,520 | 3,073,209 |
| Food & Catering | 14,060 | 11,964 | 2,096 | 15% | 11,964 | 18,187 | 6,223 | 34% | 45,031 | 33,067 |
| Recreation Contracts | 331,076 | 303,351 | 27,725 | 8% | 303,351 | 413,721 | 110,370 | 27% | 632,750 | 329,399 |
| Bank & Credit Card Fees | 66,657 | 65,863 | 795 | 1% | 65,863 | 80,477 | 14,614 | 18% | 96,146 | 30,283 |
| Program | 411,793 | 381,178 | 30,615 | 7% | 381,178 | 512,385 | 131,207 | 26% | 773,927 | 392,749 |
| Communications | 33,377 | 33,887 | (510) | (2%) | 33,887 | 36,404 | 2,517 | 7% | 104,149 | 70,262 |
| Printing | 25,756 | 29,484 | (3,728) | (14%) | 29,484 | 16,678 | (12,806) | (77%) | 94,497 | 65,013 |
| Advertising | - | 630 | (630) | 0% | 630 | - | (630) | 0% | 5,000 | 4,370 |
| Communications | 59,133 | 64,001 | (4,868) | (8%) | 64,001 | 53,082 | (10,919) | (21%) | 203,646 | 139,645 |
| Supplies | 97,556 | 62,128 | 35,429 | 36% | 62,128 | 122,366 | 60,238 | 49% | 344,127 | 281,999 |
| Postage | 7,983 | 8,165 | (182) | (2%) | 8,165 | 5,680 | (2,485) | (44%) | 18,500 | 10,335 |
| Dues & Subscriptions | 3,959 | 4,039 | (80) | (2%) | 4,039 | 2,940 | (1,099) | (37%) | 8,102 | 4,063 |
| Travel & Entertainment | 1,726 | 4,768 | (3,042) | (176%) | 4,768 | 2,738 | (2,030) | (74%) | 16,580 | 11,812 |
| Other Operating Expense | 13,531 | 50,994 | (37,464) | (277%) | 50,994 | 61,582 | 10,588 | 17% | 178,260 | 127,265 |
| Operations | 124,755 | 130,094 | (5,339) | (4%) | 130,094 | 195,306 | 65,212 | 33% | 565,568 | 435,474 |
| Information Technology | 27,758 | 20,915 | 6,843 | 25% | 20,915 | 25,486 | 4,571 | 18% | 114,900 | 93,985 |
| Professional Fees | 106,036 | 93,015 | 13,021 | 12% | 93,015 | 134,233 | 41,218 | 31% | 311,749 | 218,734 |
| Commercial Insurance | 101,437 | 107,007 | (5,570) | (5%) | 107,007 | 107,115 | 108 | 0% | 280,000 | 172,993 |
| Taxes | - | - | - | 0% | - | - | - | 0% | 18,000 | 18,000 |
| Provision for Bad Debt | 8,000 | - | 8,000 | 100% | - | 8,000 | 8,000 | 100% | 24,000 | 24,000 |
| Corporate Expenses | 243,231 | 220,937 | 22,295 | 9% | 220,937 | 274,833 | 53,897 | 20% | 748,649 | 527,712 |
| Expenses | 3,683,874 | 3,540,214 | 143,660 | 4% | 3,540,214 | 3,992,415 | 452,202 | 11% | 11,144,791 | 7,604,577 |
| Gross surplus(Rev-Exp) | 348,450 | 393,479 | 45,029 | 13% | 393,479 | 193,797 | 199,682 | 103% | 248,685 | (144,795) |
| Gains / Loss on Investments | 369,603 | (415,748) | (785,351) | | (415,748) | - | (415,748) | | - | 415,748 |
| Net from Operations | 718,053 | (22,268) | (740,322) | (103%) | (22,268) | 193,797 | (216,066) | (111%) | 248,685 | 270,953 |



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: April 30, 2020 and Dec 31, 2019

| | Totals | Unrestricted | | Emergency Reserve Fund | Maint - Repair - Replacement Reserve Fund | Initiatives Reserve Fund |
|--|-------------------------------------|-----------------------------------|----------------------------------|----------------------------------|---|----------------------------------|
| | | Unrestricted | Fixed Assets | | | |
| Net change in net assets-GVR | \$ (22,268) ⁽¹³⁾ | (22,268) | - | - | - | - |
| Transfers between unrestricted and reserves: | | | | | | |
| Reserve Study Allocation | 0 | - | - | - | - | - |
| Principal Transfers | 0 | (1,005,942) | - | - | 1,005,942 | - |
| Depreciation | 0 | 566,908 | (566,908) | - | - | - |
| Purchase of Fixed Assets | 0 | (430,285) | 430,285 | - | (63,778) | 378,418 |
| Withdrawals | 0 | 678,474 | - | (15,000) | (190,498) | (472,976) |
| Allocations of Net Change components: | | | | | | |
| Investment income | 0 | (87,994) | - | 4,325 | 60,969 | 22,700 |
| Investment Expenses | 0 | 17,108 | - | (1,267) | (11,583) | (4,258) |
| Unrealized Gains (Losses) on Market | 0 | 236,870 | - | (95,333) | (145,057) | 3,520 |
| Repairs and replacements | 0 | - | - | - | - | - |
| Net Change to April 30, 2020 | (22,268) ⁽¹³⁾ | (47,130) | (136,623) | (107,275) | 655,994 | (72,596) |
| Net Assets at, Dec 31, 2019 | 29,310,635 ⁽²²⁾ | 1,203,749 | 17,670,198 ⁽²¹⁾ | 880,329 ⁽²³⁾ | 7,055,756 ⁽²⁴⁾ | 2,500,602 ⁽²⁵⁾ |
| Net Assets as at, April 30, 2020 | \$ 29,288,367 ⁽⁸⁾ | 1,156,620 | 17,533,575 ⁽⁷⁾ | 773,054 ⁽⁹⁾ | 7,775,528 ⁽¹⁰⁾ | 2,049,588 ⁽¹¹⁾ |
| Footnotes refer to Statement of Financial Position and Statement of Activities | | 18,690,197 ⁽¹⁴⁾ | | 10,598,170 ⁽⁴⁾ | | |

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5



Green Valley Recreation, Inc.
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 Dec 31, 2019 (at Market) | \$ 13,711,327 ⁽²⁰⁾ | 3,274,640 ⁽¹⁹⁾ | 880,329 ⁽¹⁵⁾ | 7,055,756 ⁽¹⁶⁾ | 2,500,602 ⁽¹⁷⁾ |
| Changes since Jan 1, 2019: | | | | | |
| Principal additions | 2,505,942 | 1,500,000 | - | 1,005,942 | - |
| Investment income | 109,659 | 21,665 | 4,325 | 60,969 | 22,700 |
| Withdrawals | (678,474) | - | (15,000) | (190,498) | (472,976) |
| Investment Expenses | (17,108) | - | (1,267) | (11,583) | (4,258) |
| Net Change for 4 Months | 1,920,019 | 1,521,665 | (11,942) | 864,829 | (454,534) |
| Balance before Market Change at April 30, 2020 | 15,631,347 | 4,796,305 | 868,387 | 7,920,585 | 2,046,068 |
| 4 months Change in Unrealized Gain/(Loss) | (415,748) ⁽²⁶⁾ | (178,878) | (95,333) | (145,057) | 3,520 |
| Balance at April 30, 2020 (at Market) | \$ 15,215,598 ⁽⁶⁾ | 4,617,428 ⁽⁵⁾ | 773,054 ⁽¹⁾ | 7,775,528 ⁽²⁾ | 2,049,588 ⁽³⁾ |

10,598,170 ⁽¹²⁾

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for May 31, 2020. The four statements are:

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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.

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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.

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Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: May 31, 2020 and Dec 31, 2019

| | May 31, 2020 | Dec 31, 2019 |
|---|-----------------------|------------------------|
| | Total | Total |
| ASSETS | | |
| Current Assets | | |
| Cash/Cash Equivalents | 450,596 | 2,505,270 |
| Accounts Receivable | 414,371 | 221,922 |
| Prepaid Expenses | 162,160 | 313,753 |
| Unamortized Deferred Compensation | 302,885 | - |
| Designated Investments (Charles S./SBH) | | |
| Emergency - Fund | 809,392 (1) | 880,329 (15) |
| MRR - Fund | 7,908,341 (2) | 7,055,756 (16) |
| Initiatives - Fund | 2,291,495 (3) | 2,500,602 (17) |
| Total Designated Investments (CS/SBK) | 11,009,228 (4) | 10,436,687 (18) |
| Undesignated Invest. (JP Morgan) | 4,626,961 (5) | 3,274,640 (19) |
| Investments | 15,636,189 (6) | 13,711,327 (20) |
| Total Current Assets | 16,966,200 | 16,752,273 |
| Fixed Assets | | |
| Contributed Fixed Assets | 18,011,645 | 17,593,785 |
| Purchased fixed Assets | 22,268,037 | 21,995,051 |
| Sub-Total | 40,279,681 | 39,588,836 |
| Less - Accumulated Depreciation | (22,626,743) | (21,918,638) |
| Net Fixed Assets | 17,652,939 (7) | 17,670,198 (21) |
| Total Assets | 34,619,139 | 34,422,471 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 503,879 | 494,370 |
| Deferred Dues & Fees | 3,944,047 | 4,331,532 |
| Deferred Programs | 136,681 | 285,935 |
| Compensation Liability | 302,885 | - |
| Total Current Liabilities | 4,887,492 | 5,111,837 |
| TOTAL NET ASSETS | 29,731,647 (8) | 29,310,635 (22) |
| NET ASSETS | | |
| Temporarily Designated: | | |
| Board Designated: | | |
| Emergency | 809,392 (9) | 880,329 (23) |
| Maint - Repair - Replacement | 7,908,341 (10) | 7,055,756 (24) |
| Initiatives | 2,291,495 (11) | 2,500,602 (25) |
| Sub-Total | 11,009,228 (12) | 10,436,687 |
| Unrestricted Net Assets | 18,301,407 | 18,539,950 |
| Net change Year-to-Date | 421,012 (13) | - |
| Unrestricted Net Assets | 18,722,419 (14) | 18,539,950 |
| TOTAL NET ASSETS | 29,731,647 | 28,976,637 |



Green Valley Recreation, Inc. Summary Statement of Activities

5 month period ending May 31, 2020

| | Actual | Budget to Date | % |
|--|-------------------|------------------|----------------|
| REVENUES: | | | |
| Member Dues | \$ 2,814,290 | \$ 2,798,802 | 0.6% |
| Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees | 320,344 | 343,341 | (6.7%) |
| New Member Capital/Initial Fees | 1,011,494 | 1,192,612 | (15.2%) |
| Recreation Income | 330,745 | 521,703 | (36.6%) |
| Cell Tower Lease / Advertising Income | 82,465 | 52,113 | 58.2% |
| Investment Income/Realized Gains | 132,801 | 135,751 | (2.2%) |
| Other Revenue | 129,251 | 144,059 | (10.3%) |
| Total Revenues | 4,821,391 | 5,188,381 | (7.1%) |
| EXPENSES: | | | |
| Facilities & Equipment | 1,438,193 | 1,626,229 | 11.6% |
| Personnel | 1,893,614 | 1,982,401 | 4.5% |
| Program | 382,312 | 570,718 | 33.0% |
| Communications | 70,878 | 63,949 | (10.8%) |
| Operations | 199,327 | 235,433 | 15.3% |
| Corporate Expenses | 251,976 | 308,585 | 18.3% |
| Total Expenses | 4,236,301 | 4,787,315 | 11.5% |
| Net Change in Net Assets from Operations | 585,090 | 401,065 | 45.9% |
| From Investment Activity: | | | |
| Net Unrealized Market Value Change | (164,078) | (26) | |
| Net Excess (Deficiency) GVR (All Reserves) | \$ 421,012 | (27) | 401,065 |



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 5 month period ending May 31, 2020

FY Budget Period: Jan 1, 2020 - Dec 31, 2020

| | PRIOR YEAR COMPARISON | | | | BUDGET COMPARISON | | | | Fiscal Year Budget | Remaining FY Budget |
|-----------------------------------|-----------------------|------------------|-----------------------|--------------|-------------------|------------------|------------------|--------------|--------------------|---------------------|
| | 2019 YTD Actual | 2020 YTD Actual | Year to Year Variance | % | YTD Actual | YTD Budget | YTD Variance | % | | |
| Revenue | | | | | | | | | | |
| Member Dues | 2,798,166 | 2,814,290 | 16,125 | 1% | 2,814,290 | 2,798,802 | 15,488 | 1% | 6,717,125 | 3,902,835 |
| LC, Trans., Crd Fees. | 421,129 | 320,344 | (100,785) | (24%) | 320,344 | 343,341 | (22,997) | (7%) | 618,000 | 297,656 |
| Capital Revenue | 1,051,888 | 1,011,494 | (40,394) | (4%) | 1,011,494 | 1,192,612 | (181,118) | (15%) | 2,535,200 | 1,523,706 |
| Programs | 170,518 | 122,184 | (48,335) | (28%) | 122,184 | 230,285 | (108,101) | (47%) | 336,000 | 213,816 |
| Instructional | 259,564 | 208,562 | (51,003) | (20%) | 208,562 | 291,418 | (82,856) | (28%) | 460,000 | 251,438 |
| Recreational Revenue | 430,083 | 330,745 | (99,337) | (23%) | 330,745 | 521,703 | (190,957) | (37%) | 796,000 | 465,255 |
| Investment Income | 118,287 | 132,801 | 14,514 | 12% | 132,801 | 135,751 | (2,950) | (2%) | 377,651 | 244,850 |
| Advertising Income | 41,321 | 65,449 | 24,128 | 58% | 65,449 | 38,328 | 27,121 | 71% | 110,000 | 44,551 |
| Cell Tower Lease Inc. | 14,643 | 17,016 | 2,373 | 16% | 17,016 | 13,786 | 3,230 | 23% | 36,000 | 18,984 |
| Comm. Revenue | 55,964 | 82,465 | 26,502 | 47% | 82,465 | 52,113 | 30,352 | 58% | 146,000 | 63,535 |
| Other Income | 67,456 | 47,777 | (19,679) | (29%) | 47,777 | 76,063 | (28,286) | (37%) | 100,500 | 52,723 |
| Facility Rent | 50,132 | 23,002 | (27,131) | (54%) | 23,002 | 64,996 | (41,995) | (65%) | 100,000 | 76,998 |
| Marketing Events | - | - | - | 0% | - | 3,000 | (3,000) | (100%) | 3,000 | 3,000 |
| In-Kind Contributions | - | 58,473 | 58,473 | 0% | 58,473 | - | 58,473 | 0% | - | (58,473) |
| Other Revenue | 117,588 | 129,251 | 11,663 | 10% | 129,251 | 144,059 | (14,808) | (10%) | 203,500 | 74,249 |
| Total Revenue | 4,993,104 | 4,821,391 | (171,713) | (3%) | 4,821,391 | 5,188,381 | (366,990) | (7%) | 11,393,476 | 6,572,085 |
| Expenses | | | | | | | | | | |
| Major Proj.-Rep. & Maint. | 374,610 | 103,263 | 271,347 | 72% | 103,263 | 109,081 | 5,818 | 5% | 265,148 | 161,885 |
| Facility Maintenance | 65,423 | 207,801 | (142,377) | (218%) | 207,801 | 226,732 | 18,932 | 8% | 704,554 | 496,753 |
| Fees & Assessments | 9,667 | (1,730) | 11,397 | 118% | (1,730) | 8,644 | 10,374 | 120% | 78,716 | 80,446 |
| Utilities | 409,136 | 359,175 | 49,960 | 12% | 359,175 | 419,747 | 60,571 | 14% | 892,031 | 532,855 |
| Depreciation | 665,596 | 708,105 | (42,509) | (6%) | 708,105 | 728,902 | 20,797 | 3% | 1,869,644 | 1,161,539 |
| Furniture & Equipment | 135,587 | 41,155 | 94,432 | 70% | 41,155 | 89,849 | 48,694 | 54% | 264,764 | 223,609 |
| Vehicles | 33,542 | 20,423 | 13,118 | 39% | 20,423 | 43,274 | 22,851 | 53% | 73,624 | 53,201 |
| Facilities & Equipment | 1,693,560 | 1,438,193 | 255,367 | 15% | 1,438,193 | 1,626,229 | 188,037 | 12% | 4,148,481 | 2,710,288 |
| Wages, Benfts., PR Exp. | 1,927,322 | 1,883,909 | 43,413 | 2% | 1,883,909 | 1,953,143 | 69,234 | 4% | 4,616,520 | 2,732,611 |
| Conferences & Training | 21,832 | 9,705 | 12,126 | 56% | 9,705 | 29,258 | 19,553 | 67% | 88,000 | 78,295 |
| Personnel | 1,949,153 | 1,893,614 | 55,539 | 3% | 1,893,614 | 1,982,401 | 88,787 | 4% | 4,704,520 | 2,810,906 |
| Food & Catering | 16,278 | 12,146 | 4,132 | 25% | 12,146 | 22,374 | 10,228 | 46% | 45,031 | 32,885 |
| Recreation Contracts | 371,446 | 303,684 | 67,761 | 18% | 303,684 | 464,712 | 161,028 | 35% | 632,750 | 329,066 |
| Bank & Credit Card Fees | 69,436 | 66,482 | 2,954 | 4% | 66,482 | 83,632 | 17,150 | 21% | 96,146 | 29,663 |
| Program | 457,160 | 382,312 | 74,847 | 16% | 382,312 | 570,718 | 188,406 | 33% | 773,927 | 391,614 |
| Communications | 40,853 | 39,081 | 1,771 | 4% | 39,081 | 45,504 | 6,422 | 14% | 104,149 | 65,068 |
| Printing | 28,040 | 31,167 | (3,127) | (11%) | 31,167 | 18,445 | (12,722) | (69%) | 94,497 | 63,330 |
| Advertising | - | 630 | (630) | 0% | 630 | - | (630) | 0% | 5,000 | 4,370 |
| Communications | 68,892 | 70,878 | (1,986) | (3%) | 70,878 | 63,949 | (6,930) | (11%) | 203,646 | 132,768 |
| Supplies | 123,751 | 69,241 | 54,510 | 44% | 69,241 | 151,142 | 81,901 | 54% | 344,127 | 274,886 |
| Postage | 8,172 | 8,253 | (81) | (1%) | 8,253 | 5,768 | (2,485) | (43%) | 18,500 | 10,247 |
| Dues & Subscriptions | 5,200 | 4,269 | 931 | 18% | 4,269 | 3,255 | (1,014) | (31%) | 8,102 | 3,833 |
| Travel & Entertainment | 2,091 | 4,768 | (2,677) | (128%) | 4,768 | 2,867 | (1,901) | (66%) | 16,580 | 11,812 |
| Other Operating Expense | 13,131 | 112,797 | (99,665) | (759%) | 112,797 | 72,402 | (40,395) | (56%) | 178,260 | 65,463 |
| Operations | 152,345 | 199,327 | (46,982) | (31%) | 199,327 | 235,433 | 36,106 | 15% | 565,568 | 366,241 |
| Information Technology | 39,407 | 21,629 | 17,779 | 45% | 21,629 | 35,901 | 14,272 | 40% | 114,900 | 93,271 |
| Professional Fees | 124,056 | 100,309 | 23,747 | 19% | 100,309 | 152,632 | 52,323 | 34% | 311,749 | 211,440 |
| Commercial Insurance | 104,268 | 130,039 | (25,771) | (25%) | 130,039 | 110,051 | (19,988) | (18%) | 280,000 | 149,961 |
| Taxes | - | - | - | 0% | - | - | - | 0% | 18,000 | 18,000 |
| Provision for Bad Debt | 10,000 | - | 10,000 | 100% | - | 10,000 | 10,000 | 100% | 24,000 | 24,000 |
| Corporate Expenses | 277,731 | 251,976 | 25,755 | 9% | 251,976 | 308,585 | 56,608 | 18% | 748,649 | 496,672 |
| Expenses | 4,598,842 | 4,236,301 | 362,541 | 8% | 4,236,301 | 4,787,315 | 551,014 | 12% | 11,144,791 | 6,908,489 |
| Gross surplus (Rev-Exp) | 394,262 | 585,090 | 190,828 | 48% | 585,090 | 401,065 | 184,024 | 46% | 248,685 | (336,405) |
| Unrea. Gain/Loss on Invest. | 232,969 | (164,078) | (397,046) | | (164,078) | - | (164,078) | | - | 164,078 |
| Net from Operations | 627,230 | 421,012 | (206,218) | (33%) | 421,012 | 401,065 | 19,946 | 5% | 248,685 | (172,327) |

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Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: May 31, 2020 and Dec 31, 2019

| | Totals | Unrestricted | | Emergency Reserve Fund | Maint - Repair - Replacement Reserve Fund | Initiatives Reserve Fund |
|--|-------------------|--------------|-----------------|------------------------|---|--------------------------|
| | | Unrestricted | Fixed Assets | | | |
| Net change in net assets-GVR | \$ 421,012 (13) | 421,012 | - | - | - | - |
| Transfers between unrestricted and reserves: | | | | | | |
| Reserve Study Allocation | 0 | - | - | - | - | - |
| Principal Transfers | 0 | (1,218,515) | - | - | 1,005,942 | 212,573 |
| Depreciation | 0 | 708,105 | (708,105) | - | - | - |
| Purchase of Fixed Assets | 0 | (272,985) | 272,985 | - | 172,482 | 115,609 |
| In-Kind Contributions | 0 | (417,860) | 417,860 | - | - | - |
| Withdrawals | 0 | 737,198 | - | (15,000) | (249,223) | (472,976) |
| Allocations of Net Change components: | | | | | | |
| Investment income | 0 | (115,262) | - | 5,132 | 83,911 | 26,219 |
| Investment Expenses | 0 | 32,888 | - | (2,211) | (22,703) | (7,975) |
| Unrealized Gains (Losses) on Market | 0 | (8,851) | - | (58,857) | 34,658 | 33,051 |
| Repairs and replacements | 0 | - | - | - | - | - |
| Net Change to May 31, 2020 | 421,012 (13) | (134,270) | (17,259) | (70,937) | 1,025,067 | (93,498) |
| Net Assets at, Dec 31, 2019 | 29,310,635 (22) | 1,203,749 | 17,670,198 (21) | 880,329 (23) | 7,055,756 (24) | 2,500,602 (25) |
| Net Assets as at, May 31, 2020 | \$ 29,731,647 (8) | 1,069,479 | 17,652,939 (7) | 809,392 (9) | 7,908,341 (10) | 2,291,495 (11) |

Footnotes refer to Statement of Financial Position and Statement of Activities

18,722,419 (14)

11,009,228 (12)

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Green Valley Recreation, Inc.
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 Dec 31, 2019 (at Market) | \$ 13,711,327 (20) | 3,274,640 (19) | 880,329 (15) | 7,055,756 (16) | 2,500,602 (17) |
| Changes since Jan 1, 2019: | | | | | |
| Principal additions | 2,718,515 | 1,500,000 | - | 1,005,942 | 212,573 |
| Investment income | 140,511 | 25,249 | 5,132 | 83,911 | 26,219 |
| Withdrawals | (737,198) | - | (15,000) | (249,223) | (472,976) |
| Investment Expenses | (32,888) | - | (2,211) | (22,703) | (7,975) |
| Net Change for 5 Months | 2,088,939 | 1,525,249 | (12,079) | 817,928 | (242,158) |
| Balance before Market Change at May 31, 2020 | 15,800,267 | 4,799,890 | 868,250 | 7,873,684 | 2,258,444 |
| 5 months Change in Unrealized Gain/(Loss) | (164,078) (26) | (172,929) | (58,857) | 34,658 | 33,051 |
| Balance at May 31, 2020 (at Market) | \$ 15,636,189 (6) | 4,626,961 (5) | 809,392 (1) | 7,908,341 (2) | 2,291,495 (3) |

11,009,228 (12)

Footnotes refer to Statement of Financial Position and Statement of Activities

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GVR Pickleball Center
Final Cost Summary
Subject to Final Waiver Approval
6/9/2020

| | <u>TOTAL</u> | <u>Under \$1.25M</u> | <u>Initiatives</u> | <u>Operating</u> | <u>TOTAL</u> |
|--|---------------------|------------------------------------|-------------------------------------|------------------|---------------------|
| Total Paid to Contractor Div. II | \$ 1,164,231 | | \$ 1,164,231 | | \$ 1,164,231 |
| Direct Costs paid by GVR | \$ 37,982 | | \$ 37,982 | | \$ 37,982 |
| Subtotal | \$ 1,202,213 | \$ 47,787 | \$ 1,202,213 | \$ - | \$ 1,202,213 |
| Architect Fees | \$ 133,862 | May 22, 2018 Approval \$133k | \$ 133,000 | \$ 862 | \$ 133,862 |
| Land Cost | \$ 114,969 | Feb 22, 2018 Board Approval \$125k | \$ 114,969 | | \$ 114,969 |
| Legal Fees | \$ 3,039 | | \$ 3,039 | \$ - | \$ 3,039 |
| | | | <u>\$ 251,008</u> | <u>\$ 862</u> | <u>\$ 251,871</u> |
| Total Cost to GVR | \$ 1,454,084 | | TOTAL \$ 1,453,221 | \$ 862 | \$ 1,454,084 |
| Foundation | \$ 50,000 | | Previous Transfers | | |
| Escrow | \$ 367,860 | | <u>\$ (630,159)</u> | | |
| Total Contributed Cost | \$ 417,860 | | Transfer Required | | |
| Grand Total Cost of GVR Pickleball Center | \$ 1,871,944 | | \$ 823,063 | | |

Transfer Required to pay for up to \$1,250,000 of Pickleball for first phase of construction of Pickleball Center, plus up to \$133,000 professional architecture and engineering services for 24-court Pickleball Center; plus acquisition of property for Pickleball Center up to \$125,000 , plus associated legal fees.

| | |
|----------------------------------|--------------------------|
| Total Initiatives Costs to date | \$ 1,453,221 |
| Less prior Initiatives Transfers | <u>\$ (630,159)</u> |
| Transfer Required | <u>\$ 823,063</u> |

PROPOSED GVR Foundation Bylaw changes can be view [HERE](#)