



GVR / GVR
Foundation
Response to
Questions
November 16, 2018



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The Ad Hoc Committee's responses are based on recent legal opinions.

ACRONYMS AND ABBREVIATIONS

CPM – GVR Corporate Policy Manual

Form 1023 - Application for Recognition of Exemption

under Section 501(a) of the Internal Revenue Code

Form 990 - Return of Organization Exempt from Income Tax

under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code.

GVR - Green Valley Recreation, Inc.

GVRF - GVR Foundation

GVRI – Green Valley Recreation, Inc.

IRS - Internal Revenue Service

MAP - Member Assistance Program

Re-Reconciliation - document titled Re-Reconciliation of Shared Resources

between Green Valley Recreation, Inc. and GVR Foundation

RSA - Resource Sharing Agreement

between Green Valley Recreation, Inc. and GVR Foundation

11 Categories of Questions to be Answered

- A. What is the GVR Foundation? Is it different than GVR? (9)
- B. What is the financial relationship between GVR and the GVR Foundation? (22)
- C. Who will own, manage and determine who uses the pickleball complex? (8)
- D. If Foundation funds are used to build the pickleball complex will they have to be open to the public? (22)
- E. Information available on the GVR website (1)
- F. Information available on the GVR Foundation website (5)
- G. Funding the pickleball complex (3)
- H. Senior Games questions (4)
- I. Member assistance program (MAP) questions (8)
- J. Joint fundraising – Pickleball Club, GVR, Foundation (9)
- K. Other (7)

A. What is the GVR Foundation? Is it different than GVR?

1. What is/was the reason for a Foundation within Green Valley? It was my understanding that the initial purpose was to provide assistance to Home Owners in Green Valley.
2. Why does it even exist?
3. Why was the GVR Foundation formed?
4. What does the “Foundation” do?
5. How does the “Foundation” benefit Green Valley?

A. What is the GVR Foundation? Is it different than GVR?

Question 1 Answer

- As a 501(c)(4) corporation, donations to GVR Inc are NOT tax deductible.
- In its 501(c)(3) application, the Foundation described the following activities (among others) as examples of how it might carry out its charitable purposes:
 - Health and Wellness: Health and Fitness Fair conducted by Green Valley Recreation at their centers in Green Valley
 - Senior games conducted by Green Valley Recreation at various locations in Green Valley, AZ
 - Financial assistance to GVR members through the GVR Member Assistance Program
 - Lecture series given by Green Valley Recreation at their centers in Green Valley, Arizona covering subjects ranging from gardening, specific medical issues, energy conservation, areas of local interest
 - Planning activities and raising and mobilizing funds for individuals and organizations that create opportunities for a better life in the Green Valley Community
 - Providing informational programs, fitness training programs, medical identification bracelets, and activities such as the Senior games
 - Providing funds for programs and services to senior citizens, disadvantaged persons and other deserving charitable organizations in Green Valley, Arizona that serve this population and are related to improving the quality of life or financial circumstances

A. What is the GVR Foundation? Is it different than GVR?

Question 1 Answer - Continued

- The Foundation received an approval letter from the IRS on February 25, 2015 confirming official 501(c)(3) status. This was retroactive to July 14, 2014. This document can be found on the GVR and GVR foundation websites.
- Support of the Green Valley community includes the following (and more):
 - Financing Member Assistance Program (MAP) with a minimum of \$20,000 annually.
 - Establishment of a MAP restricted fund, intent on building a \$500,000 MAP endowment.
 - In partnership with the GVR Fishing and Hunting club, we support a locally focused conservation project.
 - GVRF conducts an annual free 'Write-a-Will' Workshop, collaboratively presented with the Greater Green Valley Community Foundation.
 - GVRF conducts the annual Green Valley community fundraiser, 'SoAz CultureFest' . This is also in collaboration with Greater Green Valley Community Foundation.
- GVRF has raised over \$200,000 in grants.
- Review of legal opinions done by this committee, have reaffirmed the legal standings of the GVR Foundation, it's relationship to GVR and the Resource Sharing Agreement (RSA).

A. What is the GVR Foundation? Is it different than GVR?

6. Can the foundation have their own projects, visions and goals without any direction/control by the GVR Board? We need to see their financial records.

Answer

- Yes. The Foundation is a separate legal corporation, governed by a separate independent board of directors. The Foundation maintains an affiliation with GVR Inc.
- Questions regarding the Foundation's financial records will be covered by another committee member.

7. How many full time dedicated staff does the Foundation have?

Answer

- None. The Foundation consists only of the nine volunteer directors of its governing board.

A. What is the GVR Foundation? Is it different than GVR?

8. How are officers of the GVR Foundation elected?

Answer

- The Foundation board elects its own members and officers in accordance with GVR Foundation Bylaws.

9. Does the GVR Foundation Mission need to mirror the GVR Mission?

Answer

- No. They are separate legal entities. There are some differences, and do not have the same mission. Both mission statements are available on the respective web sites.
- GVR's Mission: "To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives."
- Foundation's Mission: "Enrich the lives of GVR members **and community residents** through programs, advocacy, and financial support that promote health and wellness in Green Valley, Arizona".

B. What is the Financial Relationship between GVR and the GVR Foundation?

1. Who oversees expenses and connection to GVR's budget?

Answer:

- The GVR Board of Directors have absolute control over their budget.

2. How many full time equivalents does the Foundation use from GVR and how is the reimbursement rate determined?

Answer:

- Per the Re-Reconciliation of Shared Resources between Green Valley Recreation, Inc. and GVR Foundation dated August 27, 2018, page 4, the Foundation uses staff from four departments approximately 14.75 hours per week (total for all four departments). Assuming a full time staff member works 40 hours a week, 14.75 hours comes to 37 percent, or just more than one-third of 1 full time equivalent.

3. How much does GVR Foundation reimburse GVR for publicity in the GVR Publications?

Answer

- If we assume “publicity” means the articles printed in the GVR publication, then the answer is \$0 because there is no charge for articles. GVR Foundation has not requested any advertising as of this time. However, GVR may choose to subsidize the Foundation's fundraising costs without causing any tax concerns.

B. What is the Financial Relationship between GVR and the GVR Foundation?

4. Why can't GVR Foundation be enveloped into GVR with member assistance Senior Games and other worthy projects included under that umbrella? There seems to be a battle looming between the two organizations.

Answer

- The Foundation needs to remain its own corporation for tax purposes. The Foundation is an IRS designated 501(c)(3) non-profit, able to receive tax-advantaged donations and grants, while GVR Inc. is a 501(c)(4) designation corporation. GVR cannot accept tax-advantaged donations.

5. Why did Pickleball Complex become a GVR Foundation project when it should belong to GVR Activities and properties? If GVR wasn't able to supply the funds to build it - then funds should be used when they have been accumulated and earmarked for that project.

Answer

- The Pickleball Complex is, and always will be, a GVR project. The Foundation holds no physical property. The IRS permits the Foundation to receive tax-advantaged donations that will provide funding for select GVR projects

B. What is the Financial Relationship between GVR and the GVR Foundation?

6. Does the Foundation receive funds from GVR beyond the revenue for the Senior Games?
7. When will reports be issued, showing financial support (\$\$) GVR has given GVRF, since the inception of GVRF?
8. Does the Foundation receive funds from GVR beyond the revenue for the Senior Games?
9. Does GVR give any money to the “Foundation”?

Answer

- GVR staff must document expenses relating to Foundation operations for two reasons: potential IRS or audit reviews and to provide financial feedback as part of the member’s right to know.

B. What is the Financial Relationship between GVR and the GVR Foundation?

10. How do regular GVR members learn exactly what GVRF is costing us?

Answer

- The Re-Reconciliation of support showing contributions by both GVR and the GVR Foundation have been calculated and shared with both Boards of Directors.
- Per the Re-Reconciliation of Shared Resources between Green Valley Recreation, Inc. and GVR Foundation dated August 27, 2018, page 2, for the period January 2017 through March 2018, GVR accumulated direct costs of \$17,190 on behalf of the Foundation. These are fees for services rendered and not an actual transfer of funds. On page 3, the Re-Reconciliation shows the Foundation paid \$16,450 of direct costs on behalf of GVR.

11. How will money donated for pickleball be transferred to GVR?

Answer

- Funds will be transferred in accordance with IRS rules. Basically, GVR will apply for a grant from the Foundation for a pre-approved project.

12. Will the Foundation have to own the facilities if it collects tax deductible money for the facilities? How would the Foundation propose managing those facilities?

Answer

- No, the Foundation will not own any facilities.

B. What is the Financial Relationship between GVR and the GVR Foundation?

13. What are the penalties and consequences to the Foundation and GVR if it turns out that the donations are not tax deductible?

Answer

- Donations made to the Foundation and subsequently granted by the Foundation in accordance with IRS regulations are tax deductible.

14. Will the facilities have to be open to the non-GVR members if tax-deductible donations are transferred?

Answer

- Public access to the Pickleball complex is limited to GVR policies and the agreement signed on March 22, 2018. Access includes the Senior Games, Exhibitions, Tournaments, and limited Instruction provided by the Pickleball Club. It is important to note that other facilities, such as the tennis courts, other sites, various events and entertainment activities, and classes are currently open to non-members and have been for years. The facilities are usually only open to non-members during tournaments held in Green Valley and during the Senior Games.

B. What is the Financial Relationship between GVR and the GVR Foundation?

15. Why did GVR donate \$5500.00 to GVRF in 2017?

Answer

- GVR did not donate any funds to the Foundation in 2017. The \$5,500 mentioned was a grant from the White Elephant to the Foundation to benefit the GVR members through the MAP program. The White Elephant can only provide grants to other IRS designated 501(c)(3) organizations, so the funds cannot go directly to GVR.

16. Why is the Foundation not a separate entity? By combining the accounting for these two organizations, what benefits accrue to the Foundation, to GVR?

Answer

- The Foundation is a separate legal entity from GVR. The funds of both organizations are not comingled, have separate accounting processes, and separate bank accounts at different banks. By using a common Resource Sharing Agreement between the two parties, the larger GVR, which has staff, is helping its affiliate, the Foundation, which is comprised only of an all-volunteer board of directors. See the Re-Reconciliation of Shared Resources between Green Valley Recreation, Inc. and GVR Foundation dated August 27, 2018, for specifics.

B. What is the Financial Relationship between GVR and the GVR Foundation?

17. What funds does GVR currently receive from the Foundation?

Answer

- The Foundation reimburses GVR for IT staff time. GVR members benefit from grants that pass through the Foundation to GVR; such as, the Member Assistance Program (MAP) and the recent \$50,000 contribution received by the GVERF.

18. Will staff support from GVR be needed to conduct the fundraising campaign? If so, how will this be tracked and documented?

Answer

- No. A campaign will be conducted by the Foundation. However, GVR may choose to subsidize the Foundation's fundraising costs without causing any tax concerns.
- Any support provided by GVR is approved by a Resource Sharing Agreement (RSA) between the two parties. The RSA, dated December 8, 2016, can be found on the GVR website at <http://www.gvrec.org/about/information/documents-and-reports/> under "Other Documents".

B. What is the Financial Relationship between GVR and the GVR Foundation?

19. Under what conditions can the Foundation provide a grant or transfer of donations to GVR?

20. At the May 22, 2018 Board meeting a question was asked: How does GVR get pickleball complex and park money from GVRF? Anne Waisman, a former GVRF director, said money is given to GVR through a GVRF grant. At a follow-up meeting, Tom Walsh said it was by check covering documented expenses. How are funds transferred?

Answer

- GVR would apply for a GVRF grant. The request should be for the general welfare and improve the quality of life in Green Valley and should be for a pre-approved project. Once approved, GVR will have to make periodic reports on the use of the funds and return any funds not used for the intended purpose. GVR can request grant money from GVRF.

B. What is the Financial Relationship between GVR and the GVR Foundation?

21. How will the \$50K grant from Freeport McMoRan be transferred to GVR? Are there any conditions on the transfer of these funds?

Answer

- GVR applies for a grant from the Foundation. The Foundation wrote a grant request to Freeport McMoRan in which it specified the funds would be utilized during the initial construction phase of the Pickleball courts.

22. Does the “Foundation” use any rooms, supplies, equipment, personnel etc. owned by the GVR that my GVR dues provide? If YES what?

Answer

- The Foundation’s board is comprised of GVR members and with being this the case meeting rooms are available.
- Like any GVR member, the Foundation may request a room for its meetings.

C. Who will own, manage and determine who uses the Pickleball Complex?

1. Who will ultimately own, operate, maintain and be responsible for the pickleball complex – GVR or the Foundation?
2. If the Foundation conducts the fundraising campaign, will they determine the policies for use of the pickleball complex or will GVR retain this responsibility?

Answer

- The Foundation will NOT determine the policies for use of the pickleball complex. The pickleball complex will be constructed, owned and operated by GVR. Any changes to who can use the courts must be approved by the GVR Board of Directors and must comply with conditions in the grant agreement.

3. Who decides how many courts are built and when?

Answer

- GVR has an agreement with the Foundation and the GVR Pickleball Club to construct 24 pickleball courts. How many courts are constructed at once will be determined by funding provided by GVR, the Pickleball Club and the Foundation.

C. Who will own, manage and determine who uses the Pickleball Complex?

4. If only a small amount of donations/grants are raised, is GVR still responsible for building up to 24 courts?

5. To protect GVR I'd like to see an agreement (contract) that makes it clear that even though the joint campaign talks about building 24 courts and other facilities, if enough funds are not raised, GVR has no commitment to build the full 24 courts. Also, if the GVRF loses its tax status, there will be no liability for GVR.

Answer

- Yes. Per Section VIII GVR Programs/Clubs of the Corporate Policy Manual (CPM), particularly subsection 2 the GVR Board has approved 24 courts and subject to available funds construction in all likelihood is to be phased.

C. Who will own, manage and determine who uses the Pickleball Complex?

6. Could GVR be liable for covering taxes owed if the Foundation loses its tax status?

Answer

- No, GVR is not liable for covering taxes owed by the Foundation at any time.

7. How can the foundation send letters granting tax deductions to pickleball members when their donations go directly to a private association that limits usage to only members?

8. Based on the opinions given in the legal document can the Foundation conduct fundraising specifically for GVR projects? Under whose authority did the Foundation send out letters to members who contributed to the pickleball facility authorizing tax deductibility?

Answer

- The GVR Foundation follows the IRS ruling and laws pertaining to tax deductions to person(s) who donate to the Foundation. The Pickleball project was thoroughly analyzed by our attorney specializing in non-profits and found it to qualify for charitable giving. Funds donated to the Foundation will be used to fund grants to GVR for specific costs of construction. The grant will outline the public usage of the center.

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

1. If it is legal for the Foundation to give GVR the money to help build the pickleball complex, does the complex then have to be open to the public to use? Or just to attend events/watch? If just to attend/watch can the public be charged a fee for doing so or must the event/watching be free? Or can the watching be free but attending events like a tournament be a fee-charging event?
2. When will GVRF advise GVR members “if donations they make to GVRF for the pickle ball complex and subsequently passed onto GVR, will require the pickle ball complex to be open to the public”?
3. Will the facilities have to be open to the non-GVR members if deductible donations are transferred?
4. Can GVR accept grants if they choose not to open the facility to the public?
5. Will GVR be hiring new employees to check everyone accessing our facilities to be sure monies are collected from the Non-GVR people and that GVR member have guest cards for the people they are bringing in?
6. Will the facilities have to be open to the non-GVR members if tax-deductible donations are transferred?
7. Can GVR accept grants if they choose not to open the facility to the public?

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

Answer

- It is legal for the Foundation to grant funds to GVR to assist in the construction of the pickleball complex.
- Activities opened to the public will include those activities that currently are open to the public. Activities currently open to the public, such as those identified in the GVR/GVRF Resolution in Agreement in Support of Capital Campaign dated March 22, 2018. Including the activities listed below:
 - Southern Arizona Senior Games - fee to participate, free to watch
 - Education and public instruction - some free, some have fee
 - Demonstrations and exhibitions - free
 - Tournaments - fee to participate, free to watch
 - Reciprocal Play (Inter-community play with neighboring groups/clubs) - free
- Also, the Pickleball Complex will be open to all GVR members - the same as swimming pools and fitness rooms.

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

8. If the Foundation is to own, manage and operate the pickleball complex, does the complex have to be open to the public to use? Can it be open to the public just to attend events or watch? If so, fee or no fee to attend events/watch.

Answer

- No, the Foundation will not own, manage or operate the pickleball complex.

9. Since it was stated by comments in the paper that non-GVR members who donate and receive a tax deduction will be able to use all GVR facilities without penalty. Does the Foundation and GVR have a legal opinion on this matter?

10. It was noted in the opinion section of the paper that non-GVR members who donate and receive tax deduction status are eligible to use GVR facilities at no cost. Does the Foundation have a legal opinion on this statement?

Answer

- These statements are false.

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

11. Why aren't GVRF financials made public (at least on a quarterly basis)? Actual financials, not generalization numbers similar to what is given to the IRS.

Answer

- The Foundation does not have members and therefore is not required to disclose accounting records and financial statements. IRS guidance regarding Public Disclosure and Availability Requirements provide that only the organization's tax exemption application, forms 1023 and 990, are specifically required to be disclosed to public requesters. The GVRF website address is: www.gvrecfoundation.org

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

12. What will be the fee to Non-GVR people to use the pools and fitness centers and how will you control usage?
13. Will the access to Non-GVR people then eliminate the classification of "Guests" who must be people who live 20 miles outside of Green Valley?
14. Will there be an age limit for the access to the GVR Facilities by Non-GVR people?

Answer

- Current guest fee policy and usage is already determined and published by GVR.

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

15. Assuming the Foundation did receive the legal recommendation, why wasn't a formal grant agreement created as recommended by legal council before the GVR board was asked to move ahead with the pickleball fundraising campaign.

Answer

- Per the March 22, 2018, resolution by the GVR Board, the fund raising could begin.
- To fund any project, a formal grant agreement is required.
- The GVR, GVRF, the GVR Pickleball Club are developing a formal grant agreement

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

16. Is it true to protect its tax-exempt status, the Foundation has to specify the grant will be used for a “community purpose” as set forth in the RSA in the CPM? If so, would this mean the Foundation will dictate who gets to use the facility?

Answer

- As stated earlier, the GVR Foundation will not dictate who gets to use the facility beyond what was already identified in the resolution of March 22, 2018.
- As per legal advice since GVR’s membership is so broad and includes such a significant portion of the Green Valley community, and because GVR itself engages in many activities that might be viewed as “public” services that ordinarily would be carried out by a municipal government (Green Valley is in an unincorporated area), the Foundation supports that it should be given more latitude in supporting these broader “public” purposes of GVR than what otherwise might be permissible with a 501(C)(3) organization affiliated with a 501(c)(4) membership.

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

17. Could the parameters for non-member use be set now so it is clear how non-members will use the facility?

Answer

- Parameters for non-member use will be specified in a written and approved grant agreement between the GVR, GVRF and the GVR Pickleball Club.

18. Can the Foundation transfer tax-deductible donations from a GVR member on facilities owned by GVR to be used by that member?

Answer

- The Foundation may make a grant to GVR for a community purpose as specified in the 1023 form.

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

19. What is GVR's responsibility to protect the foundation's tax status?

Answer

- GVR and GVRF are two separate entities. GVR must follow and enforce the terms and conditions of the approved GVRF grant agreement.

20. If the IRS threatened to change the foundation's tax status could GVR be forced to open the courts to public access to protect the foundation?

Answer

- No

D. If Foundation funds are used to build the Pickleball Complex will they have to be open to the public?

21. When will GVR seek a legal opinion from a qualified tax attorney, and not the GVR attorney, to answer the question of whether or not GVR gives to or accepts funds from the GVR Foundation makes the GVR facilities open to non-members, aka 'the public', on a 24/7 basis?

Answer

- GVR sought and received legal advice from a recognized attorney specializing in not for profits. Once again, the GVR facilities will not be open to non-members, aka "the public", on a 24/7 basis but the public and/or guests will be permitted as already identified and approved by GVR.

22. Will GVR release the legal opinion in its entirety to the GVR Membership?

Answer

- No.

E. Information Available on the GVR website

1. How and where can GVR members get this information? I am not able to find the Form 990 on the internet and there are no offices for me to go view the form.

Answer

- For the GVR IRS Form 990 go to <http://www.gvrec.org/gvr-financial-updates/> and scroll down to “2017” and see the second item on the list (GVR 2017 990 Exempt Organizations Return).
- For the GVR Foundation IRS Form 990 go to <http://www.gvrecfoundation.org/about-gvr-foundation> and scroll down past the pictures of the Board of Directors.

F. Information available on the GVR Foundation website

1. Why hasn't the 2016 Legal Opinion that was written for the GVR Foundation not been made public? Can legal opinions used to form the Foundation be shared with the membership?

Answer

- As with similar organizations (including GVR), standard practice is that legal opinions are not made public as they extend to attorney/client privilege. The Foundation has shared this information with the GVR Board.

2. Why is its website listed on GVR's website?

Answer

- Because we work together on projects like the Member Assistance Program and the upcoming Pickleball Complex fundraiser, we are anxious for all members to have access to our information.

F. Information available on the GVR Foundation website

3. Why aren't GVR Foundation Board minutes made public?

Answer

- Since there are no members of the Foundation, the Foundation is not required to disclose their minutes. There are also confidential discussions concerning donors, etc. that neither the Foundation nor the donors wish to be made public.

4. Why did the Resource Sharing Agreement between GVR and GVR Foundation disappear from the GVR website?

Answer

- It is on the GVR website under Governance
 - Governing Documents and Reports
 - Other Documents
 - Resource Sharing Agreement (PDF)

5. How do regular GVR members learn exactly what GVR Foundation is costing them?

Answer

- GVR has compiled a Re-Reconciliation dated August 27th, 2018 between GVR and the GVR Foundation covering the period January 2017 through March 2018. This report will be posted to both websites soon.

G. Funding the Pickleball Complex

1. Are GVR dues going to increase to help pay for the pickleball courts?

Answer

- No

2. It was my understanding "via the Green Valley newspaper" that the pickle ball complex would be financed by "raised funds" and not by dues collected from members. Since the GVR can't raise money via tax-deductible donations, why is the complex not a dead issue?

Answer

- The Foundation and the GVR Pickleball Club are assisting in the funding activities for the 24-court pickleball complex. It is the responsibility of GVR to provide the facilities to meet the needs of the GVR membership.

G. Funding the Pickleball Complex

3. The Foundation received around \$9500 from the GVR to raise approx. 1.3 million dollars for the Pickleball center. If they are able to raise approximately half of that amount. Does the GVR and its' members become responsible for the rest of the money that will be needed to build the exact center that was promised by the Foundation to those who donated? Or can the GVR downsize the center to fit the amount of the money raised?

Answer

- The Foundation has not accepted the funds up to \$9,500 from GVR yet. The GVR is already responsible for the full cost of the complex. Anything received from the Foundation will reduce GVR's cost.

H. Senior Games Questions

1. Since GVR has turned over the Senior Games to the Foundation and the majority of the volunteers are Pickleball Club Members “where do the net profits go from the games”?

Answer

- The GVR Foundation assumed the responsibility for the Senior Games several years ago, since the Foundation can apply for grants and accept tax-exempt charitable donations to support this activity. Since that time the Foundation has received a number of donations and grants that help to offset the cost of holding these Games. GVR continues to provide the same support, unreimbursed, that was provided before the GVR Foundation assumed responsibility for the Senior Games. Any profits received after payment of all other expenses related to the games are retained by the GVR Foundation for charitable purposes. Please see the Re-Reconciliation document for more information.

2. How much does GVR Foundation reimburse GVR for the use of the facilities during the Southern Arizona Senior Games?

Answer

- For nearly three decades GVR has donated use of its facilities for the Senior Games. Nothing has changed now that the Foundation is a co-sponsor. Quail Creek and Continental Schools also donate use of their facilities to support the Senior Games. Please see the Re-Reconciliation document provided on this topic.

H. Senior Games Questions

3. Why does the \$9500 have to come from GVR? Why can't the Foundation cover these expenses out of their existing funds, specifically those from the Senior Games (appears to be \$40,427 but not clear)?

Answer

- Please see the Re-Reconciliation document provided on this topic. Also, the GVR Foundation is assisting GVR in a campaign to explicitly assist in this project. The Foundation pays for its own fund raising activities not those benefitting the GVR.

4. Why does the "Foundation" run the GVR Seniors Games?

Answer

- GVR runs the Senior Games. The Foundation is a sponsor. Since the Foundation is a 501(c)(3) it can apply for and obtain financial and in-kind support/donations from local and/or national companies and/or their foundations to assist in offsetting the cost of the administration and organization of the Southern Arizona Senior Games. This benefits GVR by reducing their expenses.

I. Member Assistance Program (MAP) Questions

1. Why was the program turned over to the Foundation?
2. The money was member donated money.
3. The Foundation claims it will be able to raise more money for this program.
4. Is more money needed?
5. Members are not aware of anyone being turned down for assistance, due to no money.

Answer

- It was decided, and approved by the GVR Board, that GVRF “take over” the program due to the fact that some grantor’s (White Elephant) could not give money to any organization unless it was a Section 501(c)(3) organization.
- Another reason it was given to the Foundation is that all donations to the Foundation are tax-deductible - not so if given directly to GVR. Also the Member Assistance Program was specified as an intended eligible charitable program to the IRS in the Foundation’s application and is part of the Foundation’s purposes stating that “Funds will be raised to assist seniors in need of help with GVR member dues and other financial obligations”. IRS approved our application as submitted.

I. Member Assistance Program (MAP) Questions

6. Does the former GVR Member Assistance Program fit into this category and why not? Why is GVR funding this program through the Foundation? And why were their Member Assistance Program funds left over at the end of last year?

7. Donations made by interested persons to GVRF for the Member Assistance Program and those funds then passed onto GVR for those needy persons may not be legal per IRS documentation.

Answer

- PREAMBLE: There were questions about the Member Assistance Program (MAP) and I would like to answer these questions by giving an overview of it.

I. Member Assistance Program (MAP) Questions

Overview of the Member Assistance Program

The Member Assistance Program [MAP] was established in 1995 to provide financial assistance to GVR members who experience financial hardship and cannot afford to pay their annual member dues. Each year, members in need must submit an application for Member Assistance Program financial support through the GVR Foundation.

As you know, when individuals purchase property in Green Valley, they are often likely purchasing in a community that offers GVR membership. GVR represents 80% of all residential property in Green Valley with 13,527 member homes and 23,547 residents.

However, over time, the financial situation changes for a number of GVR members which results in individuals who cannot afford to pay all or a portion of their membership dues. Those unanticipated circumstances includes such things as an illness, disability or a sudden death in the household, which can dramatically alter their financial situation. Hospitalization, prescription drug costs, and other expenses are factors of household change that cuts into oftentimes extremely limited budgets. Since each member property is deed restricted, members are required to pay dues each year to have access to the recreation facilities and assist with their upkeep. MAP enables financially stressed members to continue partaking in GVR activities while affording peace-of-mind that they can meet other essential needs.

I. Member Assistance Program (MAP) Questions

Overview of the Member Assistance Program - Continued

State law prohibits GVR from giving money to individual members or discounting member dues, and GVR may not use any dues money to help fund the Member Assistance Program, regardless of need. Financial support for the Member Assistance Program through the GVR Foundation has come from individual GVR members and clubs, and the Country Fair White Elephant.

Each year the Member Assistance Program sees an increase in new applications for financial support and available funds are limited. In 2017/2018, 24 new applicants applied for financial assistance. In 2018, the Foundation was able to assist 43 members with either full or partial dues payments for a total of \$19,966.50. The GVR Foundation is proud that all eligible applicants were approved and no one was turned away. The Foundation's goal each year is to raise \$20,000 which they have done. The balance in the restricted MAP account is \$33.50. By the way, \$5,500 of the money donated to the Foundation for the MAP program came from the White Elephant grant.

Also, the GVR Foundation is committed to one day having a Member Assistance Program endowment of \$500,000 which would keep the MAP Program self-sustaining.

I. Member Assistance Program (MAP) Questions

8. If a member is helped out through the Member Assistance Program is a lien put on their property? Is the amount that is paid back go back to the Member Assistance Program or to the general fund? The Foundation has stated that those receiving assistance will never have a lien, to reimburse the amount of money provided, placed on their home, unless they sell their home and move. However, some members that have inquired about assistance were told that a lien would also be placed on their home upon death and the home was listed for sale. Members should have complete transparency about this program.

Answer

- No liens or collections may be assessed on GVR homes owned by a Member Assistance Program grant recipient. Except for one stipulation: Repayment is required if their home is sold or rented during the year of the MAP award.

J. Joint Fundraising – Pickleball Club, GVR, Foundation

1. Is there a contract or written confirmation stating if the grant is awarded by GVR the Foundation will initiate and complete the fundraising campaign?

Answer

- Specifics related to the campaign have not been worked out as of this date. The GVR in conjunction with the Pickleball club will write a proposal to the Foundation seeking funds to support the Pickleball 24 court complex. Specific details of the grant request will be developed by the AD Hoc Committee and forwarded for board approval by both the GVR and Foundation boards.

2. Who has reviewed and approved the marketing materials?

Answer

- The Foundation and Pickleball club are working jointly on the fund- raising campaign for the 24 Court Pickleball complex. The GVR board will receive advanced information on the fund- raising campaign prior to the start of the formal campaign. Once the campaign begins the GVR Board will receive periodic updates from the GVRF.

J. Joint Fundraising – Pickleball Club, GVR, Foundation

3. Will the fundraising campaign be completed in stages? What is the timetable?
4. Will the fundraising campaign conclude before the 1.3 million is raised?
5. Is there a written plan for the fundraising campaign with more specifics and detail than the request for funds we received?

Answer

- The marketing materials are being developed and are waiting on the WSM design details.
- Fund raising strategy has been completed and will be launched when reconciliation between GVR and GVRF boards is finalized.

J. Joint Fundraising – Pickleball Club, GVR, Foundation

6. Is this a one-time request from the Foundation for this fundraising campaign or will there be additional requests in the future?

Answer

- Yes. This request for \$9,500 was approved by the GVR Board. No other requests are expected at this point.

7. When will Foundation provide a document (IRS or legal) detailing GVR's obligations and considerations required to accept a Foundation grant? Documents must include an in-depth explanation of the "open to public".

Answer

- The GVR, GVRF, the GVR Pickleball Club are developing a formal grant agreement

J. Fundraising Agreement – Pickleball Club, GVR, Foundation

8. If GVR decides the Pickleball complex will be used only for GVR members, tournaments sponsored by the Pickleball club and senior games, will Foundation still provide the 1.37 million dollar grant for the facilities? Yes or No?

Answer

- The 1.37 million dollars is the goal. Whatever funds come into the Foundation for the Pickleball 24 court complex will be granted to GVR.

9. Pickleball complex proposal due soon. Is the plan still to develop in phases with phase 1 funds coming from reserves and without Foundation money?

Answer

- To be determined by the GVR Board. A grant application is being developed with specifics set forth before any Foundation funds are extended to GVR for the Pickleball complex project.

K. Other

1. If the Foundation is to own the pickleball complex, can it have an agreement with GVR to manage and operate the complex for a fee? Who would be responsible for maintenance and those costs? Insurance? Who would keep the money if the pickleball complex charged for attending an event or participating in an event?

Answer

- The Foundation will NOT own the pickleball complex.

2. I fear the GVR will try and do an end run, and soak an unwilling membership for the cost of building the complex. Those of us in the silent majority, who don't want our money paying for this, need to be informed.

Answer

- In a way, all GVR members pay a share of all GVR facilities.
- GVR funds are expended for the good of the general membership.

K. Other

3. If these pickleball courts are open to the public will GVR members be able to opt out of GVR?

Answer

- The complex will NOT be open to the general public.

4. If the Pickleball complex or anything that is built by non-member donations and becomes a public endeavor does the GVR membership come off the house deed and if not why?

Answer

- The pickleball complex will NOT be a public endeavor.

5. As the Foundation is raising money for the full \$40+ million dollars to remodel and build new facilities for GVR, will all of the clubs then be required to admit Community Non-GVR people to join their clubs and use their equipment and facilities? Will they be allowed to access as "walk-ins"?

Answer

- There is no \$40 million dollar project.
- There will be NO campus wide public access.

K. Other

6. What are the ramifications of “partnering” with the Foundation on this project? (Too many questions about community use, oversight of the project and complex, etc.)

Answer

- Already covered.

7. If the GVR Foundation is supposed to help other charities, why not rename it the Green Valley Foundation?

Answer

- The Foundation is focused on a community that is mostly composed of GVR members

Out of Scope Questions

Unrelated to the GVR / GVR Foundation and have not been answered

1. When is our CEO yearly pay going to be made public to all GVR members?
2. It GVRF seems counter productive, causing a lot of unnecessary in-fighting.
3. Is it time to look into making GVR a public business and get rid of the deed restriction?
4. GVR Foundation has developed a website: RetireArizona.org. This is geared to draw more residents to the area. Concerned that infrastructure has not been addressed to accommodate new growth. Many of us moved here because of the "smaller, cozy" atmosphere available. It becomes a mushrooming affect when you draw more people, then you need to provide more services to satisfy more people.
5. Why elect a board only to have it undermined by competing unelected factions?
6. Per the above question, who will determine the fee to the Non-GVR people and will it be equal across the board for every club?

Out of Scope Questions

Unrelated to the GVR / GVR Foundation and have not been answered

7. Will the Non-GVR people be given access to all GVR facilities?
8. What will be the fee to Non-GVR people to use the pools and fitness centers and how will you control usage?
9. Will the access to Non-GVR people then eliminate the classification of "Guests" who must be people who live 20 miles outside of Green Valley?
10. Will there be an age limit for the access to the GVR Facilities by Non-GVR people?
11. Will GVR be hiring new employees to check everyone accessing our facilities to be sure monies are collected from the Non-GVR people and that GVR member have guest cards for the people they are bringing in?
12. My lack of trust of the Foundation is based on my experiences thus far (e.g., Foundation Board members shouting at and booing GVR Board members, telling a GVR Board member to shut up, encouraging others to shout and ridicule GVR Board members, Foundation Board members not responding to questions asked about its fiscal status including funds received from or given to GVR, not presenting the GVR Board with a plan for how the fundraising campaign will be conducted). Why should I trust the Foundation?

Feedback

Please send any feedback to:

To GVR Board of Directors, email

- gvrboard@gvrec.org

To GVR Foundation;

- Go to <http://gvrecfoundation.org/> and select Contact



Thank you for your time.