



AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, April 23, 2025 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Kathi Bachelor (President), Candy English (Vice President), April Hasson Hillard (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Barbara Blake, Marge Garneau, Bev Lawless, Lanny Smith, Scott Somers (non-voting)

AGENDA TOPIC

- 1. Call to Order / Roll Call – Establish Quorum**
- 2. Amend/Adopt Agenda**
- 3. President's Report**
- 4. CEO Report**
 - A. CEO Monthly Report
- 5. Presentation**
 - A. Quarterly Financial Report - Webster
- 6. Committee Reports**
 - A. Audit - Lawless
 - B. Board Affairs - English
 - C. Fiscal Affairs - Johnson
 - D. Investments - Smith
 - E. Nominations & Elections - Hillard
 - F. Planning & Evaluation - Reynolds
- 7. Consent Agenda** – Consent Agenda items are routine items of business that are collectively presented for approval through a single motion. A Board member may request that an item be pulled from the Consent Agenda and placed under Action Items for separate discussion and action.
 - A. Minutes:
 - 1) BOD Regular Meeting Minutes: March 19, 2025
 - 2) BOD Special Board Minutes: March 26, 2025
 - 3) BOD Special Board Minutes: April 9, 2025
 - 4) BOD Work Session Minutes: April 16, 2025
 - B. Financial Statements:
 - 1) March Financials
- 8. Action Items**
 - A. Acceptance of Draft Audit (Webster)
 - B. Award Contract for Metal Arts Improvements (Somers)
 - C. Approve Desert Hills Locker Room Concept and Award Contract for Both Locker Room and Ceramics Kiln Room Improvements (Somers)
 - D. Announce Committee Members to the Board (President)
 - E. Discuss Approval of Annual Meeting Minutes (Somers)

F. Approve the Proposed Board Calendar (President)

G. Lapidary Expansion Budget Adjustment (Somers)

9. Member Comments - Please limit comments to two (2) minutes. Speakers are asked to provide their name and GVR member number. This time is for comments, not for questions and answers.

10. Adjournment

MEMORANDUM

TO: Board of Directors
FROM: Scott Somers, CEO
DATE: April 23, 2025
RE: Monthly CEO Report

Important Dates

Committee Meetings

May 8, 2025, 10am N&E Committee Meeting

May 13, 2025, 1:30pm BAC Meeting

May 20, 2025, 1:30pm FAC Meeting

Board Meetings

May 14, 2025, 2pm BOD Work Session – if needed

May 28, 2025, 2pm Regular Board Meeting

Project Name	Center Location	Scope of Work	Est. Construct. Start	Est. Construct. Completion	Status	Next Steps	Funding Sources	Budget Total	Expenses To Date	Remaining Balance
West Center Lapidary Club Expansion	West Center	Expand Lapidary Club building to the west. Renovate existing space, including Billiards Room space.	September-25	March-26	Design-60%	DD	Interview contractors on 4/23. Initiate design-build process with contractor. Proceed to 100% plans.	\$ 991,000	\$ 11,625	\$ 979,375
West Center Artisan Shop Expansion	West Center	Expand the Artisan Shop into the old Billiards Room to be split 60/40 with Lapidary Club.	April-25	June-25	Const-5%		Artisan Shop in construction and to be closed until late May.	part of Lapidary budget	\$ -	
West Center Membership Services Expansion	West Center	Expand Membership Services offices in Auditorium lobby. Add lobby counters for events.	On hold	On hold	On hold		Bids came in high. Reduce scope of work or delay project to later in year. Gets bids on lobby counters.	\$ 150,000	\$ 13,291	\$ 136,709
West Center Metal Shop Expansion	West Center	Expand Metal Shop into west storage building. To become Welding, Machine Shop, Office.	May-25	July-25	Value-engineering low bid		Low bid came in at \$235k. Value Engineer (VE) project with different HVAC system. Get revised bid.	\$ 150,000	\$ 13,116	\$ 136,884
Desert Hills Locker Rooms Expansion	Desert Hills	Expand mens and womens locker rooms per plans.	May-25	October-25	Value-engineering low bid		Low bid came in at \$686,096. Get new bid for more basic improvements, no expansion or major demolition.	MRR-145.6k CIP-2 250k	\$ 45,726	\$ 349,274
Desert Hills Klin Room Enhancements	Desert Hills	Strengthen sub-floor for 5 kilns and brick flooring. Upgrade ventilation system and electrical needs.	August-25	August-25	Design-0%	SD	Work to be included in Locker Room Expansion once contractor is hired. Evaluate options to do stand-alone structural work.	\$ 90,000	\$ -	\$ 90,000
Desert Hills Pool Equipment Room Upgrades	Desert Hills	Design and construct pool equipment room upgrades. No structural work.	June-25	July-25	Design-60%	DD	Trident Aquatics submitted 60% plans to GVR. Reviewed and made edits. Proceed to 100% plans.	TBD	\$ 6,200	
East Center Gas Manifold for Lapidary	East Center	Intall new natural gas connection for Lapidry Club. Upgrade ventilation.	TBD	TBD	On hold		Coordinate with PH Mechanical design options. Waiting for club direction.	\$ 43,000	\$	\$ 43,000
Pickleball Courts Expansion	Pickleball Center and Canoa Ranch	Design and construct 4 new pickleball courts. No restroom or ramada. Club to pay for all.	TBD	TBD	Planning		Continue meeting with club reps and architect. Review design options from architect/WSM.	TBD		



Green Valley Recreation, Inc
Statement of Financial Position
March 31, 2025

	Current March 31, 2025	Prior Year March 31, 2024	Increase (Decrease)	
Assets				
Total Operating Cash	5,683,657	5,579,199	104,458	2%
Accounts Receivable (net)	619,514	481,932	137,582	29%
Designated Investments	11,643,019	11,303,953	339,066	3%
Prepaid Expenses & Inventory	144,089	135,386	8,703	6%
Total Current Assets	18,090,280	17,500,471	589,809	3%
Fixed Assets				
Net Fixed Assets	22,347,839	21,885,718	462,120	2%
Oper. & Finance ROU	36,447	72,483		
Total Assets	40,474,566	39,458,672	1,015,893	3%
Liabilities				
Accounts Payables	501,276	419,751	81,525	19%
Deffered Dues & Fees	5,707,241	5,461,051	246,190	5%
Short Term Liabilities	228,966	348,410	(119,443)	(34%)
Long Term Liabilities	63,988	101,621	(37,633)	(37%)
Total Liabilities	6,501,472	6,330,833	170,639	3%
Total Net Assets	33,973,094	33,127,839	845,254	3%
Net Assets				
Board Designated Net Assets	11,643,208	13,092,238	(1,449,030)	(11%)
Unrestricted Net Assets	22,094,607	20,035,601	2,059,006	10%
Net Change Year-To-Date	235,279	-	235,279	
Total Net Assets	33,973,094	33,127,839	845,255	2.55%

**Summary of Revenue & Expenditures - Budget to Actual
For Fiscal Year Ending Dec 31, 2025
January through December 2025**

PROJECTION FOR TOTAL YEAR 2025												
	2025 Annual Budget	January - March			Prior Year			Projected April - Dec 2025	Total Jan- Dec 2025 Projected	Approved Budget 2025	Total Projected Variance	% of Budget Variance
		YTD Budget	Jan - Mar Actual	% of Variance	FY 2024 1Q YTD	Var. from Prior Year						
						%	\$					
Revenue:												
Member Dues	\$ 7,350,040	\$ 1,837,510	\$ 1,841,551	0.2%	\$ 1,785,210	3.1%	\$ 56,341	\$ 5,513,000	\$ 7,354,551	\$ 7,350,040	\$ 4,511	0.1%
LC,Trans., Crd Fees.	729,472	246,489	245,207	(0.5%)	237,826	3.1%	7,380	\$ 473,500	\$ 718,707	\$ 729,472	\$ (10,765)	(1.5%)
Capital Revenue	2,724,900	687,316	705,816	2.7%	646,170	9.2%	59,646	\$ 1,937,500	\$ 2,643,316	\$ 2,724,900	\$ (81,584)	(3.1%)
Recreation	1,109,718	477,024	356,897	(25.2%)	336,111	6.2%	20,787	\$ 750,683	\$ 1,107,580	\$ 1,109,718	\$ (2,138)	(0.2%)
Investment Income	435,000	120,711	130,886	8.4%	127,991	2.3%	2,895	\$ 295,000	\$ 425,886	\$ 435,000	\$ (9,114)	(2.1%)
Communication	48,919	12,230	12,458	1.9%	12,075	3.2%	383	\$ 36,800	\$ 49,258	\$ 48,919	\$ 339	0.7%
Other Revenue	214,600	116,150	55,257	(52.4%)	54,764	0.9%	493	\$ 97,200	\$ 152,457	\$ 214,600	\$ (62,143)	(40.8%)
Total Revenue	12,612,649	3,497,429	3,348,072	(4.3%)	\$ 3,200,147	4.6%	\$ 147,926	\$ 9,103,683	\$ 12,451,755	\$ 12,612,649	\$ (160,894)	(1.3%)
Expenditures:												
Facilities & Equipment NO DEPRECIATION	\$ 1,984,343	\$ 575,918	\$ 564,713	(1.3%)	\$ 692,728	18.5%	\$ 128,015	\$ 1,510,000	\$ 2,074,713	\$ 1,984,343	\$ (90,370)	(4.6%)
Personnel	5,813,616	1,463,880	1,409,051	3.7%	1,333,034	(5.7%)	\$ (76,017)	\$ 4,239,289	\$ 5,648,340	\$ 5,813,616	\$ 165,276	2.8%
Program	885,896	421,768	297,866	29.4%	327,386	9.0%	\$ 29,521	\$ 577,397	\$ 875,263	\$ 885,896	\$ 10,633	1.2%
Communications	224,900	56,225	63,018	(12.1%)	78,927	20.2%	\$ 15,910	\$ 165,500	\$ 228,518	\$ 224,900	\$ (3,618)	(1.6%)
Operations	692,800	175,700	119,826	31.8%	158,525	24.4%	\$ 38,699	\$ 603,400	\$ 723,226	\$ 692,800	\$ (30,426)	(4.4%)
Corporate Expenses	815,978	190,744	173,826	8.9%	157,723	(10.2%)	\$ (16,103)	\$ 661,900	\$ 835,726	\$ 815,978	\$ (19,748)	(2.4%)
Total Expenditures	10,417,533	2,884,235	2,628,301	7.3%	2,748,324	4.4%	\$ 120,023	7,757,486	10,385,787	10,417,533	31,746	0.3%
Excess Revenues Over Exp.	\$ 2,195,116	\$ 613,194	\$ 719,772		\$ 451,823		\$ 267,949	\$ 1,346,197	\$ 2,065,969	\$ 2,195,116	\$ (129,147)	
Transfers and Adjustments:												
Non Reserve Capital Projects	(22,486)	(5,622)	-					\$ (22,486)	\$ (22,486)	\$ (22,486)	\$ -	0.0%
Remove Income From Reserves	(278,400)	(69,600)	(81,979)					\$ (196,421)	\$ (278,400)	\$ (278,400)	\$ -	0.0%
Reserve Funding Initiatives	(547,770)	(136,943)	(141,813)					\$ (382,509)	\$ (524,322)	\$ (547,770)	\$ 23,448	4.3%
Reserve Funding MRR & MRR-B	(1,620,460)	(1,620,460)	(1,620,460)					\$ -	\$ (1,620,460)	\$ (1,620,460)	\$ -	0.0%
MRR Expenses paid by Reserve	200,000	200,000	40,612					\$ 159,388	\$ 200,000	\$ 200,000	\$ -	0.0%
Deduct Reserve Investment Exp.	74,000	18,500	14,380					\$ 59,620	\$ 74,000	\$ 74,000	\$ -	0.0%
Modified Accrual Basis Surplus	-	(1,000,930)	(1,069,488)					963,789	(105,699)	-	(105,699)	

This report is not a GAAP compliant statement. Non cash adjustments such as Depreciation of Fixed Assets have been removed to establish a Modified Accrual report. The purpose of this report is to give a high level summary of GVRs performance for comparison to the Zero Surplus Budget goal for the fiscal year.



MINUTES

BOARD OF DIRECTORS MEETING

Wednesday, March 19, 2025 - 2pm

West Center Auditorium / Zoom

Directors: Marge Garneau (President), Bart Hillyer (Vice President), Jim Carden (Secretary), Nellie Johnson (Treasurer), Candy English (Assistant Secretary), Kathi Bachelor (Assistant Treasurer), Nancy Austin, Dave Barker, Barbara Blake, Beth Dingman, Bev Lawless, Joe Magliola, Scott Somers (non-voting)

Staff Present: Nanci Moyo (Administrative Supervisor), David Webster (CFO)

Visitors: 15

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2:01pm MST. Secretary Carden called the roll; quorum established.

2. Amend/Adopt Agenda

MOTION: Director Blake moved, Director English seconded to adopt the Agenda as presented.

Passed: unanimous

3. President Report

- Thanked Director English for agreeing to chair the Nominations and Elections Committee after Chair Blake needed to step down.
- Thanked all of the staff for the whole year of support and help to the Board of Directors.
- Thanked staff for the new report regarding the Capital Improvement Projects (CIP). Gives clarity to what is happening, when, and completion time.

4. CEO Report

- Thanked the Board for the great year and that it has been good working together.
- Election update: Votes are tied to properties. There were 12,672 eligible properties with one vote per property. Out of the 12,672 eligible properties, 3,248 eligible properties voted which is 25.6 percent voting.
- Lapidary Club at the West Center is at 30 percent of design for expansion.
- The Artisan Shop will begin construction with the contract signed with Building Excellence.
- West Center Membership expansion in the Lobby area has been put on hold to allow for funds for the Metal Arts project.
- Metal Arts project will include some value engineering with the successful bidder to bring the cost down, but may not get down to anticipated bid. This is the reason to put the West Center Lobby on hold.
- The Desert Hills Locker Room and Kiln Room bids are due next Friday.

- Desert Hill pool and equipment is being finalized for upgrades at a reasonable cost.
- East Center gas manifold project is also on hold due to cost. The Project Management Team is working on bringing these costs down.
- Pickleball Club expansion fundraiser was successful. The fundraiser will go toward making improvements at the pickleball courts with potential court expansions, and other amenities. Concept drawings are being put together by the architect.

5. Presentations:

A. Thank you to Outgoing Directors

- President Garneau thanked and presented a gift to the outgoing Directors: Nancy Austin, Jim Carden, Beth Dingman, Joe Magliola, and Carol Crothers (who retired earlier from the Board).

6. Committee Reports – Received Committee Year-End Reports from each committee and put on file.

- A. Audit
- B. Board Affairs
- C. Fiscal Affairs
- D. Investments
- E. Nominations & Elections
- F. Planning & Evaluation

7. Consent Agenda

MOTION: Director Johnson moved, Director Blake seconded to approve Consent Agenda.

Passed: unanimous

A. Minutes:

- BOD Regular Meeting Minutes: February 26, 2025

B. Financial Statements:

- February Financials

8. Action Items

A. Fiscal Affairs Committee Recommendation to Amend Bylaws for Check Signing Amount

MOTION: Director Johnson moved, Director Bachelor seconded to create a ballot measure for the 2026 election that asks the members to amend Article VII, Section 4 of the GVR Bylaws to require that checks greater than \$10,000 be signed by (1) one officer and the Chief Executive Officers (CEO).

Passed: unanimous

B. Amendment to San Ignacio Villas HOA – CC&R: Article VIII, Section 8.10

MOTION: Director Johnson moved, Director Lawless seconded to approve an amendment to the Covenants, Conditions, and Restrictions (CC&Rs) requested by San Ignacio Villas HOA, and authorize the CEO to sign the amendment.

Passed: 11 yes / 1 no (Hillyer)

9. Member Comments –

10. Adjournment

MOTION: Director Hillyer moved, Director English seconded to adjourn the meeting at 2:38pm.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, March 26, 2025 – 10:30am

West Center Auditorium / Zoom

*Code of Conduct

Directors: Kathi Bachelor, Dave Barker, Barbara Blake, Candy English, Marge Garneau, April Hasson Hillard, Bart Hillyer, Nellie Johnson, Bev Lawless, Steve Reynolds, Lanny Smith, Scott Somers (non-voting)

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the past Secretary being present.

President Garneau called the meeting to order at 10:33am MST. Secretary Hillyer called the roll; quorum established.

2. Action Items

A. Nominations and Elections of Board Officers

1) President

a) Nomination

- Kathi Bachelor - 6
- Marge Garneau - 4
- Bart Hillyer – 1 - will not run

b) Election

- **Kathi Bachelor – 6 President**
- Marge Garneau – 5

2) Vice President

a) Nomination

- Candy English - 8
- Marge Garneau - 1
- Bart Hillyer - 2 - will not run

b) Election

- **Candy English – 8 Vice President**
- Marge Garneau – 3

3) Secretary

a) Nomination

- Dave Barker – 1 - will not run
- April Hillard - 6
- Bart Hillyer - 1 - will not run
- Nellie Johnson – 1 - will not run
- Bev Lawless – 2 - will not run

b) Election

- **April Hillard – 11 Secretary**
- 4) Treasurer
 - a) Nominations
 - Bart Hillyer – 1 – will not run
 - Nellie Johnson – 9
 - Lanny Smith - 1
 - b) Elections
 - **Nellie Johnson – 9 Treasurer**
 - Lanny Smith – 2
- 5) Assistant Secretary
 - a) Nominations
 - Dave Barker – 4 – will not run
 - Bart Hillyer – 2
 - Bev Lawless – 2 – will not run
 - Steve Reynolds – 1 – will not run
 - Lanny Smith – 1 – will not run
 - b) Elections
 - **Bart Hillyer – 10 Assistant Secretary (one ballot was blank)**
- 6) Assistant Treasurer
 - a) Nominations
 - Steve Reynolds – 7
 - Lanny Smith – 4 – will not run
 - b) Elections
 - **Steve Reynolds – 11 Assistant Treasurer**

B. Discuss Annual Calendar

Board discussed possibilities for the meetings of the Board of Directors for the 2025-26 Board year with these highlights:

- Proposed for the Board to meet every other month during the year. A meeting can always be called if there is business to discuss.
- Keeping the calendar with all the meetings on it does not mean there has to be a meeting every month and can be cancelled if there is no business.
- Bylaws require at least a meeting every quarter for Regular Meetings.
- To have six meetings schedule helps the Board and staff focus on the topics and encourages a full schedule, rather than a meeting with only one or two topics as business.
- There are certain months that meetings are required. For example, October for the Budget. A suggestion is to take off one summer month and a month near the holidays, either November or December.
- The staff will look at the calendar and present to the Board a reasonable recommendation for Board meetings for the coming year at the April meeting.

C. Discuss Structure and Selection of Committee Chairs and Committee Members

CEO Somers reviewed from the Bylaws and the Corporate Policy Manual (CPM):

- Committee Chairs must be a Board Director.
- The chairs are nominated by the President and approved by the Board.

- A general practice of GVR is the Vice President is the chair of the Board Affairs Committee (BAC) and the Treasurer is the chair of the Fiscal Affairs Committee (FAC).
- The chairs will be approved at the April 9 Special meeting.
- The President, Chair of Committees, and the CEO will meet to review the committee applicants and pick the committees from this pool of applicants.
- Board Directors may sit on no more than two committees.
- All Committee meetings are posted on the GVR website, along with meeting materials the Friday before the meeting.
- A Committee Chair may have an open or closed meeting, and all Board Directors may attend the closed meetings.
- Board Directors must submit an application to be on a committee.

3. Member Comments – 0

4. Adjournment

MOTION: Director Hillyer moved, Blake seconded to adjourn the meeting at 11:19am MST.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, April 9, 2025 – 12:00pm

West Center Room 2 / Zoom

*Code of Conduct

Directors: Kathi Bachelor (President), Candy English (Vice President), April Hasson Hillard (Secretary), Nellie Johnson (Treasurer), Steve Reynolds (Assistant Treasurer), Dave Barker, Marge Garneau, Bev Lawless (arrived 12:05pm), Lanny Smith, Scott Somers (non-voting)

Absent: Barbara Blake, Bart Hillyer

Staff Present: Nanci Moyo (Administrative Supervisor), David Webster (CFO)

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Bachelor called the meeting to order at 12:02pm MST. Secretary Hillard called the roll; quorum established.

2. Adopt or Amend Agenda

MOTION: Director Johnson moved, Director Hillard seconded to approve the Agenda.

Passed: unanimous

3. Action Items

A. Approve Committee Chairs

MOTION: Director Hillard moved, Director Reynolds seconded to approve the appointment of the 2025-26 Committee Chairpersons nominated by the President: Audit – Bev Lawless, BAC – Candy English, FAC – Nellie Johnson, Investment – Lanny Smith, N&E – April Hasson Hillard, and P&E – Steve Reynolds.

Passed: unanimous

4. Member Comments – There were no Member comments.

5. Adjournment

MOTION: Director Garneau moved, Director Johnson seconded to adjourn the meeting at 12:10pm MST.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, April 16, 2025, 2pm

WC Room 2 / Zoom

Directors Present: Kathi Bachelor (President), Candy English (Vice President), April Hasson Hillard (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Barbara Blake, Marge Garneau, Bev Lawless, Lanny Smith, Scott Somers (non-voting)

Directors Absent: Barbara Blake, Marge Garneau, Lanny Smith

Staff Present: Nanci Moyo (Administrative Supervisor), David Webster (CFO)

Visitors: 6

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2pm by President Bachelor. Secretary Hillard called the roll.

2. Amend / Approve Agenda

MOTION: Johnson moved, English seconded to approve the Agenda as presented.

Passed: unanimous

3. MAP Discussion

Highlights of the discussion included:

- MAP was reviewed per the GVR website. Main question being asked is if the Board of Director should set policy for how MAP is administered or continue to leave it with the staff administering MAP as it has been done since inception. Question of guidelines vs. policy.
- There was a rise in applicants this year from 112 in 2024 to 143 in 2025. Possible reasons are need of members and increase promotion of MAP on eBlast and GVRNow.
- GVR Foundation continues to support MAP through fundraisers and is an important part of the program.
- Questions were raised regarding how many of the MAP recipients have received MAP in the past and should there be a limit on the use of MAP? Should the question be asked about the net worth of an applicant and do they own their home?
- CEO Somers shared the background of MAP from inception: the Board handed MAP to staff to finance and come up with the criteria for managing MAP. Staff reviews how much is available, the applicants, and who is within Federal guidelines of the 200 percent poverty level. MAP applications ask for the applicants last 2 months of bank

statements and the previous year tax return. The Board has not set a policy for MAP, but can proceed if this is what the Board wants to do.

- Less than one percent of the membership applies for MAP.
- Two of the reasons people did not receive MAP is they were not in good standing the previous year with GVR or they were over the 200 percent poverty level.

4. Introductory Financial Statement

David Webster, CFO, presented an overview of the Financial Statements:

- General Accepting Accounting Principles are used for GVR accounting.
- The financial reports monitor the performance against the budget.
- The balance sheet in the non-profit businesses is called a Statement of Financial Position. The Designated Investments is important number for the Board to be aware of because the Board approves these expenditures through the Initiatives and Maintenance Repair & Replacement (MRR-A). The MRR-A reserve is funded in January.
- Statement of Activities monitors progress towards the fiscal objectives.
- The revenue section has a line item called Capital Revenue (home sales). This impacts the Initiatives budget.
- Statement of Changes in Net Assets: the Board designates and gives approval to spend the money.
- Cash Requirement Report is a tool of the staff and to communicate with investment providers on how much is needed per day.
- Properties Monthly Report is about the home sales. Fiscal Affairs Committee tracks this closely.
- Capital Improvement Projects Master List is about all the information needed for the capital improvement projects.

5. Capital Projects Cost Updates, Impact on Projections and Cash Flow

Scott Somes, CEO, reviewed the Capital Projects cost updates:

- The Capital Improvement plan budget for 2025 has a lower beginning fund balance than was anticipated.
- The Metal Shop came in much higher than budgeted. To keep this project moving forward the West Center Lobby improvements were delayed until 2026.
- All Capital Improvement projects will have a 10% contingency if necessary.
- The Desert Hills Locker Room came in with a much higher bid than budgeted. Architects and staff value engineered the project to reduce the cost, but allow for more room in the changing areas with a better flow of traffic. This will change to an MRR-A project and not come out of the Initiatives Fund since the scope changed.
- The East Center Lapidary gas manifold bid is much higher and the Lapidary Club agreed to move the funds to the Lapidary expansion of West Center.
- This information was brought to the Board to decide if it was still good to move forward with this plan or if there were other ideas to discuss.

6. Member comments: 2

Adjournment

MOTION: Director Johnson moved, Director Lawless seconded to Adjourn the meeting at 3:38pm

Passed: unanimous



Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: March 31, 2025 and Dec 31, 2024

	March 31, 2025	Dec 31, 2024
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	433,927	2,642,024
Accounts Receivable	619,514	293,785
Prepaid Expenses	122,163	242,974
Maintenance Inventory	21,927	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	496,139 ⁽¹⁾	635,469 ⁽¹⁸⁾
MRR - Fund	8,544,684 ⁽²⁾	7,586,789 ⁽¹⁹⁾
Initiatives - Fund	1,113,479 ⁽³⁾	993,706 ⁽²⁰⁾
Pools & Spas - Fund	1,488,718 ⁽⁴⁾	1,200,643 ⁽²¹⁾
Total Designated Investments (CS/SBH)	11,643,019 ⁽⁵⁾	10,416,607 ⁽²²⁾
Undesignated Invest. (JP Morgan Long Term)	1,617,552 ⁽⁶⁾	1,008,091 ⁽²³⁾
Undesignated Invest. (JP Morgan)	3,632,273 ⁽⁷⁾	1,008,955 ⁽²⁴⁾
Investments	16,892,844 ⁽⁸⁾	12,433,653 ⁽²⁵⁾
Total Current Assets	18,090,375	15,612,436
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	33,393,605	33,209,334
Sub-Total	51,410,689	51,226,419
Less - Accumulated Depreciation	(29,062,851)	(28,756,044)
Net Fixed Assets	22,347,839 ⁽⁹⁾	22,470,375 ⁽²⁶⁾
Operating Lease ROU, Net of Accum. Amortization	-	-
Finance Lease ROU, Net of Accum. Amortization	36,447	36,447
Total Assets	40,474,661	38,119,258
LIABILITIES		
Current Liabilities		
Accounts Payable	501,157	384,710
Deferred Dues Fees & Programs	5,589,780	3,452,625
Accrued Payroll	117,461	247,487
Compensation Liability	-	-
MCF Refund Liability	192,000	195,000
In-Kind Lease Liability - Current	3,333	4,000
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	33,633	33,633
Total Current Liabilities	6,437,364	4,317,455
In-Kind Lease Liability - LT	42,667	42,667
Notes Payable	11,000	11,000
Financing ROU Liability - LT	10,321	10,321
Total Long Term Liabilities	63,988	63,988
TOTAL NET ASSETS	33,973,308 ⁽¹⁰⁾	33,737,815 ⁽²⁷⁾
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	496,139 ⁽¹¹⁾	635,469 ⁽²⁸⁾
Maint - Repair - Replacement	8,544,685 ⁽¹²⁾	7,586,789 ⁽²⁹⁾
Initiatives	1,113,666 ⁽¹³⁾	993,706 ⁽³⁰⁾
Pools & Spas	1,488,718 ⁽¹⁴⁾	1,200,643 ⁽³¹⁾
Sub-Total	11,643,208 ⁽¹⁵⁾	10,416,607
Unrestricted Net Assets	22,094,607	23,321,207
Net change Year-to-Date	235,494 ⁽¹⁶⁾	-
Unrestricted Net Assets	22,330,101 ⁽¹⁷⁾	23,321,207
TOTAL NET ASSETS	33,973,308	33,737,815



Green Valley Recreation, Inc.
Summary Statement of Activities
YTD Period: 3 month period ending March 31, 2025
FY Budget Period: Jan 1, 2025 - Dec 31, 2025

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2024 YTD Actual	2025 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	1,785,210	1,841,551	56,341	3%	1,841,551	1,837,510	4,041	0.2%	7,350,040	5,508,489
LC, Trans., Crd Fees.	237,826	245,207	7,380	3%	245,207	246,489	(1,282)	(1%)	729,472	484,265
Capital Revenue	646,170	705,816	59,646	9%	705,816	687,316	18,500	3%	2,724,900	2,019,084
Programs	134,995	146,011	11,016	8%	146,011	241,864	(95,853)	(40%)	629,718	483,707
Instructional	201,116	210,886	9,771	5%	210,886	235,160	(24,274)	(10%)	480,000	269,114
Recreational Revenue	336,111	356,897	20,787	6%	356,897	477,024	(120,126)	(25%)	1,109,718	752,821
Investment Income	127,991	130,886	2,895	2%	130,886	120,711	10,176	8%	435,000	304,114
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	12,075	12,458	383	3%	12,458	12,230	228	2%	48,919	36,461
Comm. Revenue	12,075	12,458	383	3%	12,458	12,230	228	2%	48,919	36,461
Other Income	44,824	47,730	2,906	6%	47,730	104,775	(57,045)	(54%)	169,100	121,370
Facility Rent	8,940	6,528	(2,413)	(27%)	6,528	10,375	(3,848)	(37%)	41,500	34,973
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	1,000	1,000	-	0%	1,000	1,000	-	0%	4,000	3,000
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	-	-
Other Revenue	54,764	55,257	493	1%	55,257	116,150	(60,893)	(52%)	214,600	159,343
Total Revenue	3,200,147	3,348,072	147,926	5%	3,348,072	3,497,429	(149,356)	(4.3%)	12,612,649	9,264,577
Expenses										
Major Proj.-Rep. & Maint.	121,135	51,378	69,757	58%	51,378	52,161	783	2%	206,143	154,765
Facility Maintenance	109,790	110,635	(846)	(1%)	110,635	99,057	(11,578)	(12%)	396,230	285,595
Fees & Assessments	3,675	90	3,585	98%	90	500	410	82%	2,000	1,910
Utilities	356,564	324,701	31,863	9%	324,701	349,459	24,758	7%	1,091,735	767,034
Depreciation	305,765	340,030	(34,265)	(11%)	340,030	317,130	(22,900)	(7%)	1,268,520	928,490
Furniture & Equipment	70,999	58,611	12,388	17%	58,611	49,741	(8,870)	(18%)	198,963	140,352
Vehicles	30,565	19,179	11,387	37%	19,179	25,000	5,821	23%	100,000	80,821
Facilities & Equipment	998,493	904,624	93,870	9%	904,624	893,048	(11,576)	(1%)	3,263,591	2,358,967
Wages	1,065,189	1,090,888	(25,699)	(2%)	1,090,888	1,163,322	72,433	6%	4,653,287	3,562,399
Payroll Taxes	93,244	91,720	1,524	2%	91,720	92,554	834	1%	370,215	278,495
Benefits	174,801	226,443	(51,642)	(30%)	226,443	208,005	(18,438)	(9%)	790,114	563,671
Personnel	1,333,034	1,409,051	(76,017)	(6%)	1,409,051	1,463,880	54,829	4%	5,813,616	4,404,565
Food & Catering	25,747	5,599	20,148	78%	5,599	33,445	27,846	83%	92,310	86,711
Recreation Contracts	240,352	261,034	(20,682)	(9%)	261,034	327,248	66,214	20%	712,086	451,052
Bank & Credit Card Fees	61,287	31,138	30,150	49%	31,138	61,075	29,937	49%	81,500	50,362
Program	327,386	297,771	29,616	9%	297,771	421,768	123,997	29%	885,896	588,125
Communications	31,929	23,802	8,127	25%	23,802	27,475	3,673	13%	109,900	86,098
Printing	45,335	35,550	9,785	22%	35,550	24,250	(11,300)	(47%)	97,000	61,450
Advertising	1,664	3,666	(2,003)	(120%)	3,666	4,500	834	19%	18,000	14,334
Communications	78,927	63,018	15,910	20%	63,018	56,225	(6,793)	(12%)	224,900	161,882
Supplies	139,592	103,628	35,963	26%	103,628	139,275	35,647	26%	547,100	443,472
Postage	8,366	12,810	(4,444)	(53%)	12,810	4,875	(7,935)	(163%)	19,500	6,690
Dues & Subscriptions	906	(1,305)	2,211	244%	(1,305)	3,725	5,030	135%	14,900	16,205
Travel & Entertainment	-	-	-	0%	-	1,100	1,100	100%	4,400	4,400
Other Operating Expense	9,662	4,692	4,969	51%	4,692	26,725	22,033	82%	106,900	102,208
Operations	158,525	119,826	38,699	24%	119,826	175,700	55,874	32%	692,800	572,974
Information Technology	21,522	18,298	3,225	15%	18,298	34,260	15,963	47%	137,041	118,743
Professional Fees	43,295	49,951	(6,655)	(15%)	49,951	42,625	(7,326)	(17%)	170,500	120,549
Commercial Insurance	89,489	102,755	(13,266)	(15%)	102,755	104,296	1,541	1%	417,185	314,430
Taxes	-	-	-	0%	-	-	-	0%	53,002	53,002
Conferences & Training	727	1,969	(1,243)	(171%)	1,969	6,438	4,468	69%	25,750	23,781
Employee Recognition	2,690	854	1,836	68%	854	3,125	2,271	73%	12,500	11,646
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	157,723	173,826	(16,103)	(10%)	173,826	190,744	16,918	9%	815,978	642,152
Expenses	3,054,089	2,968,116	85,973	3%	2,968,116	3,201,365	233,249	7.3%	11,696,781	8,728,665
Gross Surplus(Rev-Exp)	146,057	379,956	233,899	160%	379,956	296,064	83,893	28%	915,868	535,912
Net Gain/Loss on Invest.	299,641	(144,463)	(444,104)	(47%)	(144,463)	-	(144,463)	-	-	144,463
Net from Operations	445,699	235,494	(210,205)	(47%)	235,494	296,064	(60,570)	(25%)	915,868	680,374



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: March 31, 2025 and Dec 31, 2024

	Totals	<u>Unrestricted</u>		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	235,494 (16)	235,494	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,786,379)	-	-	1,324,805	141,215	320,358
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	0	30,449	-	-	(24,703)	(5,746)	-
Depreciation	-	306,806	(306,806)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	83,520	(106,123)	-	(240,558)	(15,221)	-
Purchases Withdrawals Outstanding	0	166,103	-	(135,469)	(30,259)	(375)	-
Allocations of Net Change components:							
Investment income	-	(50,558)	-	1,843	39,435	5,446	3,835
Investment Expenses	-	18,562	-	(1,055)	(13,581)	(1,806)	(2,119)
Net Gains (Losses) in Investments	-	139,444	-	(4,648)	(97,244)	(3,553)	(33,999)
Net Change to March 31, 2025	235,494 (16)	(856,559)	(412,929)	(139,330)	957,895	119,961	288,075
Net Assets at, Dec 31, 2024	33,737,815 (27)	850,833	22,470,375 (26)	635,469 (28)	7,586,789 (29)	993,706 (30)	1,200,643 (31)
Net Assets as at, March 31, 2025	33,973,308 (10)	(5,726)	<u>22,057,446</u> (9)	496,139 (11)	8,544,685 (12)	1,113,666 (13)	1,488,718 (14)
Footnotes refer to Statement of Financial Position and Statement of Activities		<u>22,051,720</u> (17)			11,643,208 (15)		



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2024 (at Market)	12,433,653 (25)	2,017,046 (24)	635,469 (18)	7,586,789 (19)	993,706 (20)	1,200,643 (21)
Changes since January 1, 2025						
Principal Transfers	4,955,929	3,200,000	-	1,300,102	135,469	320,358
Investment income	88,356	37,798	1,843	39,435	5,446	3,835
Withdrawals	(421,882)	-	(135,469)	(270,817)	(15,596)	-
Investment Expenses	(18,562)	-	(1,055)	(13,581)	(1,806)	(2,119)
Net Change for 3 Months	4,603,842	3,237,798	(134,682)	1,055,139	123,514	322,073
Balance before Market Change at March 31, 2025	17,037,495	5,254,844	500,787	8,641,928	1,117,219	1,522,717
3 Months Net Change in Investments Gain/(Loss)	(144,463)	(5,019)	(4,648)	(97,244)	(3,553)	(33,999)
Balance at March 31, 2025 (at Market)	\$ 16,893,033 (8)	5,249,825 (7)	496,138.72 (1)	8,544,685 (2)	1,113,666 (3)	1,488,718 (4)

11,643,207 (15)

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.
Board of Directors Meeting
Acceptance of Draft Audit

Prepared By: David Webster, CFO

Meeting Date: April 23, 2025

Presented By: David Webster, CFO

Consent Agenda: No

Originating Committee / Department: Audit Committee
Action Requested: Accept the 2024 Audited Financial Statements of Green Valley Recreation, Incorporated (GVR).
Strategic Plan: Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.
Background Justification: Green Valley Recreation's independent Auditor, R and A CPAs P. C., who was chosen by the GVR Audit committee, has conducted an audit of GVR's 2024 financial statements as required by Article VIII. Section 2. Part B. of the Bylaws of GVR's. This audit has been reviewed and recommended for acceptance by the GVR Audit Committee.
Fiscal Impact: The Audit allows the independent external CPA Auditor to obtain audit evidence and express an opinion that the financial statements of GVR present fairly the financial position of GVR as of December 31, 2024.
Board Options: <ol style="list-style-type: none"> 1) Accept the 2024 Audit Report as presented and recommended by the GVR Audit Committee. 2) Do not accept the 2024 Audit Report. 3) Reject the 2024 Audit Report. 4) Table this decision at this time.
Staff Recommendation: Option #1
Recommended Motion: Move to accept the Draft 2024 Audit as presented.
Attachments: <ol style="list-style-type: none"> 1) Draft Audit from R&A CPAs

R&A CPAs

GREEN VALLEY
RECREATION, INC.

(A NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2024
AND 2023

CONTENTS

Independent Auditors' Report.....	1
Statements of Financial Position as of December 31, 2024 and 2023.....	3
Statement of Activities for the Year Ended December 31, 2024	4
Statement of Activities for the Year Ended December 31, 2023	5
Statement of Functional Expenses for the Year Ended December 31, 2024	6
Statement of Functional Expenses for the Year Ended December 31, 2023	7
Statements of Cash Flows for the Years Ended December 31, 2024 and 2023.....	8
Notes to Financial Statements	9
Note A. Summary of Significant Accounting Policies.....	9
Note B. Accounts Receivable	14
Note C. Investment in Marketable Securities	14
Note D. Liquidity and Availability of Financial Assets.....	15
Note E. Operating and Finance Leases.....	16
Note F. Property and Equipment	17
Note G. Refundable Membership Change Fee Liability.....	17
Note H. Notes Payable and Deferred Lease Revenue.....	18
Note I. Board Designated Net Assets	19
Note J. Net Assets with Donor Restrictions.....	19
Note K. Revenue from Contracts with Customers.....	20
Note L. Future Major Repairs and Replacements.....	21
Note M. Retirement Plan	21
Note N. Related Party Transactions	21
Note O. Contingencies	21
Note P. Subsequent Events.....	21

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Green Valley Recreation, Inc.
Tucson, Arizona

Opinion

We have audited the financial statements of Green Valley Recreation, Inc. ("GVR") (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GVR as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GVR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GVR's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GVR's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GVR's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Tucson, Arizona

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS:		
<i>Cash and cash equivalents:</i>		
Held in deposit accounts	\$ 2,582,296	\$ 2,532,556
Held in investment brokerage accounts	610,768	311,366
Total cash and cash equivalents	3,193,064	2,843,922
Investment in marketable securities	11,822,885	13,456,529
Accounts receivable, net	245,850	301,605
Interest receivable	47,510	59,621
Supply and maintenance inventory	-	22,003
Prepaid expenses	380,428	279,134
Total current assets	15,689,737	16,962,814
LONG-TERM ASSETS:		
Property and equipment, net	22,470,374	21,443,511
Finance lease right-of-use assets, net of accumulated amortization of \$136,430 and \$113,193, respectively	36,447	72,483
Total long-term assets	22,506,821	21,515,994
TOTAL ASSETS	\$ 38,196,558	\$ 38,478,808
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 270,189	\$ 486,137
Accrued payroll and related liabilities	360,403	247,953
Refundable membership change fee liability	199,013	212,826
Other liabilities	79,651	104,067
Deferred membership dues	3,250,056	4,357,257
Deferred program and rental revenue	142,811	176,499
Deferred lease revenue - current portion	4,000	4,000
Note payable - current portion	11,000	11,000
Finance lease liabilities, current portion	33,633	40,307
Total current liabilities	4,350,756	5,640,046
Long-term liabilities:		
Deferred lease revenue, net of current portion	42,667	46,667
Note payable, net of current portion	55,000	66,000
Finance lease liabilities, net of current portion	10,321	43,954
Total long-term liabilities	107,988	156,621
TOTAL LIABILITIES	4,458,744	5,796,667
NET ASSETS:		
<i>Net assets without donor restrictions:</i>		
Undesignated available for operations	23,275,238	22,325,170
Board designated reserves for emergency operations	636,832	561,557
Board designated reserves for initiatives	998,549	1,760,779
Board designated reserves for repairs and replacements	8,827,195	8,034,635
Total net assets without donor restrictions	33,737,814	32,682,141
TOTAL NET ASSETS	33,737,814	32,682,141
TOTAL LIABILITIES AND NET ASSETS	\$ 38,196,558	\$ 38,478,808

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	Without donor restrictions	With donor restrictions	Total
STATEMENT OF ACTIVITIES, 2024			
PUBLIC SUPPORT AND REVENUES:			
Membership dues	\$ 7,134,340	\$ -	\$ 7,134,340
New member capital and initial fees	2,847,626	-	2,847,626
Member, tenant, and guest fees	266,249	-	266,249
Program revenue	774,073	-	774,073
Lease income	53,004	-	53,004
Late fees	87,479	-	87,479
Facility rent revenue	26,825	-	26,825
Total public support and revenues	11,189,596	-	11,189,596
EXPENSES:			
Program services	8,837,316	-	8,837,316
General and administrative	2,380,505	-	2,380,505
Total expenses	11,217,821	-	11,217,821
OTHER INCOME (EXPENSE):			
Investment income (loss)	1,062,969	-	1,062,969
Other income	20,929	-	20,929
Total other income (expense)	1,083,898	-	1,083,898
CHANGE IN NET ASSETS	1,055,673	-	1,055,673
Net assets, beginning of year	32,682,141	-	32,682,141
NET ASSETS, END OF YEAR	\$ 33,737,814	\$ -	\$ 33,737,814

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Without donor restrictions	With donor restrictions	Total
STATEMENT OF ACTIVITIES, 2023			
PUBLIC SUPPORT AND REVENUES:			
Membership dues	\$ 7,051,930	\$ -	\$ 7,051,930
New member capital and initial fees	3,234,560	-	3,234,560
Member, tenant, and guest fees	259,344	-	259,344
Program revenue	514,095	-	514,095
Lease income	51,478	-	51,478
Late fees	70,281	-	70,281
Facility rent revenue	16,822	-	16,822
Total public support and revenues	11,198,510	-	11,198,510
EXPENSES:			
Program services	8,547,789	-	8,547,789
General and administrative	2,380,249	-	2,380,249
Total expenses	10,928,038	-	10,928,038
OTHER INCOME (EXPENSE):			
Investment income (loss)	1,117,943	-	1,117,943
Other revenue	14,545	-	14,545
Loss on disposal of property and equipment	(1,421)	-	(1,421)
Total other income (expense)	1,131,067	-	1,131,067
CHANGE IN NET ASSETS	1,401,539	-	1,401,539
Net assets, beginning of year	31,280,602	-	31,280,602
NET ASSETS, END OF YEAR	\$ 32,682,141	\$ -	\$ 32,682,141

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	Program services	General and administrative	Totals
FUNCTIONAL EXPENSES, 2024			
Salaries and wages	\$ 3,466,335	\$ 950,704	\$ 4,417,039
Employee related expenses	851,897	315,085	1,166,982
Total employee-related expenses	4,318,232	1,265,789	5,584,021
Depreciation	1,175,317	116,289	1,291,606
Utilities	1,105,703	-	1,105,703
Recreation contracts	516,714	-	516,714
Supplies	440,574	35,204	475,778
Repairs and maintenance	381,552	57	381,609
Insurance	-	380,115	380,115
Facility maintenance	319,690	2,443	322,133
Uncapitalized equipment	175,082	69,294	244,376
Professional services	31,150	158,871	190,021
Communication	15,079	99,782	114,861
Postage and printing	94,475	16,962	111,437
Computer expense	10,385	95,978	106,363
Vehicles	90,343	-	90,343
Bank and credit card fees	-	77,903	77,903
Investment fees	-	75,554	75,554
Fees and taxes	175	47,897	48,072
Catering	47,818	-	47,818
Amortization	36,036	-	36,036
Advertising	29,031	-	29,031
Dues and subscriptions	9,083	7,535	16,618
Rental expense	13,798	-	13,798
Employee training	8,185	3,053	11,238
Interest	8,876	-	8,876
Signage	7,601	-	7,601
Travel	2,275	3,176	5,451
Miscellaneous	142	157	299
Total expenses	8,837,316	2,456,059	11,293,375
Less investment fees netted against revenues	-	(75,554)	(75,554)
TOTAL EXPENSES, NET	\$ 8,837,316	\$ 2,380,505	\$ 11,217,821

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	Program services	General and administrative	Totals
FUNCTIONAL EXPENSES, 2023			
Salaries and wages	\$ 2,968,202	\$ 869,430	\$ 3,837,632
Employee related expenses	889,340	302,138	1,191,478
Total employee-related expenses	3,857,542	1,171,568	5,029,110
Depreciation	1,198,075	125,759	1,323,834
Utilities	1,081,395	-	1,081,395
Supplies	506,024	41,017	547,041
Repairs and maintenance	426,871	-	426,871
Facility maintenance	407,315	1,275	408,590
Recreation contracts	368,360	-	368,360
Insurance	-	340,565	340,565
Professional services	91,648	212,895	304,543
Uncapitalized equipment	235,354	62,879	298,233
Computer expense	1,320	160,321	161,641
Communication	24,048	80,395	104,443
Postage and printing	86,209	13,032	99,241
Vehicles	96,330	-	96,330
Fees and taxes	11,517	81,250	92,767
Investment fees	-	79,185	79,185
Bank and credit card fees	-	73,551	73,551
Amortization	38,872	-	38,872
Catering	30,579	357	30,936
Advertising	28,380	-	28,380
Interest	17,179	-	17,179
Employee training	12,432	2,461	14,893
Rental expense	13,051	1,139	14,190
Dues and subscriptions	7,558	6,006	13,564
Travel	3,694	5,616	9,310
Signage	4,036	-	4,036
Miscellaneous	-	163	163
Total expenses	8,547,789	2,459,434	11,007,223
Less investment fees netted against revenues	-	(79,185)	(79,185)
TOTAL EXPENSES, NET	\$ 8,547,789	\$ 2,380,249	\$ 10,928,038

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

CASH FLOWS FROM OPERATING ACTIVITIES	2024	2023
CHANGE IN NET ASSETS	\$ 1,055,673	\$ 1,401,539
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	1,291,606	1,323,834
Realized and unrealized (gains) losses on investments in marketable securities	(712,022)	(740,774)
Loss on disposal of property and equipment	-	(1,421)
Amortization of finance lease right-of-use assets	36,036	38,872
In-kind lease income	(4,000)	(4,000)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable, net	55,755	(251,894)
Interest receivable	12,111	3,813
Supply and maintenance inventory	22,003	1,041
Prepaid expenses	(101,294)	(3,173)
Operating lease right-of-use assets, net	-	467
Accounts payable	(215,948)	170,076
Accrued payroll and related liabilities	112,450	(33,864)
Refundable membership change fee liability	(13,813)	10,069
Other liabilities	(24,416)	(309)
Deferred membership dues	(1,107,201)	(197,543)
Deferred program and rental revenue	(33,688)	46,478
Operating lease liabilities	-	(439)
Net cash flows provided by operating activities	373,252	1,762,772
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of buildings, improvements, furniture and vehicles	(2,318,469)	(3,588,810)
Proceeds from sale of investment in marketable securities	9,207,849	9,159,375
Purchases of investment in marketable securities	(6,862,183)	(7,390,492)
Net cash flows provided by (used in) investing activities	27,197	(1,819,927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(11,000)	(11,000)
Payments on finance leases	(40,307)	(39,319)
Net cash flows used in financing activities	(51,307)	(50,319)
NET DECREASE IN CASH AND CASH EQUIVALENTS	349,142	(107,474)
Cash and cash equivalents, beginning of year	2,843,922	2,951,396
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,193,064	\$ 2,843,922

NOTES TO FINANCIAL STATEMENTS

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied by Green Valley Recreation, Inc. in the preparation of its financial statements is as follows.

NATURE OF OPERATIONS

Green Valley Recreation, Inc. ("GVR") was incorporated as a not-for-profit corporation in 1979 under the laws of Arizona. GVR was the successor corporation to the Green Valley Community Club incorporated in 1972. GVR's purpose is to address the recreational needs of members through the operation and maintenance of recreational and social facilities (currently there are 15 such facilities) and the sponsorship of cultural and civic activities for its members within the unincorporated community of Green Valley, Arizona. All property owners within certain geographic boundaries as defined by GVR's by-laws require regular membership in GVR. Members' properties are encumbered by deed restrictions that require perpetual membership and payment of annual dues and assessments, including a capital investment fee upon each property's transfer. There were 13,872 and 13,850 members as of December 31, 2024 and 2023, respectively.

GVR has assumed responsibility for operation, maintenance, and upkeep for recreational facilities donated by area developers at the completion of housing developments within GVR's boundaries.

BASIS OF PRESENTATION

The financial statements of GVR have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require GVR to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of GVR. These net assets may be used at the discretion of GVR's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GVR or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

CASH AND CASH EQUIVALENTS

GVR considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents. GVR classifies money market mutual funds with investments. GVR maintains its cash in bank deposit accounts which may exceed federally insured limits. Uninsured cash at December 31, 2024 and 2023 was \$2,691,114 and \$2,340,997, respectively. GVR mitigates this risk by banking with financial institutions that are rated as stable by the major rating agencies.

ACCOUNTS RECEIVABLE

Accounts receivable are uncollateralized and consist of unpaid membership dues and facility rentals established under contractual agreements. GVR records receivables with an offsetting allowance for credit losses for amounts estimated to be uncollectible over the life of the asset. The allowance for credit losses is estimated using a loss-rate method that considers historical collection experience, the age of the accounts receivable balances, the credit quality and risk of its members, any specific collection issues, current economic conditions, and other micro or macro-economic factors that may impact ability to pay. GVR also considers reasonable and supportable forecasts of future economic conditions and the expected impact on collections. At the time a receivable is determined to be uncollectible, the balance is written off against the allowance for credit losses.

GVR assesses late fees on past due balances.

MAINTENANCE AND SUPPLY INVENTORY

GVR maintains an inventory of supplies and items commonly used for maintenance activities. The inventory is recorded at cost and no income is generated from such items.

INVESTMENT IN MARKETABLE SECURITIES

Investments consist of marketable securities in debt and equity securities and mutual funds held by various national brokerages, all of which are carried at quoted market values determined at the date of the statement of financial position. Income, gains, and losses are reported in the statements of activities as increases and decreases in net assets without donor restrictions.

INVESTMENT VALUATION AND INCOME

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Investment expenses are recorded as a reduction in investment earnings.

US GAAP establishes the framework for measuring fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under US GAAP are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that GVR has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair value measurements are determined based on the assumptions, referred to as inputs, that market participants would use in pricing the asset. The fair value hierarchy distinguishes between market participant assumptions and GVR's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are GVR's own assumptions about what market participants would assume based on the best information available in the circumstances.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

GVR's investments are summarized in the *Investment in Marketable Securities* note. The Organization's policies with respect to valuing the various categories of investment are as follows:

Mutual funds - Valued at the net asset value as reported by the fund manager at the close of business which is a readily determinable fair value in accordance with GAAP.

Common stock and exchange traded funds - Valued at the closing prices at the close of business as reported on nationally recognized stock exchanges which represents fair value.

Corporate and government bonds - Reported at the closing trade price on nationally recognized exchanges.

FINANCIAL INSTRUMENTS

Financial instruments that subject GVR to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and investment in marketable securities. The total loss that would occur if the accounts became uncollectible is the stated balance of the financial instruments reported in the accompanying statements of financial position.

PROPERTY AND EQUIPMENT

GVR capitalizes all expenditures for property and equipment in excess of \$5,000 with a useful life greater than one year. Purchased property and equipment are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

	Years
Land improvements	10 - 30
Buildings and building improvements	10 - 40
Furniture and equipment	5 - 20
Recreation courts	5 - 20
Vehicles	5 - 10
Computers	5 - 10

At formation, GVR was the beneficiary of infrastructure contributed by developers building in the community of Green Valley. Additional contributed property, plant, and equipment has been donated by clubs associated with GVR. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

REFUNDABLE MEMBERSHIP CHANGE FEE LIABILITY

Each time a home is purchased within the boundaries of GVR, a Membership Change Fee ("MCF") is charged to the buyer to fund future capital improvements and maintenance of GVR's recreational infrastructure. The Membership Change Fee is due on each purchase at the close of escrow. This fee is refundable if the buyer has also sold a home within GVR within the past year and applies for a fee waiver. Management estimates the total refunds that are likely to result from waivers within the next year using the historical ratio of waivers to home sales.

LEASES

GVR recognizes and measures its lease obligations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). Right-of-use ("ROU") assets represent GVR's right to use an underlying asset for the lease term. ROU assets are recognized at the commencement date of the lease under Topic 842 based on the lower of the lease liability or the fair value of the underlying asset, adjusted for any prepaid rent and/or initial direct costs incurred in connection with execution of the lease and reduced by any lease incentives received. GVR's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date under Topic 842 to the end of the lease term, unless the lease transfers ownership of the underlying asset to GVR by the end of the lease term or the balance of the right-of-use asset reflects that GVR will exercise a purchase option. In that case the right-of-use asset will be amortized over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, GVR's incremental borrowing rate or the risk-free rate determined with reference to the lease term.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in GVR's estimate of the amount expected to be payable under a residual value guarantee, if GVR changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the results of operations if the carrying amount of the right-of-use asset has been reduced to zero.

Practical expedients

GVR has elected, for all underlying classes of asset, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at commencement, and do not include an option to purchase the underlying asset that

GVR is reasonably certain to exercise. GVR recognizes lease costs associated with short-term leases on a straight-line basis over the lease term. GVR does not include non-lease components in its determination of its fixed lease payment obligations in the measurement of ROU assets and lease liabilities. GVR uses a risk-free rate to discount future lease payments, considering the currency of the lease agreement and terms of the lease.

CONTRIBUTIONS

Unconditional contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Conditional contributions consist of contributions that contain a barrier to entitlement of the funds by the recipient, such as requirement to expend the funds for a specific purpose or program, or other requirements, and also contain a provision for return of the funds to the resource provider if the barriers are not overcome. Payments received for conditional contributions are recorded as a liability, reported in the statements of financial position as conditional contributions refundable, or are unrecognized initially, in the case of conditional promises to give, until the barriers to entitlement are overcome. When conditions are satisfied, the transaction is recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions, based on the nature of the underlying transaction. At December 31, 2024 and 2023, GVR had received no conditional contributions.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the nature of the restrictions. When a restriction expires, that is, when funds are expended in accordance with donor restrictions, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

REVENUE

Revenue is recognized in accordance with Accounting Standards Codification Topic 606 – *Revenues from Contracts with Customers* (“ASC 606”) which requires an evaluation of contracts with customers based the following five-step model: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenues when (or as) each performance obligation is satisfied.

ASC 606 requires revenues to be recognized when performance obligations are satisfied by transferring goods or services promised in a contract, in an amount that reflects the consideration that the GVR expects to receive in exchange for those goods or services. Performance obligations in the GVR’s contracts represent distinct or separate service streams that it provides.

Management has assessed recognition of each type of revenue generated by GVR, in accordance with ASC 606, as described below.

Membership dues and access card fees – Revenue is recognized as the performance obligation is satisfied over the life of the contract. The contract terms are for a single calendar year and, as such, there are no outstanding performance obligations as of December 31, 2024 or 2023 for prior year membership dues. Outstanding performance obligations at December 31, 2024 and 2023 represent amounts collected in advance for future period membership dues.

Facility rent - Revenue generated by the use of GVR property and facilities is subject to performance obligations satisfied by the passage of a specified period not longer than one month.

Capital/initial fees - New member capital and initial fees are recognized at a point in time, when a property is purchased, and late fees are recognized when the related fees are determined to be overdue.

Programs and instructional - Revenue generated from instructional and entertainment activities create obligations that are satisfied by the performance of specific activities. Revenue from these activities are recognized through the performance of activities.

DONATED GOODS, FACILITIES AND SERVICES

Donated goods and facilities are valued at fair value at the time of donation. Donated services are recognized in the financial statements at fair value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although GVR may utilize the services of outside volunteers, the fair value of these services has not been recognized in the accompanying financial statements since they do not meet the criteria for recognition under US GAAP.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and general and administrative activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by natural classification and by function in a matrix format, as required by US GAAP. Certain costs have been allocated between the program services and supporting services.

Expenses are typically allocated based on a method that is deemed appropriate by management in the manner in which the expense is accrued. Expenses are allocated based on time, effort or square footage, as applicable. Indirect costs are the only expenses that are deemed as administrative by function. Management typically codes expenses to a program, administrative, or fundraising directly during the payment process.

INCOME TAXES

GVR is exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code. However, income from certain activities not directly related to the entity's tax-exempt purpose may be subject to taxation as unrelated business income.

Accounting principles generally accepted in the United States of America clarify the accounting for uncertainty in income taxes by creating a framework to recognize, measure, present, and disclose in financial statements uncertain tax positions that have been taken or are expected to be taken in a tax return. GVR's management believes that there are no material uncertain tax positions for which it is reasonably possible that reported amounts could significantly differ from amounts that may be determined upon examination by taxing authorities. GVR's Forms 990, *Return of Organization Exempt from Income Taxes*, are generally subject to examination by the Internal Revenue Service for three years after the date the returns were filed.

ADVERTISING COSTS

Advertising costs are expensed as incurred and totaled \$29,031 and \$28,380 for the years ended December 31, 2024 and 2023, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets, liabilities, revenues and expenses and disclosure of any contingent assets and liabilities at the date of the financial statements. Actual results could differ from estimates.

NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASC 326") which introduced a new credit loss methodology entitled Current Expected Credit Losses ("CECL"). The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities, trade receivables, and other financial assets commencing at the time the financial asset is originated or acquired. The methodology replaces the multiple existing impairment methods in historical U.S. GAAP, which generally require that a loss be incurred before it is recognized ("Incurred Loss Model").

GVR adopted ASC 326 and all related subsequent amendments thereto effective on January 1, 2023, using the modified retrospective approach. Accordingly, results for reporting periods beginning on January 1, 2023, are presented under CECL while prior periods continue to be reported in accordance with the incurred loss model as previously applicable. The adoption of Topic 326 did not result in a cumulative effect adjustment to net assets as of January 1, 2023.

NOTE B. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	2024	2023
Accounts receivable	\$ 393,464	\$ 452,731
Less allowances	(147,614)	(151,126)
Net accounts receivable	\$ 245,850	\$ 301,605

Changes in allowance for credit losses consisted of the following during the year ended December 31, 2024:

Allowance for credit losses, beginning of year	\$ 151,126
Less write offs charged against allowance	(3,512)
Allowance for credit losses, end of year	\$ 147,614

NOTE C. INVESTMENT IN MARKETABLE SECURITIES

GVR records its investments in marketable securities at December 31, 2024 and 2023 at fair value in accordance with the fair value hierarchy Level 1 inputs.

The fair values and cost basis of investments, including aggregated unrealized gains and losses, at December 31, 2024 were as follows:

	Fair value	Cost	Unrealized gains	Unrealized losses
Corporate bonds	\$ 5,928,565	\$ 5,547,471	\$ 381,094	\$ -
Mutual funds	1,334,199	1,594,398	-	(260,199)
Common stock	3,215,854	2,030,507	1,185,347	-
Government bonds	423,977	416,432	7,545	-
Exchange traded funds	920,290	832,864	87,426	-
Totals	\$ 11,822,885	\$ 10,421,672	\$ 1,661,412	\$ (260,199)

The fair values and cost basis of investments, including aggregated unrealized gains and losses, at December 31, 2023 were as follows:

	Fair value	Cost	Unrealized gains	Unrealized losses
Corporate bonds	\$ 6,494,322	\$ 6,122,041	\$ 372,281	\$ -
Mutual funds	2,159,801	2,629,918	-	(470,117)
Common stock	3,430,031	2,579,731	850,300	-
Government bonds	981,697	874,382	107,315	-
Exchange traded funds	390,678	354,441	36,237	-
Totals	\$ 13,456,529	\$ 12,560,513	\$ 1,366,133	\$ (470,117)

Investment income consisted of the following for the years ended December 31:

	2024	2023
Interest and dividends	\$ 426,501	\$ 456,354
Realized and unrealized gain (loss)	712,022	740,774
Less investment fees	(75,554)	(79,185)
Net investment income (loss)	\$ 1,062,969	\$ 1,117,943

Assets held in the brokerage accounts, by type of asset and board designation, were as follows at December 31, 2024:

	Cash and cash equivalents	Investments	Accrued interest	Brokerage account total
Board designated net assets:				
Emergency	\$ 14,793	\$ 620,676	\$ 1,363	\$ 636,832
Initiatives	219,041	774,665	4,843	998,549
Repairs and replacements	371,988	8,415,444	39,763	8,827,195
Total board designated assets	605,822	9,810,785	45,969	10,462,576
Undesignated - operations	4,946	2,012,100	1,541	2,018,587
Total assets held	<u>\$ 610,768</u>	<u>\$ 11,822,885</u>	<u>\$ 47,510</u>	<u>\$ 12,481,163</u>

Assets held in the brokerage accounts, by type of assets and board designation, were as follows at December 31, 2023:

	Cash and cash equivalents	Investments	Accrued interest	Brokerage account total
Board designated net assets:				
Emergency	\$ 16,920	\$ 543,275	\$ 1,362	\$ 561,557
Initiatives	137,568	1,612,487	10,724	1,760,779
Repairs and replacements	122,540	7,867,827	44,268	8,034,635
Total board designated	277,028	10,023,589	56,354	10,356,971
Undesignated - operations	34,338	3,432,940	3,267	3,470,545
Total assets held	<u>\$ 311,366</u>	<u>\$ 13,456,529</u>	<u>\$ 59,621</u>	<u>\$ 13,827,516</u>

NOTE D. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Management regularly monitors the availability of financial resources required to meet current operating needs. GVR generally maintains financial resources as cash and cash equivalents and as investments in marketable securities. GVR utilizes a one-year time horizon to assess its immediate liquidity needs and has a target minimum cash balance of 90 days of annual operating expenses. This period of time was established based on management's understanding of the typical cycle of payables in the normal course of business. GVR invests cash in excess of immediate projected requirements in short-term, liquid investments that may be used to fulfill liquidity needs resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of a significant, unanticipated liquidity need, GVR has the ability to raise additional funds through increased annual membership dues. Additionally, GVR may impose a special assessment, if such an assessment is approved in advance, by a majority vote of the members present at a regular or special meeting.

The following reflects GVR's financial assets, and limitations on those assets, as of December 31, 2024 and 2023, available for use for general expenditures within one year of the date of the statement of financial position:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 3,193,064	\$ 2,843,922
Accounts receivable, net	245,850	301,605
Interest receivable	47,510	59,621
Investment in marketable securities	11,822,885	13,456,529
Total financial assets	15,309,309	16,661,677
Less board designated amounts:		
Emergency operations	636,832	561,557
Initiatives	998,549	1,760,779
Repairs and replacements	8,827,195	8,034,635
Total board designated amounts	10,462,576	10,356,971
Net financial assets available to meet cash needs for general expenditures within one year	\$ 4,846,733	\$ 6,304,706

NOTE E. OPERATING AND FINANCE LEASES

GVR leases a portion of space within the Del Sol Clubhouse to a third party. The lease calls for no annual base rent for a term of three years, effective September 2024. The lease includes two options to renew each for a three year term.

OPERATING LEASES

GVR leased a postage meter under an agreement that required \$55 monthly payments and expired in September 2023. For the years ended December 31, 2024 and 2023, total operating lease costs were \$0 and \$468, respectively.

FINANCE LEASES

GVR leases office equipment under non-cancelable leases expiring at various times through 2026 and requiring monthly payments cumulatively totaling \$4,554. The economic substance of these leases is financing the acquisition of the assets through the leases and, accordingly, they have been recorded as finance lease obligations in the accompanying financial statements.

The following is a schedule of future minimum payments as of December 31:

2025	\$ 37,688
2026	10,734
Total undiscounted lease payments	48,422
Less interest	(4,468)
Total finance lease liabilities	43,954
Less current portion	(33,633)
Finance lease liabilities, long-term portion	\$ 10,321

As of December 31, 2024, the weighted average remaining lease term is 1.31 years for finance leases and the weighted average discount rate is 13.81%.

NOTE F. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2024 consisted of the following:

	Contributed	Purchased	Total
Land and improvements	\$ 4,166,276	\$ 2,114,525	\$ 6,280,801
Buildings and improvement	12,852,422	20,195,013	33,047,435
Tennis, shuffleboard, and sports courts	324,958	2,068,593	2,393,551
Pools, spas, and equipment	412,588	3,050,386	3,462,974
Recreational equipment	230,841	1,505,473	1,736,314
Vehicles	-	1,039,291	1,039,291
Furniture	30,000	2,886,152	2,916,152
Total property and equipment	18,017,085	32,859,433	50,876,518
Less accumulated depreciation	(11,308,644)	(17,447,400)	(28,756,044)
Construction-in-progress	-	349,900	349,900
Property and equipment, net	\$ 6,708,441	\$ 15,761,933	\$ 22,470,374

Property and equipment at December 31, 2023 consisted of the following:

	Contributed	Purchased	Total
Land and improvements	\$ 4,166,276	\$ 2,114,525	\$ 6,280,801
Buildings and improvement	12,852,422	15,413,620	28,266,042
Tennis, shuffleboard, and sports courts	324,958	2,042,193	2,367,151
Pools, spas, and equipment	412,588	2,991,609	3,404,197
Recreational equipment	230,841	1,441,191	1,672,032
Vehicles	-	1,039,291	1,039,291
Furniture	30,000	2,460,081	2,490,081
Total property and equipment	18,017,085	27,502,510	45,519,595
Less accumulated depreciation	(11,000,125)	(16,464,313)	(27,464,438)
Construction-in-progress	-	3,388,354	3,388,354
Property and equipment, net	\$ 7,016,960	\$ 14,426,551	\$ 21,443,511

NOTE G. REFUNDABLE MEMBERSHIP CHANGE FEE LIABILITY

For the years ended December 31, 2024 and 2023, MCF revenue recognized, net of the change in the estimated obligation for fees to be refunded, and actual refunds pursuant to waivers were as follows:

	2024	2023
Membership change fees collected	\$ 2,375,776	\$ 2,718,340
Change in estimated obligation for refundable fees	16,700	(14,580)
MCF revenue recognized, included in new member capital and initial fees on the statement of activities	\$ 2,392,476	\$ 2,703,760
Actual MCF refunds	\$ 294,000	\$ 237,800

Due to the implementation of Arizona House Bill 2119, certain related parties will not be subject to Membership Change Fees. GVR estimates that this legislation could reduce new member capital revenue by \$150,000 annually.

NOTE H. NOTES PAYABLE AND DEFERRED LEASE REVENUE

During the year ended December 31, 2021, GVR purchased a parking lot from GVR Foundation (the "Foundation") for a purchase price of \$170,000. The purchase price was effected through a note payable to the Foundation totaling \$110,000 and an agreement to provide office space to the Foundation at no charge for 15 years.

The note payable is non-interest bearing and requires annual principal payments of \$11,000 through 2031 until the note is paid in full. GVR made the first annual payment at the time of closing in August 2021.

The value of the office space to be provided is estimated at \$4,000 per year. During the years ended December 31, 2024 and 2023, GVR recognized \$4,000 of lease revenue and reduction of deferred lease revenue. Management has determined that the effect of imputed interest on the net present value of the note payable and the deferred lease revenue is immaterial.

Liabilities related to the property acquisition were as follows at December 31, 2024:

	Note payable	Deferred lease revenue	Total
Payable to GVR Foundation	\$ 66,000	\$ 46,667	\$ 112,667
Less current portion	(11,000)	(4,000)	(15,000)
Long-term portion	<u>\$ 55,000</u>	<u>\$ 42,667</u>	<u>\$ 97,667</u>

Liabilities related to the property acquisition were as follows at December 31, 2023:

	Note payable	Deferred lease revenue	Total
Payable to GVR Foundation	\$ 77,000	\$ 50,667	\$ 127,667
Less current portion	(11,000)	(4,000)	(15,000)
Long-term portion	<u>\$ 66,000</u>	<u>\$ 46,667</u>	<u>\$ 112,667</u>

Future minimum payments on the note payable and fair value of office space to be provided to the Foundation at no cost for each of the next five years and thereafter consists of the following at December 31, 2024:

	Note payable	Deferred lease revenue	Total
2025	\$ 11,000	\$ 4,000	\$ 15,000
2026	11,000	4,000	15,000
2027	11,000	4,000	15,000
2028	11,000	4,000	15,000
2029	11,000	4,000	15,000
Thereafter	11,000	26,667	37,667
Total minimum future payments	<u>\$ 66,000</u>	<u>\$ 46,667</u>	<u>\$ 112,667</u>

NOTE I. BOARD DESIGNATED NET ASSETS

The board of directors for GVR has designated portions of total net assets without donor restrictions to be used for emergency funding of operations, replacement and repair of major capital assets, and new projects.

Activity in board designated net assets was as follows for the year ended December 31, 2024:

	Emergency	Initiatives	Repairs and replacements	Total
Beginning balance	\$ 561,557	\$ 1,760,779	\$ 8,034,635	\$ 10,356,971
Board designations:				
Capital fees	-	579,316	-	579,316
Other designations	-	-	1,519,695	1,519,695
Expended for projects	-	(1,389,293)	(1,365,731)	(2,755,024)
Investment income	75,275	53,626	643,102	772,003
Change in accrued interest	-	(5,879)	(4,506)	(10,385)
Total board designated net assets	<u>\$ 636,832</u>	<u>\$ 998,549</u>	<u>\$ 8,827,195</u>	<u>\$ 10,462,576</u>

Activity in board designated net assets was as follows for the year ended December 31, 2023:

	Emergency	Initiatives	Repairs and replacements	Total
Beginning balance	\$ 491,242	\$ 2,546,589	\$ 7,662,006	\$ 10,699,837
Board designations:				
Capital fees	-	553,077	-	553,077
Other designations	-	428,596	1,469,346	1,897,942
Expended for projects	-	(1,901,267)	(1,773,221)	(3,674,488)
Investment income	69,493	138,093	674,070	881,656
Change in accrued interest	822	(4,309)	2,434	(1,053)
Total board designated net assets	<u>\$ 561,557</u>	<u>\$ 1,760,779</u>	<u>\$ 8,034,635</u>	<u>\$ 10,356,971</u>

NOTE J. NET ASSETS WITH DONOR RESTRICTIONS

There was no activity in net assets with donor restrictions as of and for the years ended December 31, 2024 and 2023.

NOTE K. REVENUE FROM CONTRACTS WITH CUSTOMERS

During the years ended December 31, 2024 and 2023, GVR recognized \$4,533,756 and \$4,684,821, respectively, in previously deferred revenue for member dues, program revenue, and access card fees.

GVR had no contract assets at either December 31, 2024 or 2023. Although there are no outstanding performance obligations related to new member capital and initial fees, GVR has recorded a liability for estimated refunds of these fees totaling \$199,013 and \$212,826 at December 31, 2024 and 2023, respectively.

Disaggregated revenue from contracts with customers and allocated performance obligations as of and for the year ended December 31, 2024 was as follows:

Revenue recognition method	Revenue recognized	Outstanding performance obligation
<i>Point in time:</i>		
New member capital and initial fees	\$ 2,847,626	\$ -
Late fees	87,479	-
<i>Over time:</i>		
Membership dues	7,134,340	3,250,056
Member, tenant and guest fees	266,249	-
Facility rental	26,825	-
Lease income	53,004	-
<i>Performance activity:</i>		
Program revenue	774,073	142,811
<i>Total revenue</i>	\$ 11,189,596	\$ 3,392,867

Disaggregated revenue from contracts with customers and allocated performance obligations as of and for the year ended December 31, 2023 was as follows:

Revenue recognition method	Revenue recognized	Outstanding performance obligation
<i>Point in time:</i>		
New member capital and initial fees	\$ 3,234,560	\$ -
Late fees	70,281	-
<i>Over time:</i>		
Membership dues	7,051,930	4,357,257
Member, tenant and guest fees	259,344	-
Facility rental	16,822	-
Lease income	51,478	-
<i>Performance activity:</i>		
Program revenue	514,095	176,499
<i>Total revenue</i>	\$ 11,198,510	\$ 4,533,756

NOTE L. FUTURE MAJOR REPAIRS AND REPLACEMENTS

GVR's governing documents allow funds to be accumulated for future major repairs and replacements. The capital replacement reserves aggregated \$7,622,605 and \$7,215,273 as of December 31, 2024 and 2023. GVR funds such major repairs and replacements over the estimated useful lives of the components based on estimates of current replacement costs and the consideration of amounts previously accumulated. A reserve study by an outside consultant was obtained in October of 2022 and was updated in October 2023 and September 2024. The study excludes GVR's thirteen pools, spas, some paving, and minor equipment. The most recent study concluded that the total cash reserves necessary to repair, replace, restore or maintain such major components during and at the end of their remaining useful life would be \$11,218,100. The study estimates that GVR will have funded as of the fiscal year ending December 31, 2025 \$6,791,071, or 60.5% of the fully funded amount. The reserve study is based on a recommended annual contribution of \$1,300,102 for 2025 to the replacement reserve, to be increased annually at a rate of 4.3%, inclusive of an assumed inflation factor of 2.5% on the costs of replacement items.

The pools and spas replacement reserves aggregated \$1,204,590 and \$819,362 as of December 31, 2024 and 2023. GVR funds such major repairs and replacements over the estimated useful lives of the components based on management's estimates of current replacement costs and the consideration of amounts previously accumulated.

Actual expenditures may vary from the estimated amounts and variances may be material. Therefore, amounts accumulated in the future major repairs and replacement fund may not be adequate to meet future needs. If additional funds are needed, GVR has the right to levy increased regular assessments or to delay major repairs and replacements until funds are available. Additionally, GVR may impose a special assessment, if such an assessment is approved in advance, by a majority vote of the members present at a regular or special meeting.

NOTE M. RETIREMENT PLAN

All GVR employees that are 20.5 years of age or older and have attained at least 1,000 annual working hours are eligible to participate in GVR's 401(k) retirement plan. Employees may contribute an amount up to the annual IRS limit. GVR matches the percentage the employee contributes per pay period up to 5% of compensation. Retirement plan contributions made by GVR were \$126,592 and \$98,660 for the years ended December 31, 2024 and 2023, respectively.

NOTE N. RELATED PARTY TRANSACTIONS

Many of GVR's members also participate in special interest clubs that utilize meeting space in recreational buildings at no charge. GVR also provides these clubs with minor administrative services at no charge. Several employees of GVR are also GVR members. During the years ended December 31, 2024 and 2023, GVR received no in-kind revenue subject to recognition.

During the years ended December 31, 2024 and 2023, the Foundation's Member Assistance Program provided \$25,000 and \$26,733, respectively, to GVR on behalf of specific members for membership dues. The Foundation was an entity under common control until 2020. Amounts collected on behalf of the Foundation are included in other liabilities in the accompanying statements of financial position.

NOTE O. CONTINGENCIES

GVR is involved from time-to-time in various claims and legal actions in the ordinary course of business. Management does not believe that the impact of such matters will have a material adverse effect on their financial position or results of operations when resolved.

NOTE P. SUBSEQUENT EVENTS

The preparation of financial statements to conform with US GAAP requires management to disclose the date through which the subsequent events (i.e., an event or transaction that occurs after the balance sheet date but before the financial statements are issued) were evaluated when determining whether adjustment or disclosure in the financial statements is required. Management of GVR evaluated subsequent events through , which represents the date the accompanying financial statements were available to be issued.



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Award Contract for Metal Arts Improvements

Prepared By: Scott Somers, CEO

Meeting Date: April 23, 2025

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:

Administration

Action Requested:

Approve a budget adjustment, award a contract for the Metal Arts Improvements Project, and authorize staff expend up to an additional 10% in change orders, if necessary.

Strategic Plan:

Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities

Summary:

The Board met in a Work Session on April 16th to discuss challenges with decreased revenue and higher than anticipated costs for capital projects. As you may recall, the only bid received for the Metal Arts Improvement Project was \$235,000. Since then, staff, the Club, and the contractor have been able to value engineer the cost down to \$207,278. The amount budgeted was \$150,000 for all-in costs. We're anticipating an all-in cost of around \$243,000, which is approximately \$100,000 over budget.

- Contract: \$207,278
- 10% contingency: \$20,728
- Soft costs to date: approximately \$15,000
- Total: \$243,000 (approx.)

Staff has therefore recommended delaying the West Center Lobby Improvement Project until 2026, which will free up \$150,000 so the Metal Arts Improvement Project can move forward.

Fiscal Impact:

Please refer to the Cash Funding Projections attachment

Board Options:

- 1) Approve a budget adjustment in the amount of \$243,000, award a contract for the Metal Arts Improvements Project to Building Excellence in an amount of \$207,278, and authorize staff to expend up to an additional 10% in change orders, if necessary.
- 2) Direct staff to rebid the project.
- 3) Table any decision until later.

Staff Recommendation:

Option #1

Recommended Motion:

I move to approve a budget adjustment in the amount of \$243,000, award a contract for the Metal Arts Improvements Project to Building Excellence in an amount of \$207,278, and authorize staff to expend up to an additional 10% in change orders, if necessary.

Attachments:

- 1) Contract with Building Excellence
- 2) Cash Funding Projections



GREEN VALLEY RECREATION, INC.

SHORT-FORM CONTRACT

April 16, 2025

OWNER:

GREEN VALLEY RECREATION, INC., An Arizona Corporation

333 W. Paseo del Prado, Green Valley, AZ 85614

Contact: Facilities Director, Natalie Whitman, Phone: 360-715-1197, Email: nataliew@gvrec.org

CONTRACTOR:

Building Excellence LLC

1860 W. Price Street, Tucson, AZ 85705

Office Phone: (520) 219-6993

Contact: Brian Lauer, Project Manager, (520) 585-7426, brian@buildingexcellence-llc.com

WORKSITE:

West Center Metal Arts complex, 1070 S. Calle de las Casitas, Green Valley, AZ

DESCRIPTION OF WORK				
Project Name: West Center Metal Arts Expansion				
Scope of Work: Renovate old Glass Arts Studio building for expansion of the Metal Arts club to include: new welding stations, other metal work stations, tool and equipment storage, office space, and new HVAC and exhaust systems. Refer to the permitted plans as well as the attached bid tabulation for details.				
Final payment made after acceptance by owner and presentation of final invoice with applicable lien releases. Contractor agrees to abide by the worksite safety procedures listed in the Standard Terms and Conditions (page 2). Price includes sales tax.				
Anticipated Start Date: late May-early June 2025			Anticipated Completion Date: August 2025	
Labor/Materials	Hours	Rate	Amount	Total
Expansion of the Metal Arts complex				\$207,278
100% balance owed on project completion. Net 30 days				
			Contract Total	\$207,278

By signing below, Contractor agrees to perform the Work in accordance with the Terms and Conditions for this Short Form Services and Replacement Contract:

CONTRACTOR:

Building Excellence LLC

BY (Sign & Print Name)

Brian Lauer Brian Lauer

DATE:

4/17/25

OWNER:

GREEN VALLEY RECREATION, INC.

BY: (Sign & Print Name)

DATE:

STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions (the "Terms") shall apply to the "Short Form Services and Replacement Contract" between Owner and Contractor and shall govern the work to be performed (the "Work") as set forth therein. These Terms shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective heirs, successors, personal representatives, and assigns. These Terms shall supersede any inconsistent provision of any incorporated and attached proposal.

SCOPE

Contractor represents that it has all proper licenses necessary or required to perform the Work. Contractor agrees to promptly perform the Work in a good and workmanlike manner and to furnish and provide all labor, professional services, materials, equipment, tools, utilities, supervision, shop drawings, transportation, insurance, and other resources, services and facilities of every kind and description necessary for the prompt and efficient performance of the Work. All materials supplied by Contractor shall be new and of high quality unless specifically agreed otherwise.

In performance of the Work, the Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of public authorities bearing on the performance of the Work. The Contractor shall secure and pay for all permits and government fees, licenses, and inspections, where required. In the event the Contractor fails to obtain necessary permits, the Contractor shall be liable for any and all fees and penalties, including any professional fees and services, necessary to obtain final approval from the relevant governing authority.

CHANGES

Either the Contractor or the Owner may request changes to the Work, but no change in the Work or these Terms, including changes in design, construction, materials, functionality, time of completion or the contract amount (the "Extra Work") shall be effective until a written Change Order has been signed by Contractor and Owner. Contractor shall not be entitled to any additional compensation or additional time for performance of the Work due to any extra work of any nature or description, whether resulting from unanticipated conditions, force majeure, Acts of God, changes made by Owner, changes made to accommodate a subcontractor of supplier, or otherwise, unless Contractor and Owner have signed a written Change Order. Failure by Contractor to obtain a signed Change Order prior to commencing Extra Work shall constitute a waiver by Contractor of any claim for Extra Work or for additional compensation or for additional time to complete the Extra Work.

WORKSITE SAFETY

The Contractor shall provide any and all required or necessary signage, barricades, and fencing as appropriate to prevent accidental entry into the Worksite by unauthorized individuals or appropriate to prevent accidental injury. Contractor shall take all safety precautions necessary to maintain a safe workplace in full compliance with all applicable rules and regulations relating to occupational health, safety, and to the prohibit the use of alcohol and drugs on the Worksite or other property of the Owner. The security of all property including but not limited to materials, tools, and equipment to be used in the performance of the Work and stored on or off the Worksite or while in transit to or from the Worksite shall be at the Contractor's risk and any losses, whether insured or not, shall be the responsibility of the Contractor.

CLEAN UP AND REPAIR

The Contractor shall keep the project free from accumulated waste materials or rubbish, in compliance with applicable environmental rules and regulations, from Contractor's operations or the operations of Contractor's subcontractors. At the completion of the Work, Contractor shall leave the Worksite "broom clean" or its equivalent.

Any modification or damage to the Worksite or Owner's property, including, but not limited to walls, fences, gates, landscaping, curbs, walkways, automobiles, or other personal property caused by the Contractor or Contractor's subcontractor shall be restored by the Contractor to a condition at least as good as it was before the commencement of the Work or as otherwise agreed to in writing by the Owner. If restoration is not possible, Owner may withhold payment in a reasonable amount necessary to restore the property or to adequately compensate Owner or the damaged party.

WARRANTIES AND GUARANTIES

In accordance with the Arizona Registrar of Contractors Workmanship Standards, Rule R4-9-108, or if not applicable then in accordance with these Terms, Contractor hereby warrants and guarantees all materials and/or workmanship provided by Contractor or Contractor's subcontractors against any defects for a period of twenty-four (24) months from the date of acceptance of the completed Work by the Owner, regardless of any warranty of lesser duration offered by any supplier of material or equipment provided or installed by the Contractor. Upon completion of the Work the Contractor shall: (a) provide the

Owner with copies of all manufacturer's warranties and guarantees on all equipment and materials provided along documentation required to initiate a

warranty; and (b) provide the Owner with a written and acknowledged statement that all subcontractors and material suppliers have been paid who performed work or supplied materials to the Worksite and stating that Contractor is not aware of any threatened liens, or other claims for payment.

INSURANCE

Contractor shall, at its sole expense and prior to the commencement of the Work, maintain insurance, verified by a Certificate of Insurance provided to the Owner, having at least the following minimums: (a) General Liability Insurance of \$1,000,000 per occurrence; (b) Auto Liability \$100,000 coverage; (c) Workers Compensation and Employer's Liability Insurance as required by Arizona law. The policy limits shown are the minimum acceptable limits of coverage and do not restrict, limit, or waive any obligations or responsibilities Contractor has under this Contract. If Contractor maintains or obtains limits in excess of these requirements, those limits shall apply for the benefit of the Owner.

INDEMNITY

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and its managers, members, officers, directors, employees, representatives and agents (individually and collectively referred to as the "Indemnitees"), for, from and against any and all claims, demands, causes of action, damage (compensatory and consequential), judgments, fines, penalties, settlements and all other losses arising from the performance or nonperformance of the Work (individually or collectively referred to as a "Claim" or "Claims") and all attorneys' fees, consultant fees, court costs (whether or not taxable by statute) and expenses incurred by Owner in the evaluation, settlement and satisfaction thereof. This duty to defend and indemnify extends to the maximum extent permitted by law, and includes, but is not limited to, any Claim, just or unjust or fraudulent, of any kind, nature or description whatsoever, whether sounding in tort, contract (including breach of these Terms), equity, the alleged violation of a civil or criminal law, or any other theory of liability, and whether the Claim is based on an alleged death, personal injury, sickness, property damage (including property damage to the Work), infringement, loss of use or any other economic loss, release of a chemical or byproduct or other substance regulated by applicable law, legal violations or other claimed damage. This duty to defend and indemnify shall apply without regard to whether the Claim is asserted by a public or private claimant and whether in an investigative, judicial or administrative proceeding, civil or criminal. This duty to defend and indemnify shall apply to claims asserting Indemnitees acted negligently, but Contractor shall not be required to indemnify Indemnitees for Indemnitees' sole negligence or intentional misconduct.

If a lien is recorded or a stop work notice is imposed as a result of action by Contractor and not as a direct result of any breach of these Terms by Owner, Contractor agrees to furnish and record, at no cost to Owner, such bond as is necessary, pursuant to A.R.S. §33-1004 or otherwise, to release and discharge Owner from any such lien or stop work notice and to defend and indemnify Owner from and against such claim.

PAYMENT

Upon completion of the Work, Owner may inspect Contractor's Work and either approve or disapprove the work. Owner shall have no obligation to pay Contractor unless and until the work is approved by Owner, which approval shall not be unreasonably withheld. Owner shall make payment in full to Contractor following Owner's approval, except that Owner may withhold a reasonable portion of final payment for damages caused or claims threatened or asserted as provided in these Terms. Owner's acceptance and final payment shall not waive any warranty obligation of Contractor. All payments are NET 30.

TERMINATION

Owner shall have the right to terminate Contractor, without any prior notice, if Contractor fails to maintain the required insurance under these Terms or for any material violation of occupational health or safety regulation. In the case of any other default under these Terms, Owner may terminate Contractor after giving notice of the default and if Contractor fails to reasonably correct the default. Upon termination, Contractor shall not be entitled to payment until the Work is completed and then shall be entitled to only to the Contract value less the cost of replacement Work performed.

DISPUTES

Any disputes arising out of relating to the Work or these Terms shall be resolved solely in a forum in Pima County, Arizona, and the successful party to any such action shall recover its attorneys' fees, expert witness fees, and costs (whether or not taxable). It is agreed that these Terms shall be interpreted as preserving any and all common law and tort remedies that Owner may have against Contractor which may exist as a result of claims that may arise pursuant to Contractor's performance of the Work.

____ GVR ____ Contractor

GVR
4/11/2025
Cash Funding Projections

All Amounts Are **Projections**

	Budget 2025	2025	2026	PROJECTION 2027	2028	2029
Initiatives						
Beginning Balance	\$ 1,033,544	\$ 993,705	\$ 859,809	\$ 744,152	\$ 471,199	\$ 113,516
Funding From Operations Revenue	\$ 547,770	\$ 520,382	\$ 611,855	\$ 637,440	\$ 702,338	\$ 682,338
Additional GVR Funding (Surplus)		\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Emergency	\$ 128,169	\$ 135,469				
Net Investment Earnings	\$ 48,562	\$ 46,209	\$ 68,013	\$ 80,606	\$ 47,979	\$ 26,528
Projects:						
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
DH Ceramics Kiln Room Code	\$ (90,000)	\$ (90,000)				
WC Lobby improvements	\$ (150,000)		\$ (150,000)			
Metal Shop Home	\$ (150,000)	\$ (243,000)				
DH Locker room	\$ (249,335)	\$ (91,956)				
LC Fitness Expand to Cypress					\$ (75,000)	
EC Lapidary Gas Manifold	\$ (43,000)					
WC Club Expansion - Lap & Art	\$ (991,524)	\$ (400,000)	\$ (634,524)			
WC Club Expansion - Woodworking				\$ (600,000)	\$ (600,000)	
LC Third Tennis Court				\$ (380,000)		
SRAL Lower Level Expansion					\$ (385,000)	
PBC & CR Pickleball Courts		\$ -				
SRS Social Patio						\$ (126,000)
SRS Fitness Center Expansion					\$ (37,000)	
Total for the Year	\$ (1,684,859)	\$ (835,956)	\$ (795,524)	\$ (991,000)	\$ (1,108,000)	\$ (137,000)
Ending Balance	\$ 73,186	\$ 859,809	\$ 744,152	\$ 471,199	\$ 113,516	\$ 685,381

Scott Somers:
Moved to Lap Exp

100% club funded



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Award Contract for Locker Room Improvements and Kiln Room Joists

Prepared By: Scott Somers, CEO

Meeting Date: April 23, 2025

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:

Administration

Action Requested:

Award a contract for the Desert Hills Locker Room Improvements and the Ceramic Club Kiln Room Joists, and authorize staff expend up to an additional 10% in change orders, if necessary.

Strategic Plan:

Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities

Summary:

The Board met in a Work Session on April 16th to discuss challenges with decreased revenue and higher than anticipated costs for capital projects. The low bid received for Desert Hills locker room and Ceramics Club kiln room improvements was \$687,000, but the amount budgeted was \$394,335 for all-in costs (\$249,335 from Initiatives for the locker room, and \$145,000 from MRR-A for the locker room).

Staff have gone back to the drawing board concerning the locker room project by maintaining the current foot print but have eliminated the outdoor shower and the companion restroom, as was planned, in the newest iteration. By leaving plumbing in its current location, costs have been significantly reduced. Further, by removing certain walls and extending lockers, we're able to achieve our primary goals of improving traffic flow and increasing the changing areas. Please see the attached revised plans. Based on these significant value engineer efforts, the updated bid has been reduced to \$343,822. Since this project is now primarily a rehab/remodel project, \$260,226 or 75.7% will be allocated to MRR-A, and \$83,596 or 24.3% will be allocated to Initiatives.

The remaining work to be completed in the Ceramics Kiln room includes electrical upgrades to allow for a 5th kiln, manufacture spacing recommendations, extension of the kiln room brick flooring, and any additional needed ventilation to reduce heat. \$90,000 in Initiatives remain for this portion of the project. Per updated CPM Procurement Policies, the CEO may authorize this work and expend necessary funds up to budgeted amounts or \$99,999, whichever is lesser.

Fiscal Impact:

Please refer to the Cash Funding Projections attachment

Board Options:

- 1) Award a contract for the Desert Hills Locker Room and the Ceramic Club Kiln Room Improvements to Building Excellence in an amount of \$343,822, and authorize staff expend up to an additional 10% in change orders, if necessary.
- 2) Direct staff to rebid the project.
- 3) Table any decision until later.

Staff Recommendation:

Option #1

Recommended Motion:

I move to award a contract for the Desert Hills Locker Room and the Ceramic Club Kiln Room Improvements to Building Excellence in an amount of \$343,822, and authorize staff expend up to an additional 10% in change orders, if necessary.

Attachments:

- 1) Contract
- 2) Updated Floor Plan
- 3) Cash Flow Projections



GREEN VALLEY RECREATION, INC.

SHORT-FORM CONTRACT

April 16, 2025**OWNER:**

GREEN VALLEY RECREATION, INC., An Arizona Corporation

333 W. Paseo del Prado, Green Valley, AZ 85614

Contact: Facilities Director, Natalie Whitman, Phone: 360-715-1197, Email: nataliew@gvrec.org

CONTRACTOR:

Building Excellence LLC

1860 W. Price Street, Tucson, AZ 85705

Office Phone: (520) 219-6993

Contact: Brian Lauer, Project Manager, (520) 585-7426, brian@buildingexcellence-llc.com

WORKSITE:

Desert Hills Center locker rooms, 2980 S. Camino Del Sol, Green Valley, AZ

DESCRIPTION OF WORK				
Project Name: Desert Hills Locker Rooms Renovation- Plan B				
Scope of Work: Renovate both men's and women's locker rooms with: new paint, tile, flooring, fixtures, and strengthening of 2 nd floor kiln room joists. Refer to the approved plans as well as the attached bid tabulation.				
Final payment made after acceptance by owner and presentation of final invoice with applicable lien releases. Contractor agrees to abide by the worksite safety procedures listed in the Standard Terms and Conditions (page 2). Price includes sales tax.				
Anticipated Start Date: late May-early June 2025			Anticipated Completion Date: August 2025	
Labor/Materials	Hours	Rate	Amount	Total
Locker Rooms renovation (includes all construction)				\$343,822
100% balance owed on project completion. Net 30 days				
			Contract Total	\$343,822

By signing below, Contractor agrees to perform the Work in accordance with the Terms and Conditions for this Short Form Services and Replacement Contract:

CONTRACTOR: Building Excellence LLCBY (Sign & Print Name) Brian Lauer Brian Lauer DATE: 4/17/25**OWNER:** GREEN VALLEY RECREATION, INC.

BY: (Sign & Print Name) _____ DATE: _____

STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions (the "Terms") shall apply to the "Short Form Services and Replacement Contract" between Owner and Contractor and shall govern the work to be performed (the "Work") as set forth therein. These Terms shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective heirs, successors, personal representatives, and assigns. These Terms shall supersede any inconsistent provision of any incorporated and attached proposal.

SCOPE

Contractor represents that it has all proper licenses necessary or required to perform the Work. Contractor agrees to promptly perform the Work in a good and workmanlike manner and to furnish and provide all labor, professional services, materials, equipment, tools, utilities, supervision, shop drawings, transportation, insurance, and other resources, services and facilities of every kind and description necessary for the prompt and efficient performance of the Work. All materials supplied by Contractor shall be new and of high quality unless specifically agreed otherwise.

In performance of the Work, the Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of public authorities bearing on the performance of the Work. The Contractor shall secure and pay for all permits and government fees, licenses, and inspections, where required. In the event the Contractor fails to obtain necessary permits, the Contractor shall be liable for any and all fees and penalties, including any professional fees and services, necessary to obtain final approval from the relevant governing authority.

CHANGES

Either the Contractor or the Owner may request changes to the Work, but no change in the Work or these Terms, including changes in design, construction, materials, functionality, time of completion or the contract amount (the "Extra Work") shall be effective until a written Change Order has been signed by Contractor and Owner. Contractor shall not be entitled to any additional compensation or additional time for performance of the Work due to any extra work of any nature or description, whether resulting from unanticipated conditions, force majeure, Acts of God, changes made by Owner, changes made to accommodate a subcontractor of supplier, or otherwise, unless Contractor and Owner have signed a written Change Order. Failure by Contractor to obtain a signed Change Order prior to commencing Extra Work shall constitute a waiver by Contractor of any claim for Extra Work or for additional compensation or for additional time to complete the Extra Work.

WORKSITE SAFETY

The Contractor shall provide any and all required or necessary signage, barricades, and fencing as appropriate to prevent accidental entry into the Worksite by unauthorized individuals or appropriate to prevent accidental injury. Contractor shall take all safety precautions necessary to maintain a safe workplace in full compliance with all applicable rules and regulations relating to occupational health, safety, and to the prohibit the use of alcohol and drugs on the Worksite or other property of the Owner. The security of all property including but not limited to materials, tools, and equipment to be used in the performance of the Work and stored on or off the Worksite or while in transit to or from the Worksite shall be at the Contractor's risk and any losses, whether insured or not, shall be the responsibility of the Contractor.

CLEAN UP AND REPAIR

The Contractor shall keep the project free from accumulated waste materials or rubbish, in compliance with applicable environmental rules and regulations, from Contractor's operations or the operations of Contractor's subcontractors. At the completion of the Work, Contractor shall leave the Worksite "broom clean" or its equivalent.

Any modification or damage to the Worksite or Owner's property, including, but not limited to walls, fences, gates, landscaping, curbs, walkways, automobiles, or other personal property caused by the Contractor or Contractor's subcontractor shall be restored by the Contractor to a condition at least as good as it was before the commencement of the Work or as otherwise agreed to in writing by the Owner. If restoration is not possible, Owner may withhold payment in a reasonable amount necessary to restore the property or to adequately compensate Owner or the damaged party.

WARRANTIES AND GUARANTIES

In accordance with the Arizona Registrar of Contractors Workmanship Standards, Rule R4-9-108, or if not applicable then in accordance with these Terms, Contractor hereby warrants and guarantees all materials and/or workmanship provided by Contractor or Contractor's subcontractors against any defects for a period of twenty-four (24) months from the date of acceptance of the completed Work by the Owner, regardless of any warranty of lesser duration offered by any supplier of material or equipment provided or installed by the Contractor. Upon completion of the Work the Contractor shall: (a) provide the

Owner with copies of all manufacturer's warranties and guarantees on all equipment and materials provided along documentation required to initiate a

warranty; and (b) provide the Owner with a written and acknowledged statement that all subcontractors and material suppliers have been paid who performed work or supplied materials to the Worksite and stating that Contractor is not aware of any threatened liens, or other claims for payment.

INSURANCE

Contractor shall, at its sole expense and prior to the commencement of the Work, maintain insurance, verified by a Certificate of Insurance provided to the Owner, having at least the following minimums: (a) General Liability Insurance of \$1,000,000 per occurrence; (b) Auto Liability \$100,000 coverage; (c) Workers Compensation and Employer's Liability Insurance as required by Arizona law. The policy limits shown are the minimum acceptable limits of coverage and do not restrict, limit, or waive any obligations or responsibilities Contractor has under this Contract. If Contractor maintains or obtains limits in excess of these requirements, those limits shall apply for the benefit of the Owner.

INDEMNITY

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and its managers, members, officers, directors, employees, representatives and agents (individually and collectively referred to as the "Indemnitees"), for, from and against any and all claims, demands, causes of action, damage (compensatory and consequential), judgments, fines, penalties, settlements and all other losses arising from the performance or nonperformance of the Work (individually or collectively referred to as a "Claim" or "Claims") and all attorneys' fees, consultant fees, court costs (whether or not taxable by statute) and expenses incurred by Owner in the evaluation, settlement and satisfaction thereof. This duty to defend and indemnify extends to the maximum extent permitted by law, and includes, but is not limited to, any Claim, just or unjust or fraudulent, of any kind, nature or description whatsoever, whether sounding in tort, contract (including breach of these Terms), equity, the alleged violation of a civil or criminal law, or any other theory of liability, and whether the Claim is based on an alleged death, personal injury, sickness, property damage (including property damage to the Work), infringement, loss of use or any other economic loss, release of a chemical or byproduct or other substance regulated by applicable law, legal violations or other claimed damage. This duty to defend and indemnify shall apply without regard to whether the Claim is asserted by a public or private claimant and whether in an investigative, judicial or administrative proceeding, civil or criminal. This duty to defend and indemnify shall apply to claims asserting Indemnitees acted negligently, but Contractor shall not be required to indemnify Indemnitees for Indemnitees' sole negligence or intentional misconduct.

If a lien is recorded or a stop work notice is imposed as a result of action by Contractor and not as a direct result of any breach of these Terms by Owner, Contractor agrees to furnish and record, at no cost to Owner, such bond as is necessary, pursuant to A.R.S. §33-1004 or otherwise, to release and discharge Owner from any such lien or stop work notice and to defend and indemnify Owner from and against such claim.

PAYMENT

Upon completion of the Work, Owner may inspect Contractor's Work and either approve or disapprove the work. Owner shall have no obligation to pay Contractor unless and until the work is approved by Owner, which approval shall not be unreasonably withheld. Owner shall make payment in full to Contractor following Owner's approval, except that Owner may withhold a reasonable portion of final payment for damages caused or claims threatened or asserted as provided in these Terms. Owner's acceptance and final payment shall not waive any warranty obligation of Contractor. All payments are NET 30.

TERMINATION

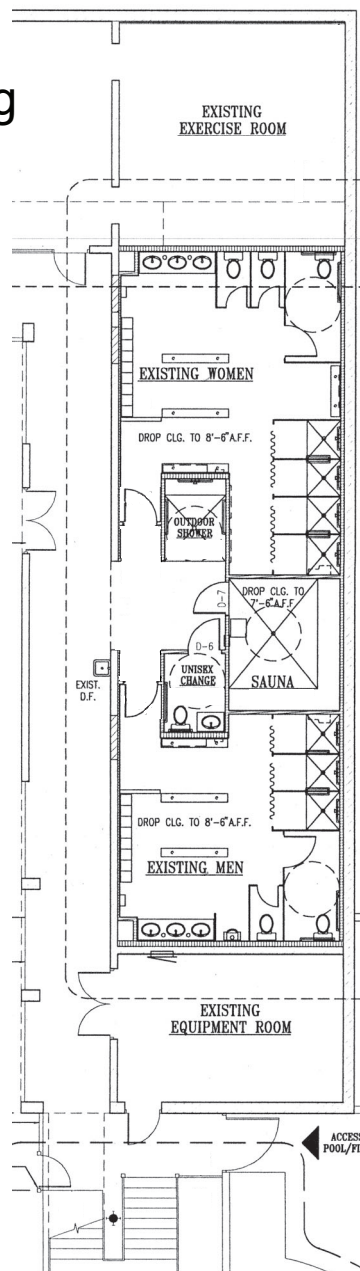
Owner shall have the right to terminate Contractor, without any prior notice, if Contractor fails to maintain the required insurance under these Terms or for any material violation of occupational health or safety regulation. In the case of any other default under these Terms, Owner may terminate Contractor after giving notice of the default and if Contractor fails to reasonably correct the default. Upon termination, Contractor shall not be entitled to payment until the Work is completed and then shall be entitled to only to the Contract value less the cost of replacement Work performed.

DISPUTES

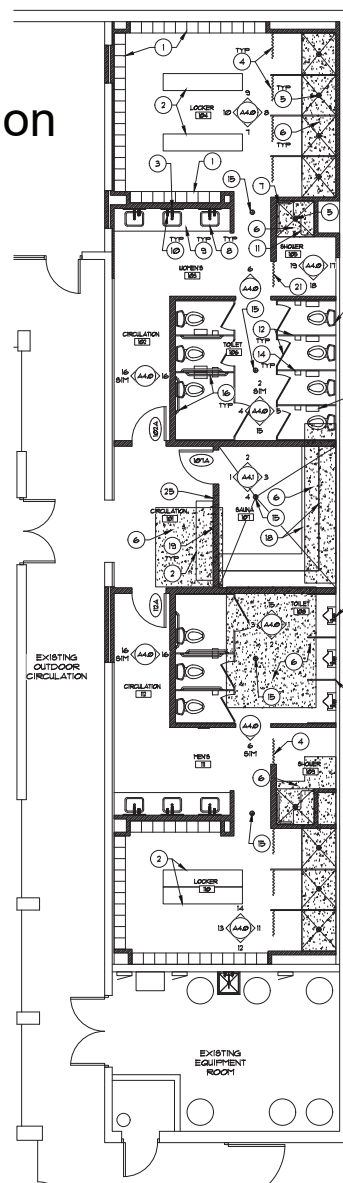
Any disputes arising out of relating to the Work or these Terms shall be resolved solely in a forum in Pima County, Arizona, and the successful party to any such action shall recover its attorneys' fees, expert witness fees, and costs (whether or not taxable). It is agreed that these Terms shall be interpreted as preserving any and all common law and tort remedies that Owner may have against Contractor which may exist as a result of claims that may arise pursuant to Contractor's performance of the Work.

____ GVR ____ Contractor

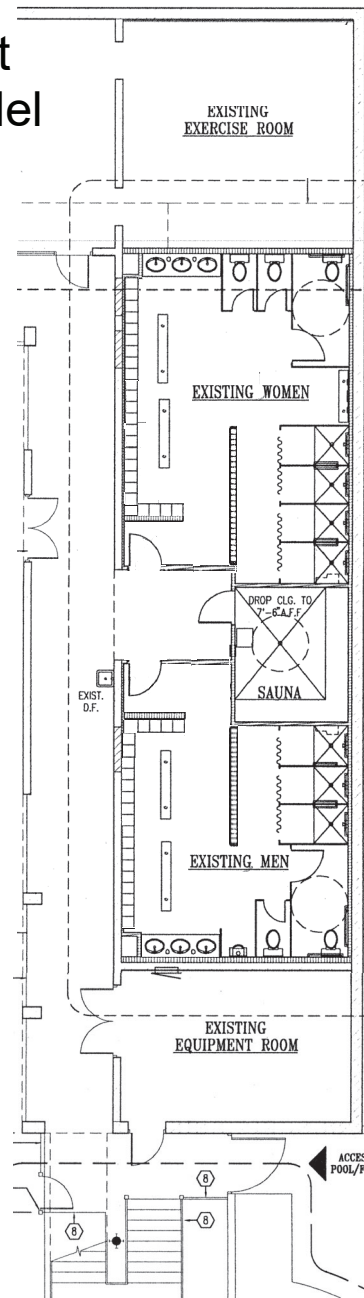
Existing



Original
Expansion
Plan



Current
Remodel
Plan



Desert Hills Locker Room Update 04-03-2025
2980 S. Camino Del Sol
Green Valley, AZ 85622

GVR
4/11/2025
Cash Funding Projections

All Amounts Are **Projections**

	Budget 2025	2025	2026	PROJECTION 2027	2028	2029
Initiatives						
Beginning Balance	\$ 1,033,544	\$ 993,705	\$ 859,809	\$ 744,152	\$ 471,199	\$ 113,516
Funding From Operations Revenue	\$ 547,770	\$ 520,382	\$ 611,855	\$ 637,440	\$ 702,338	\$ 682,338
Additional GVR Funding (Surplus)		\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Emergency	\$ 128,169	\$ 135,469				
Net Investment Earnings	\$ 48,562	\$ 46,209	\$ 68,013	\$ 80,606	\$ 47,979	\$ 26,528
Projects:						
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
DH Ceramics Kiln Room Code	\$ (90,000)	\$ (90,000)				
WC Lobby improvements	\$ (150,000)		\$ (150,000)			
Metal Shop Home	\$ (150,000)	\$ (243,000)				
DH Locker room	\$ (249,335)	\$ (91,956)				
LC Fitness Expand to Cypress					\$ (75,000)	
EC Lapidary Gas Manifold	\$ (43,000)					
WC Club Expansion - Lap & Art	\$ (991,524)	\$ (400,000)	\$ (634,524)			
WC Club Expansion - Woodworking				\$ (600,000)	\$ (600,000)	
LC Third Tennis Court				\$ (380,000)		
SRAL Lower Level Expansion					\$ (385,000)	
PBC & CR Pickleball Courts		\$ -				
SRS Social Patio						\$ (126,000)
SRS Fitness Center Expansion					\$ (37,000)	
Total for the Year	\$ (1,684,859)	\$ (835,956)	\$ (795,524)	\$ (991,000)	\$ (1,108,000)	\$ (137,000)
Ending Balance	\$ 73,186	\$ 859,809	\$ 744,152	\$ 471,199	\$ 113,516	\$ 685,381

Scott Somers:
Moved to Lap Exp

100% club funded



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Announce Committee Members for 2025-26

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: April 23, 2025

Presented By: Kathi Bachelor, President

Consent Agenda: No

Originating Committee / Department:

Board President

Action Requested:

President Bachelor states the Committee members for the Audit, Board Affairs, Fiscal Affairs, Investment, Nominations and Elections, and Planning and Evaluation Committees.

Strategic Plan:

GOAL 5: Provide sound, effective governance and leadership for the corporation

Background Justification:

Corporate Policy Manual Part 3: Committees, Section 1 General, 3.1.1.G states: Committee members shall be GVR members in good standing and must submit an application for a Committee appointment. The President, Chairperson, and CEO will review applications. After review of the applications the Chairperson will select Committee members and inform the Board of the appointments at the April meeting. Staff, as liaisons to the Committees, will be selected by the CEO. Vacancies on the Committee during the year may be filled by the Chairperson after consulting with the President.

Attachments:

- 1) Committee List

Committee Members for 2025-26

Audit Committee – Bev Lawless, Chair <ul style="list-style-type: none"> • Peggy Adelman • Bert Olson • Lanny Smith - Board Director • Sam Gorsline 	Investment Committee – Lanny Smith, Chair <ul style="list-style-type: none"> • Bob Quast • Eric Sullwold • Dale Howard • Steve Wilhelm • Tony Morley • Michael Cataldo • George Losleben • Bev Lawless – Board Director
Board Affairs Committee – Candy English, Chair <ul style="list-style-type: none"> • Nellie Johnson – Board Director • Bart Hillyer – Board Director • Patricia Reynolds • Beth Dingman • Ed Knop 	Nominations & Elections – April Hasson Hillard, Chair <ul style="list-style-type: none"> • Beth Dingman • Betsy Walton • Connie Johnson • Candy English – Board Director
Fiscal Affairs Committee – Nellie Johnson, Chair <ul style="list-style-type: none"> • Barry Stock • Betsy Walton • Patricia Reynolds • Bob Quast • Priscilla Spurgeon • Eric Sullwold • Dale Howard • Steve Reynolds - Board Director 	Planning & Evaluation – Steve Reynolds, Chair <ul style="list-style-type: none"> • Barry Stock • Dave Barker • Maria Acevedo • Stewart Tagg • Ed Knop • April Hasson Hillard – Board Director



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Discuss and Approve Annual Meeting Minutes

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: April 23, 2025

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department: Administration
Action Requested: Discuss Board direction for approval of the Annual Meeting Minutes from 2024.
Strategic Plan: GOAL 5: Provide sound, effective governance and leadership for the corporation
Background Justification: <p>Staff inadvertently omitted from the 2025 Membership ballot the 2024 Annual Meeting minutes for approval by the membership. The history of the approval of the Annual Meeting Minutes for GVR shows members voted in person for Board Directors and Annual Minutes from 1978-2006; the Board of Directors approved the Annual Minutes at the April meeting from 2008-2014; and the Annual Minutes were approved by membership through the ballot from 2015 - 2023.</p> <p>The GVR Attorney stated the GVR Bylaws, Articles of Incorporation, the Corporate Policy Manual or the Non-Profit Act do not expressly state anything about Membership or Board approval of the minutes. It is basically a custom that members approve membership meeting minutes. He suggested two scenarios the Board could choose from: 1) The Board of Directors approve the Annual Meeting Minutes at the April 23, 2025, Regular meeting, or 2) The membership can approve two sets of minutes on the 2026 election ballot.</p>
Fiscal Impact: None
Board Options: <ol style="list-style-type: none"> 1) Board approves the Annual Meeting Minutes for 2024. 2) Board moves the approval of the Annual Meeting Minutes for 2024 to the 2026 Ballot.
Staff Recommendation: Option #1
Recommended Motion: <i>Move to approve the Annual Meeting Minutes from the 2024 Annual Meeting.</i>
Attachments: <ol style="list-style-type: none"> 1) 2024 Annual Meeting Minutes



2024 ANNUAL MEETING OF THE CORPORATION

Wednesday, March 27, 2024 – 9:00am
West Center Auditorium / Zoom

MINUTES

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Bev Lawless, Scott Somers (non-voting)

Absent: Steve Gilbert, Richard Sutherland

Staff Present: Steve Kindred (Recreation Program Director), Chris McNeely (Human Resources Manager), Steve Mendoza (Facilities Director), Nanci Moyo (Administrative Supervisor), Howey Murray (Finance Manager), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Guests: 2024 Incoming Directors: Candy English and Nellie Johnson

Visitors: 37

1. Call to Order

President Marge Garneau called the meeting to order at 9:05am MST.

2. Presentations

A. Election Results – N&E Chair Beth Dingman - Announced

- 1) Report on Quorum
12,265 Members eligible to vote – 1,226 votes necessary to obtain a quorum, 3,273 (26.7%) return
- 2) Election of Directors/Minutes/Adoption of the Amended and Restated Bylaws
Nellie Johnson 2017
Carol Crothers 1755
Candy English 1416
Bart Hillyer 1416
Dave Barker 1407
Steve Gilbert 1327

3) 2024 Bylaw Amendments

All proposed Bylaw Amendments passed. The following are the revised amendments.

VOTING RIGHTS (Question 1) For: 92.2% Against: 7.8%
ARTICLE II - MEMBERSHIP PROPERTY AND MEMBERS
Section 6: Voting Rights, A., C., and add F.

A. A GVR Member in good standing is entitled to one (1) vote for each GVR Property owned; provided, however, that there shall be only one (1) vote per GVR Property. If any GVR Member casts a vote representing a certain GVR property, it will thereafter be conclusively presumed for all purposes that such individual was acting with the authority and consent of all other owners of the same GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, only the first vote cast, shall be counted.

C. All voting by GVR Members shall be by written ballot or electronic voting, consistent with Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.

F. A GVR Member in good standing has the right to serve on the Board of Directors provided no other member of the household (whether related by marriage, cohabitation, or otherwise) is on the Board during the same time period.

NUMBER OF DIRECTORS (Question 2) For: 75.8% Against: 24.2%
ARTICLE IV - BOARD OF DIRECTORS
Section 1: Number of Directors

The affairs of GVR shall be governed by a Board of Directors consisting of nine (9) voting members who shall be elected from the members of The Corporation who have voting rights as defined in Article II - Section 6.

ARTICLE V - ELECTION OF DIRECTORS
Section 1: Term of Office

A. The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of three (3) Directors shall expire and three (3) Directors shall be elected for a term of three (3) years to succeed those Directors whose terms expire. No Director may serve more than two (2) consecutive terms including time served as an appointed Director. A former Director may be re-elected after one (1) or more years' absence from the Board.

LIMITS OF AUTHORITY (Question 3) For: 76.4% Against: 23.6%
ARTICLE VI - POWER, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS
Section 2: Limits of Authority and Indebtedness

The Board of Directors is not authorized to enter into any contract for new or initiative-type capital projects that exceeds twelve percent (12%) of the latest audited approved annual net revenue (does not include investments). Any contract for new or initiative-type capital projects that exceeds this figure, shall only be valid if approved, in advance,

by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirements of this section.

VOTING METHODS (Question 4) For: 91.5% Against: 8.5%

ARTICLE XI - MEMBERSHIP VOTING

Section 1: Voting at a Meeting

Section 2: Alternative Voting Methods (Section 1 and 2 Combined in Proposed)

The election of Directors, the amendment of bylaws and any matter that requires approval of the members, and any action, including proposed amendments to these bylaws or the election of Directors, which can be taken by the members of GVR at an Annual or Special Meeting of said members, shall be taken by written ballot communicated to and received from every GVR Member entitled to vote by either mail, email, or other written form of communication as the Board of Directors shall determine from time to time, including online electronic voting, with the same force and effect as though acted upon at an Annual or Special Meeting.

AVAILABILITY OF RECORDS (Question 5) For: 87.2% Against: 12.8%

ARTICLE XII - MISCELLANEOUS

Section 2: Availability of Records

The books, records and papers of The Corporation shall, for specific and proper purpose, and consistent with the applicable provisions of the Arizona Nonprofit Act, at all reasonable times during business hours be subject to examination by any GVR Member or any Assigned Member that has been given voting rights, upon written demand to The Corporation at least five (5) business days before the requested examination date.

4) Approved Annual Minutes For: 97.6% Against: 2.4%

B. **President's Report** – President Garneau

- Thanked the Board of Directors, staff, and members for a great year which included: The bylaw amendments were all approved; new fitness center at Desert Hills; Glass Arts have a permanent home at Santa Rita Springs; Canoa Hills has been updated; and Del Sol Clubhouse is being completed.
- Appreciation awards for outgoing directors: Laurel Dean, Ted Boyett, Steve Gilbert, and Richard Sutherland.

C. **2023 Audit Report** – R & A CPAs

David Webster, CFO, introduced the R & A CPAs, Karly Meza and Ralph Gigliotti, to present the 2023 Audit.

- There were no difficulties encountered in performing the audit. The GVR staff worked well with the auditors and any requested documentation was always met or exceeded by staff. Five minor adjustments and six reclassifications were made which were standard.
- No disagreements with management and no matters requiring communication to the Board.
- The audit report is an unmodified opinion often referred to as a “clean opinion.”
- No material weaknesses and noted no other matters for management consideration. Recommendations from last year's audited were implemented.

- One recommendation to the Finance Department was enhanced oversight when there is a transition of duties.

D. Year-End Review – CEO Scott Somers

- Thanked the auditors, the CFO, and staff for a great audit.
- The Mission statement states GVR is here to enhance the quality of members' lives.
- 13,677 member households an increase of 27 over 2022 and 22,342 individual members an increase of 19 over 2022.
- Increase in guest passes, tenant passes and LifeCare member passes issued.
- To do list for 2023: Upgrade Desert Hills Fitness Center and Studio (Completed); Build a Glass Arts Studio (Completed); Canoa Hills Renovation (Completed); launch a new website (Launched and ongoing); commence final Del Sol Clubhouse improvements (underway); plan expansion of Ceramics, Woodshop, and Metal shop (continue planning); improve Center security (ongoing); evaluate expansion of Las Campanas and Santa Rita Springs fitness centers (has not begun); and book new classes and a fresh approach to trips and tours (ongoing).
- 2023 Member Survey: Top three member priorities – 1) Pursue greater operational efficiency. There has been reorganized field and customer services, consolidated three recreation catalogs into one, ongoing transition to LED lighting, 1.5% reduction in 2024 operating budget; 2) Complete capital projects and facility improvements; and 3) Continue to improve Board functionality, professionalism, and productivity with orientation and trainings of Board Directors.
- GVR Recreation: 66 fitness orientations conducted; increased personal trainers from three to eight; reduced equipment down time; and expanded offerings including indoor cycling, boxing, aqua Zumba and more.
- Performance and Entertainment: 33 events were supported by 92 A&E volunteers. New options include complimentary yoga; increased comedy shows; pop-up poolside events; paint and sip events.
- Leisure education programs: 599 courses offered; 7,038 enrollments; 171 courses full; 94 courses with a wait list.
- Clubs: 59 clubs with 9,526 club members, 413 more than 2022. Popular clubs are pickleball, computer club, photography, woodworking, Amigas, Forums, hiking, tennis, clay, and meditation. There are 14 sports clubs, 12 arts and crafts clubs, 10 social clubs, 15 card and games clubs, and special interest clubs.
- Board and Committees: 14 Board Directors served this year (2 resigned during the year), and 36 Committee members served on six committees.
- Staff: 82 full-time staff and 22 part-time staff as of December 31, 2023.
- Moving forward in 2024: Improving the kiln room for ceramics club; complete the Del Sol Clubhouse; continue West Center club space enhancements; receiving member outreach for Desert Hills Locker room renovation and Canoa Hills gymnasium conversion; new facility use policies to improve efficiency and member access to rooms.

3. Member Comments: 0

4. Adjournment: Meeting was adjourned at 10:08am MST.



Green Valley Recreation, Inc.
Board of Directors Regular Meeting
Approve Annual Board Calendar

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: April 23, 2025

Presented By: Kathi Bachelor, President

Consent Agenda: No

Originating Committee / Department: Administration
Action Requested: Review and approve the Board Calendar.
Strategic Plan: GOAL 5: Provide sound, effective governance and leadership for the corporation
Background Justification: <p>The Corporate Policy Manual states in Part 2 Board of Directors, Section 3 Meetings, 2.3.1.D.5: A tentative annual meeting schedule shall be approved by the Board at its first Regular Meeting following the Annual Meeting.</p> <p>At the Special Meeting on March 26, 2025, the Board held a discussion on different options for the Annual Calendar: 1) Meeting every other month and adding meetings if needed; 2) Hold a meeting every month unless not needed; and 3) Take a month off in the summer and around the holidays. Staff was asked to review these options with the needs of the Corporation in mind, and bring a proposed Annual calendar to the Board for approval.</p>
Fiscal Impact: None
Board Options: <ol style="list-style-type: none"> 1) Approve the proposed Annual Board Calendar. 2) Amend the proposed Annual Board Calendar.
Staff Recommendation: Option #1
Recommended Motion: <i>Move to approve the Annual Board Calendar taking the month of July and December off, and putting "if needed" on the months of May and September.</i>
Attachments: <ol style="list-style-type: none"> 1) Proposed Annual Board Calendar



BOARD OF DIRECTORS

Thursday, April 17, 2025

2024-2025 MEETING SCHEDULE

(Tentative)

BOD Work Sessions / BOD Meetings

Date	Time	Loc	Type	Agenda Items	Presenter
Wednesday, April 24, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, May 8, 2024	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, May 22, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, June 12, 2024	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, June 26, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, July 10, 2024	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, July 24, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting - Tentative		
Wednesday, August 14, 2024	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, August 28, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, September 11, 2024	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, September 25, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, October 9, 2024	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, October 23, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, November 13, 2024	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, January 8, 2025	2pm	WC/Auditorium	Board of Directors Work Session - Tentative Or Executive Session Below		
Wednesday, January 8, 2025	2pm	WC Room 2	Board of Directors Executive Session		
Wednesday, January 22, 2025	2pm	WC/Auditorium	Board of Directors Regular Meeting		

BOD Work Sessions / BOD Meetings

Date	Time	Loc	Type	Agenda Items	Presenter
Wednesday, February 12, 2025	2pm	WC/Auditorium	Board of Directors Work Session - Tentative		
Wednesday, February 26, 2025	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, March 19, 2025	2pm	WC/Auditorium	Board of Directors Regular Meeting		
Wednesday, March 26, 2025	9am	WC/Auditorium	Annual Meeting		



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Lapidary Expansion Budget Adjustment

Prepared By: Scott Somers, CEO

Meeting Date: April 23, 2025

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department: Administration
Action Requested: Adjust the 2025 Capital Budget by moving \$43,000 from the gas manifold line item to the Lapidary/Artisan Shop Expansion line item.
Strategic Plan: Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities
Summary: The Board met in a Work Session on April 16 th to discuss and review anticipated projects concerning the 2025 Capital Budget. One such recommended change was moving \$43,000 from the gas manifold line item to the Lapidary/Artisan Shop Expansion line item, at the Lapidary Club's request. The Board is therefore asked to approve this requested budget adjustment.
Fiscal Impact: No additional cost to the Capital Budget.
Board Options: <ol style="list-style-type: none"> 1) Adjust the 2025 Capital Budget by moving \$43,000 from the gas manifold line item to the Lapidary/Artisan Shop Expansion line item. Direct staff to rebid the project. 2) Maintain the gas manifold line item as it is. 3) Table any decision until later.
Staff Recommendation: Option #1
Recommended Motion: <i>I move to adjust the 2025 Capital Budget by moving \$43,000 from the gas manifold line item to the Lapidary/Artisan Shop Expansion line item.</i>
Attachments: <ol style="list-style-type: none"> 1) 2025 Capital Budget and Projected Capital Budget

GVR
4/11/2025
Cash Funding Projections

All Amounts Are **Projections**

	Budget 2025	2025	2026	PROJECTION 2027	2028	2029
Initiatives						
Beginning Balance	\$ 1,033,544	\$ 993,705	\$ 859,809	\$ 744,152	\$ 471,199	\$ 113,516
Funding From Operations Revenue	\$ 547,770	\$ 520,382	\$ 611,855	\$ 637,440	\$ 702,338	\$ 682,338
Additional GVR Funding (Surplus)		\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Emergency	\$ 128,169	\$ 135,469				
Net Investment Earnings	\$ 48,562	\$ 46,209	\$ 68,013	\$ 80,606	\$ 47,979	\$ 26,528
Projects:						
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
DH Ceramics Kiln Room Code	\$ (90,000)	\$ (90,000)				
WC Lobby improvements	\$ (150,000)		\$ (150,000)			
Metal Shop Home	\$ (150,000)	\$ (243,000)				
DH Locker room	\$ (249,335)	\$ (91,956)				
LC Fitness Expand to Cypress					\$ (75,000)	
EC Lapidary Gas Manifold	\$ (43,000)					
WC Club Expansion - Lap & Art	\$ (991,524)	\$ (400,000)	\$ (634,524)			
WC Club Expansion - Woodworking				\$ (600,000)	\$ (600,000)	
LC Third Tennis Court				\$ (380,000)		
SRAL Lower Level Expansion					\$ (385,000)	
PBC & CR Pickleball Courts		\$ -				
SRS Social Patio						\$ (126,000)
SRS Fitness Center Expansion					\$ (37,000)	
Total for the Year	\$ (1,684,859)	\$ (835,956)	\$ (795,524)	\$ (991,000)	\$ (1,108,000)	\$ (137,000)
Ending Balance	\$ 73,186	\$ 859,809	\$ 744,152	\$ 471,199	\$ 113,516	\$ 685,381

Scott Somers:
Moved to Lap Exp

100% club funded