AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, April 22, 2026 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Bart Hillyer, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
2. **Amend/Adopt Agenda**
3. **Presentation**
   A. **Quarterly Financial Presentation (Dixon)**
4. **President's Report**
5. **CEO Report**
6. **Committee Reports**
   A. Audit - Barker
   B. Board Affairs - Reynolds
   C. Fiscal Affairs - Smith
   D. Investments -Hillyer
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 18, 2026
      2) BOD Special Meeting Minutes: March 25, 2026
      3) BOD Special Meeting Minutes: April 1, 2026
      4) BOD Special Meeting Minutes: April 8, 2026
   B. Financial Statements:
      1) March Financials
8. **Action Items**
   A. Approval of South Abrego Pool Concept Drawings (Somers)
   B. Award the Contract for the West Center Member Services Expansion (Somers)
   C. Approval of Committee Member Appointments (Somers)
   D. Audit Committee Recommendation for Acceptance of the 2025 Audit (Dixon)
9. Informational Work Plan Report
10. **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.
11. **Adjournment**

GREEN VALLEY RECREATION

Quarterly Financial Summary
1st Quarter 2026

Green Valley Recreation

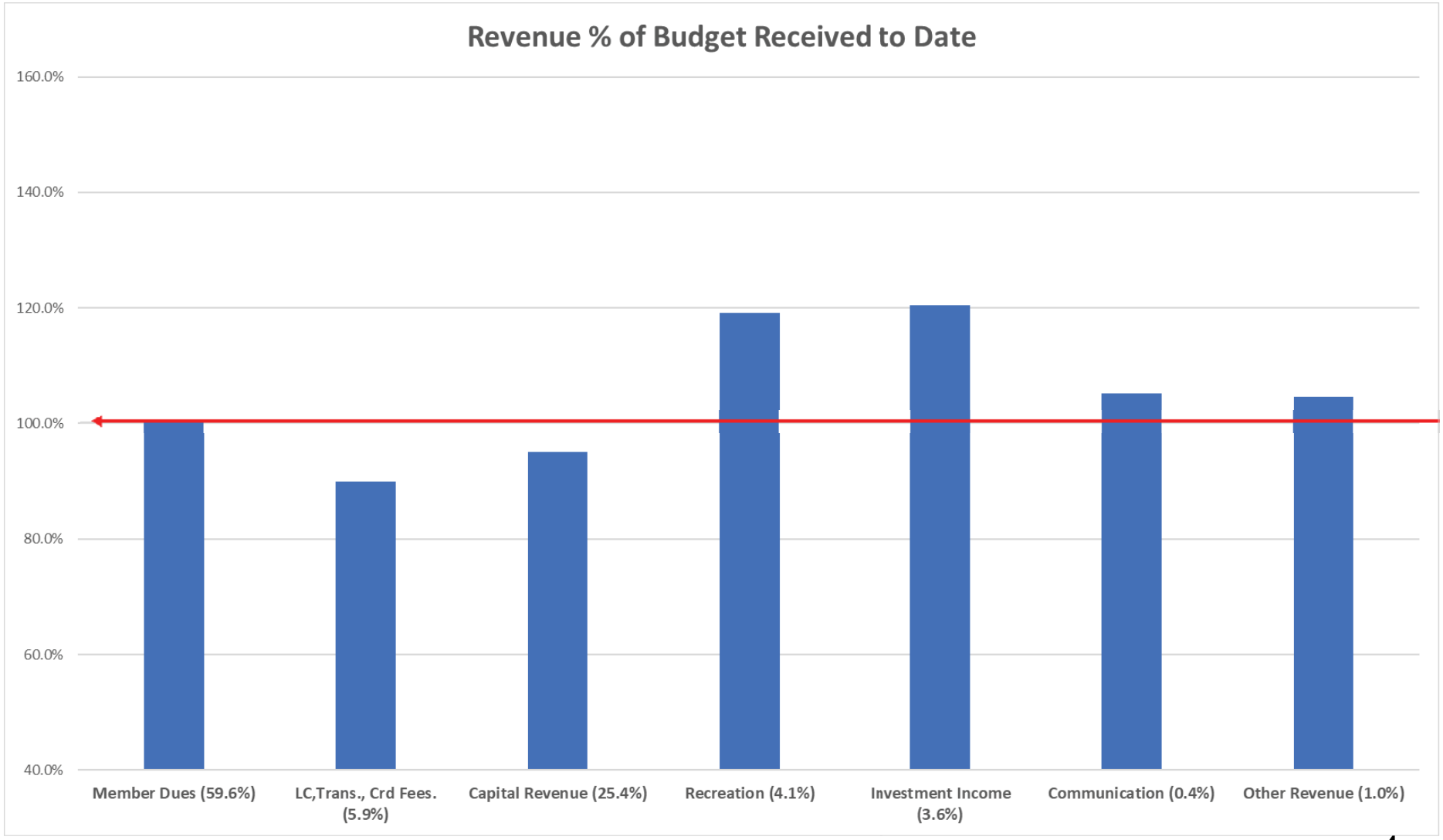
Revenue Summary

For Fiscal Year Ending Dec 31, 2026

January through March 2026

	2026 Annual Budget	January - March YTD Budget	January - March Jan - Mar Actual	January - March % of Variance	Prior Year FY 2025 1Q YTD	Prior Year Var. from Prior Year %	Prior Year Var. from Prior Year $	TOTAL YEAR 2026 Projected Apr - Dec 2026	TOTAL YEAR 2026 Total Jan-Dec 2026 Actual	TOTAL YEAR 2026 Approved Budget 2026	TOTAL YEAR 2026 Total Actual Variance	TOTAL YEAR 2026 % of Budget Variance
Revenue:												
Member Dues	$ 7,568,960	$ 1,892,240	$ 1,895,367	0.2%	$ 1,841,551	2.8%	$ 53,816	$ 5,686,101	**$ 7,581,467**	$ 7,568,960	$ 12,507	0.2%
LC,Trans., Crd Fees.	800,700	281,121	252,936	(10.0%)	243,962	3.7%	8,974	$ 467,694	**$ 720,630**	$ 800,700	$ (80,070)	(11.1%)
Capital Revenue	2,860,800	713,031	678,016	(4.9%)	705,816	(3.9%)	(27,800)	$ 2,049,048	**$ 2,727,064**	$ 2,860,800	$ (133,736)	(4.9%)
Recreation	1,069,456	371,584	442,758	19.2%	352,921	25.5%	89,837	$ 828,275	**$ 1,271,033**	$ 1,069,456	$ 201,577	15.9%
Investment Income	435,000	108,750	130,997	20.5%	130,886	0.1%	111	$ 392,992	**$ 523,989**	$ 435,000	$ 88,989	17.0%
Communication	48,919	12,230	12,864	5.2%	12,461	3.2%	403	$ 38,592	**$ 51,456**	$ 48,919	$ 2,537	4.9%
Other Revenue	139,970	57,631	60,286	4.6%	55,207	9.2%	5,079	$ 150,859	**$ 211,146**	$ 139,970	$ 71,176	33.7%
Total Revenue	12,923,805	3,436,587	3,473,225	1.1%	$ 3,342,804	3.9%	$ 130,420	$ 9,613,561	**$ 13,086,785**	$ 12,923,805	$ 162,981	1.2%

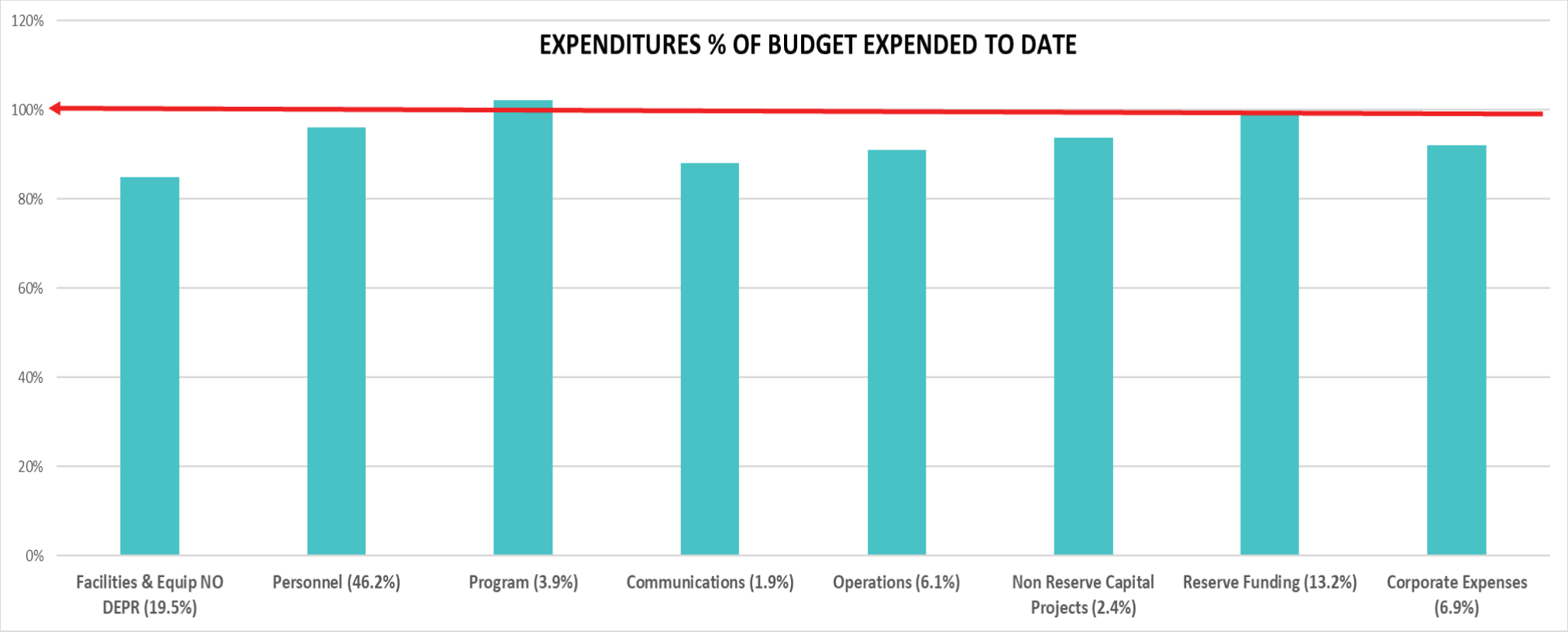
Revenue Summary



Expense Summary

	January through March 2026							TOTAL YEAR 2026				
	2026 Annual Budget	January - March YTD Budget	January - March Jan - Mar Actual	January - March % of Variance	Prior Year FY 2025 1Q YTD	Prior Year Var. from Prior Year %	Prior Year Var. from Prior Year $	Projected Apr - Dec 2026	Total Jan-Dec 2026 Actual	Approved Budget 2026	Total Actual Variance	% of Budget Variance
Expenditures:												
Facilities & Equipment (NO DEPRECIATION)	$ 2,055,537	$ 554,044	$ 470,222	15.1%	$ 569,992	17.5%	$ 99,770	$ 1,380,667	$ **1,850,889**	$ 2,055,537	$ 204,648	10.0%
Personnel	5,837,665	1,475,994	1,419,051	3.9%	1,410,118	(0.6%)	$ (8,933)	$ 4,257,152	$ **5,676,203**	$ 5,837,665	$ 161,462	2.8%
Program	798,380	306,755	313,661	(2.3%)	296,780	(5.7%)	$ (16,881)	$ 579,793	$ **893,453**	$ 798,380	$ (95,073)	(11.9%)
Communications	248,069	57,642	50,804	11.9%	63,018	19.4%	$ 12,213	$ 162,413	$ **213,218**	$ 248,069	$ 34,851	14.0%
Operations	715,790	157,687	143,586	8.9%	121,887	(17.8%)	$ (21,699)	$ 480,758	$ **624,344**	$ 715,790	$ 91,446	12.8%
Corporate Expenses	914,923	240,735	221,751	7.9%	170,704	(29.9%)	$ (51,047)	$ 675,254	$ **897,006**	$ 914,923	$ 17,917	2.0%
Total Expenditures	10,570,364	2,792,857	2,619,076	6.2%	2,632,498	0.5%	$ 13,423	7,536,037	**10,155,112**	10,570,364	415,252	3.9%
Excess Revenues Over Exp.	$ 2,353,441	$ 643,729	$ 854,149		$ 710,306		$ 143,843	$ 2,077,524	$ **2,931,673**	$ 2,353,441	$ 578,232	

Expense Summary



Surplus Summary

	January through March 2026							TOTAL YEAR 2026				
	2026 Annual Budget	January - March YTD Budget	January - March Jan - Mar Actual	January - March % of Variance	Prior Year FY 2025 1Q YTD	Prior Year Var. from Prior Year %	Prior Year Var. from Prior Year $	Projected Apr - Dec 2026	Total Jan-Dec 2026 Actual	Approved Budget 2026	Total Actual Variance	% of Budget Variance
Revenue:												
Member Dues	$ 7,568,960	$ 1,892,240	$ 1,895,367	0.2%	$ 1,841,551	2.8%	$ 53,816	$ 5,686,101	**$ 7,581,467**	$ 7,568,960	$ 12,507	0.2%
LC,Trans., Crd Fees.	800,700	281,121	252,936	(10.0%)	243,962	3.7%	8,974	$ 467,694	**$ 720,630**	$ 800,700	$ (80,070)	(11.1%)
Capital Revenue	2,860,800	713,031	678,016	(4.9%)	705,816	(3.9%)	(27,800)	$ 2,049,048	**$ 2,727,064**	$ 2,860,800	$ (133,736)	(4.9%)
Recreation	1,069,456	371,584	442,758	19.2%	352,921	25.5%	89,837	$ 828,275	**$ 1,271,033**	$ 1,069,456	$ 201,577	15.9%
Investment Income	435,000	108,750	130,997	20.5%	130,886	0.1%	111	$ 392,992	**$ 523,989**	$ 435,000	$ 88,989	17.0%
Communication	48,919	12,230	12,864	5.2%	12,461	3.2%	403	$ 38,592	**$ 51,456**	$ 48,919	$ 2,537	4.9%
Other Revenue	139,970	57,631	60,286	4.6%	55,207	9.2%	5,079	$ 150,859	**$ 211,146**	$ 139,970	$ 71,176	33.7%
Total Revenue	12,923,805	3,436,587	3,473,225	1.1%	$ 3,342,804	3.9%	$ 130,420	$ 9,613,561	**$ 13,086,785**	$ 12,923,805	$ 162,981	1.2%
Expenditures:												
Facilities & Equipment (NO DEPRECIATION)	$ 2,055,537	$ 554,044	$ 470,222	15.1%	$ 569,992	17.5%	$ 99,770	$ 1,380,667	**$ 1,850,889**	$ 2,055,537	$ 204,648	10.0%
Personnel	5,837,665	1,475,994	1,419,051	3.9%	1,410,118	(0.6%)	$ (8,933)	$ 4,257,152	**$ 5,676,203**	$ 5,837,665	$ 161,462	2.8%
Program	798,380	306,755	313,661	(2.3%)	296,780	(5.7%)	$ (16,881)	$ 579,793	**$ 893,453**	$ 798,380	$ (95,073)	(11.9%)
Communications	248,069	57,642	50,804	11.9%	63,018	19.4%	$ 12,213	$ 162,413	**$ 213,218**	$ 248,069	$ 34,851	14.0%
Operations	715,790	157,687	143,586	8.9%	121,887	(17.8%)	$ (21,699)	$ 480,758	**$ 624,344**	$ 715,790	$ 91,446	12.8%
Corporate Expenses	914,923	240,735	221,751	7.9%	170,704	(29.9%)	$ (51,047)	$ 675,254	**$ 897,006**	$ 914,923	$ 17,917	2.0%
Total Expenditures	10,570,364	2,792,857	2,619,076	6.2%	2,632,498	0.5%	$ 13,423	7,536,037	**10,155,112**	10,570,364	415,252	3.9%
Excess Revenues Over Exp.	$ 2,353,441	$ 643,729	$ 854,149		$ 710,306		$ 143,843	$ 2,077,524	**$ 2,931,673**	$ 2,353,441	$ 578,232	
Transfers and Adjustments:												
Non Reserve Capital Projects	(24,001)	(6,000)	(5,631)					$ (18,370)	**$ (24,001)**	$ (24,001)	$ -	0.0%
Remove Income From Reserves	(260,400)	(65,100)	(83,697)					$ (176,703)	**$ (260,400)**	$ (260,400)	$ -	0.0%
Reserve Funding Initiatives	(575,040)	(143,760)	(136,723)					$ (410,169)	**$ (546,892)**	$ (575,040)	$ 28,148	4.9%
Reserve Funding MRR A & MRR-B	(1,742,885)	(1,742,885)	(1,742,885)					$ -	**$ (1,742,885)**	$ (1,742,885)	$ -	0.0%
MRR Expenses paid by Reserve	172,885	43,221	21,398					$ 151,487	**$ 172,885**	$ 172,885	$ -	0.0%
Deduct Reserve Investment Exp.	76,000	19,000	20,260					$ 55,740	**$ 76,000**	$ 76,000	$ -	0.0%
Modified Accrual Basis Surplus	-	(1,251,795)	(1,073,129)					1,679,509	606,380	-	606,380	

Statement of Financial Position

Green Valley Recreation, Inc
Statement of Financial Position
March 31, 2026

	Current March 31, 2026	Prior Year March 31, 2025	Increase (Decrease)	
Assets				
Total Operating Cash	5,950,241	5,674,681	275,560	5%
Accounts Receivable (net)	660,330	588,065	72,265	12%
Designated Investments	12,412,838	11,643,019	769,819	7%
Prepaid Expenses & Inventory	206,378	144,089	62,289	43%
Total Current Assets	19,229,787	18,049,854	1,179,933	7%
Fixed Assets				
Net Fixed Assets	23,353,172	22,360,146	993,027	4%
Oper. & Finance ROU	22,149	36,447	(14,298)	(39%)
Total Assets	42,605,108	40,446,447	2,158,661	5%
Liabilities				
Accounts Payables	486,862	515,913	(29,051)	(6%)
Deffered Dues & Fees	5,895,487	5,556,824	338,663	6%
Short Term Liabilities	162,519	346,094	(183,576)	(53%)
Long Term Liabilities	59,149	63,988	(4,839)	(8%)
Total Liabilities	6,604,016	6,482,819	121,197	2%
Net Assets				
Board Designated Net Assets	12,412,838	11,643,208	769,630	7%
Unrestricted Net Assets	23,185,870	22,320,420	865,450	4%
Net Change Year-To-Date	402,384	-	402,384	
Total Net Assets	36,001,093	33,963,628	2,037,465	6.00%
Total Liabilities and Net Assets	42,605,108	40,446,447	2,158,661	5.3%

Investments Performance

Green Valley Recreation, Inc.
Investments Performance
January through March 2026

Fund	March 31, 2026	December 31, 2025	RETURN ON INVESTMENT			
			Year To Date		One Year (12 months)	
			Actual	Benchmark *	Actual	Benchmark *
Maintenance Repair & Replacement (Corient)	$ 8,437,991	$ 7,387,735	-0.7%	-0.8%	-0.4%	1.1%
MRR - Part B Pools and Spas (Corient)	$ 1,963,680	$ 1,697,677	-0.4%	-2.4%	-2.1%	1.1%
Initiatives (Corient)	$ 1,448,522	$ 1,339,862	0.1%	0.3%	2.0%	1.9%
Emergency (Corient)	$ 562,645	$ 573,244	-1.8%	-2.4%	-1.2%	-1.6%
Total Designated Reserves	$ 12,412,838	$ 10,998,517				
Operating Investment Fund Part A Short Term - JP Morgan	$ 3,622,743	$ 2,605,102	0.8%	0.0%	1.0%	1.2%
Operating Investment Fund Part B Long Term - JP Morgan	$ 1,659,027	$ 1,609,852	3.5%	-1.1%	1.5%	1.5%
Total Invested Operating Cash	$ 5,281,770	$ 4,214,954				

* Benchmarks = standards established by the Investments Committee in the Investment Policy Statement to compare the performance of a GVR Fund to a blend of Investment Indexes that match the risk tolerance and investment horizon of each fund. These benchmarks can be found in Subsection 3. GVR Investment Policy Statement in the Appendix of the CPM.

2026 1st Quarter Financial Report

- **Thank You**

MINUTES

BOARD OF DIRECTORS MEETING
Wednesday, March 18, 2026 - 2pm
West Center Auditorium / Zoom

Directors: Kathi Bachelor (President), Candy English (Vice President), Beth Dingman (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Marge Garneau, Bev Lawless, Lanny Smith, Jodie Walker, Scott Somers (non-voting)

Staff Present: Nanci Moyo (Administrative Supervisor), David Webster (CFO), Kris Zubicki (Member Services Director), Natalie Whitman (COO)

Visitors: 28 Including support staff

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 2:01pm MST. Secretary Dingman called the roll; quorum established.

2. **Amend/Adopt Agenda**
   MOTION: Director Hillyer moved, Director Garneau seconded to amend the Agenda by removing Action Item7.D to the April Regular Board meeting.
   Failed: 2 yes (Garneau, Hillyer) / 8 no / 1 abstain (English)

   MOTION: Director Walker moved, Director Smith seconded to adopt the Agenda.
   Passed: 8 yes / 2 no (Garneau, Hillyer) / 1 abstain (English)

3. **President Report**
   - Thanked all the members for coming out to the Board meeting.
   - President Bachelor was thanked for her leadership of the Board; and she will address the Directors and Members at the Annual Meeting.

4. **CEO Report**
   - Desert Hills Kiln Room expansion project will be complete in April.
   - West Center Lapidary expansion project has started and anticipation of a complete project in December 2026.
   - West Center Member Services expansion project bids are due March 20, 2026. Recommend to award a contract at the April Regular Board meeting. This project could start in May and be complete by July.
   - Abrego South Pool and Locker Room 30 percent concept design is complete. This design will be in the eBlast on March 27 to ask for feedback regarding the design. The cost estimates are being fine-tuned, and waiting on a soils report for the independent engineer. The concept drawing will be brought to the Board in April for a vote. In August, the Board will receive a recommendation from staff to Award a Contract.

- Pickleball Center fencing project will start in mid-April and completed in about four weeks.
- Las Campanas Fitness Room and Santa Rita Springs Fitness expansions are in the scope of work phase. These projects will take place over the summer.

5. Committee Reports – Reports given and placed on file.

A.	Audit	Lawless
B.	Board Affairs	English
C.	Fiscal Affairs	Johnson
D.	Investments	Smith
E.	Nominations & Elections	Dingman
F.	Planning & Evaluation	Reynolds

6. Consent Agenda

MOTION: Director Johnson moved, Director Walker seconded to approve Consent Agenda. Passed: unanimous

A. Minutes:
   1) BOD Regular Meeting Minutes: February 25, 2026
   2) BOD Work Session Minutes: March 4, 2026

B. Financial Statements:
   1) February Financials

7. Action Items

A. Approve Complimentary Guest ID
CEO Scott Somers reviewed the current Complimentary Guest ID.

MOTION: Director Garneau moved, Director English seconded to maintain the current policy, Part 1, Section 2, 1.2.1.A.5.b. of the Corporate Policy Manual (CPM), which states: 'A single only annual guest card shall be issued to sole-owner GVR Members for no fee where there is no other person residing with the GVR Member,' at least until and if a more equitable solution can be identified, with the understanding that Staff will continue monitoring use and what could be considered abuse of Complimentary Guest Cards and reporting to the Board of Directors on a quarterly basis.
Passed: unanimous

B. Direction on Del Sol Clubhouse Cafe (Members only and/or Non-Members) and Approve CPM Part 6, 6.1.3.E Regarding Non-Members
CEO Scott Somers reviewed options for the Del Sol Clubhouse.

MOTION: Director Garneau moved, Director Walker seconded to restrict the café at the Del Sol Clubhouse to those issued a GVR membership identification card, per section 2, 1.2.1; authorized guests and tenants, per Section 2, 1.2.2; and life care members, per Section 2, 1.2.3 of the Corporate Policy Manual (CPM); or if the guest is accompanied by the Member at no charge.
Passed: unanimous

C. Approve FAC Recommendation on Use of Surplus
CFO David Webster reviewed the Fiscal Affairs Committee recommendation for the use of the Surplus.

MOTION: Director Walker moved, Director English seconded to direct staff to transfer 50 percent of the 2025 Surplus to the MRR B Pool Fund and leave 50 percent in the Operating Cash Fund.
Failed: 2 yes (English, Walker) / 9 no

Amended Motion: Director Lawless moved, Director Dingman seconded to transfer 40 percent of the 2025 Surplus to the MRR B Pool Fund and 60 percent in the Operating Cash Fund.
Failed: 2 yes (Lawless, Walker) / 9 no

Amended Motion: Director Garneau moved, Director Reynolds seconded to direct staff to leave the 2025 Operating Surplus in GVR's Operating Cash Fund.
Passed: 9 yes / 2 no (English, Walker)

Approved Amended Motion: Direct staff to leave the 2025 Operating Surplus in GVR's Operating Cash Fund.

D. Approval of Ad Hoc GVR/GVR Foundation Committee Chair
MOTION: Director Dingman moved, Director Smith seconded to approve the appointment of Nellie Johnson as the Chair of the GVR/GVF Foundation Ad Hoc Committee, and allow Kathi Bachelor to remain on the Ad Hoc Committee and as part of the Steering Committee.
Passed: 8 yes / 2 no (Garneau, Hillyer) / 1 abstain (English)

Amended Motion: Director Garneau moved, Director Hillyer seconded to appoint Nellie Johnson as Chair of the GVR/GVR Foundation Ad Hoc Committee for two months and the new Board revisit the appointment.
Failed: 2 yes (Garneau, Hillyer) / 8 no / 1 abstain (English)

8. **Member Comments –** Member comments were received after each Action Item.

9. **Adjournment**
MOTION: Director Walker moved, Director Garneau seconded to adjourn the meeting at 3:56pm.
Passed:

MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, March 25, 2026 – 10:30am
West Center Auditorium / Zoom
*Code of Conduct

Directors: Kathi Bachelor, Dave Barker, Candy English, Bart Hillyer, Nellie Johnson, Chris McCrummen, Kristy McCue, Steve Reynolds, Lanny Smith, Barry Stock, Jodie Walker, Scott Somers (non-voting)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
   The Past President being in the chair.
   Past President Bachelor called the meeting to order at 10:27am MST and called roll to establish a quorum.

2. **Adopt or Amend Agenda**
   MOTION: Director Walker moved, Director Smith seconded to approve the Agenda.
   Passed: unanimous

3. **Action Items**
   A. Nominations and Elections of Board Officers
      1) President
      a) Nomination
         - Dave Barker – 1 – will not run
         - Bart Hillyer – 4
         - Lanny Smith - 5

      b) Election
         - Bart Hillyer – 5
         - Lanny Smith – 5

   MOTION: Director Hillyer moved, Director Stock seconded to take a ten-minute recess.
   Failed: 3 yes (Hillyer, Stock, Walker) / 7 no

      c) Election
         - Bart Hillyer – 5
         - Lanny Smith – 5

   MOTION: Director Hillyer moved, Director Stock seconded to take a ten-minute recess.
   Failed: 4 yes (Barker, Hillyer, Stock, Walker) / 5 no / 1 abstain (McCue)

      d) Election
         - Bart Hillyer – 5
         - Lanny Smith – 5

   MOTION: Director Hillyer moved, Director Barker seconded to take a ten-minute recess.

Passed: 4 yes (Barker, Hillyer, Stock, Walker) / 5 no / 1 abstain (McCue)

e) Election
- Bart Hillyer – 5
- Lanny Smith – 5

MOTION: Director Hillyer moved, Director Barker seconded to take a ten-minute recess.

Passed: 5 yes / 4 no (Johnson, Reynolds, McCue, McCrummen) / 1 abstain (English)

Ten-minute break was taken.

MOTION: Director Hillyer moved, Director Smith seconded to reopen nominations for the President position.

Passed: unanimous

1) President

a) Nomination
- Candy English – 4
- Bart Hillyer – 2 - will not run
- Lanny Smith – 2 - will not run

b) Election
- **Candy English – 8 (2 blank)** Vice President

2) Vice President

a) Nomination
- Barry Stock – 1 – will not run
- Dave Barker – 1 – will not run
- Nellie Johnson – 1 – will not run
- Lanny Smith – 2 – will not run
- Steve Reynolds – 2
- Bart Hillyer – 3

b) Election
- Bart Hillyer – 4
- **Steve Reynolds – 6**

3) Secretary

a) Nomination
- Barry Stock – 1 – will not run
- Chris McCrummen – 1 – will not run
- Nellie Johnson – 1 – will not run
- Jodie Walker – 3 – will not run
- Kristy McCue – 4

b) Election
- **Kristy McCue – 10**

4) Treasurer

a) Nomination
- Bart Hillyer – 1 – will not run
- Nellie Johnson – 2
- Lanny Smith - 7

b) Election
- Nellie Johnson – 3

- **Lanny Smith – 7**

5) **Assistant Secretary**
   a) Nomination
      - Barry Stock – 1 – will not run
      - Bart Hillyer – 1 – will not run
      - Dave Barker – 1 – will not run
      - Chris McCrummen – 4 – will not run
      - Jody Walker - 3

   b) Election
      - **Jody Walker – 10**

6) **Assistant Treasurer**
   a) Nominations
      - Barry Stock – 3 – will not run
      - Nellie Johnson – 2
      - Bart Hillyer 5

   b) Elections
      - Bart Hillyer – 4
      - **Nellie Johnson - 6**

B. Review Tentative Board Annual Calendar

Scott Somers, CEO, reviewed the tentative calendar and the past practices of taking July and December off.

MOTION: Director Johnson moved, Director Reynolds seconded to move the April 8 Special Meeting to April 1 for approval of the Committee Chairs.

Passed: 7 yes / 3 no (Barker, Hillyer, Walker)

The tentative calendar approval will be on the Special Meeting on April 1, along with the Committee Chairs.

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

Scott Somers, CEO, reviewed the Selection of Committee Chairs and for those who are interested to chair a committee to speak with President English.

D. Approve CFO Dave Dixon as Authorized GVR Representative for Banking Purposes

MOTION: Director Johnson moved, Director Smith seconded to approve Dave Dixon as Authorized GVR Representative for Banking Purposes.

Passed: unanimous

4. **Member Comments –** 1

5. **Adjournment**

MOTION: Director Walker moved, Director Hillyer seconded to adjourn the meeting at 11:43am MST.

Passed: unanimous

MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, April 1, 2026 - 2pm
West Center Auditorium / Zoom
*Code of Conduct

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Bart Hillyer, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

Staff Present: Nanci Moyo (Board and Records Administrator)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
   The President being in the chair and the Secretary being present.
   President English called the meeting to order at 2pm MST. Secretary McCue called the roll; quorum established.

2. **Adopt or Amend Agenda**
   MOTION: Director Smith moved, Director Hillyer seconded to approve the Agenda.
   Passed: unanimous

3. **Action Items**
   A. Appoint and Approve Committee Chairs
   MOTION: Director Walker moved, Director Johnson seconded to adopt and approve the Chairs as follows: Steve Reynolds – Board Affairs Committee, Lanny Smith – Fiscal Affairs Committee, Bart Hillyer – Investments Committee, and Dave Barker – Audit Committee.
   Passed: unanimous

   B. Approval of the Tentative Annual Calendar
   Scott Somers, CEO, reviewed the tentative Annual Calendar with these highlights:
   - Take the July and December months off from meetings.
   - Possibly a Work Session will be added on April 22 at 1pm to review survey questions.
   - If necessary, move the Strategic Plan Approval to August if not ready in June.

   MOTION: Director Hillyer moved, Director Stock seconded to approve the tentative calendar.

   Amended Motion: Director Johnson moved, Director English seconded to create an Executive Session on April 22 at 1:30pm to approve the Committee appointments.
   Passed: unanimous

   Amended Motion Passed: unanimous

Amended Motion: Approve the tentative calendar and add an Executive Session April 22, Wednesday at 1:30pm to approve the Committee appointments.

4. **Member Comments –** 1

5. **Adjournment**
   MOTION: Director Hillyer moved, Smith seconded to adjourn the meeting at 2:33pm MST.
   Passed: unanimous

MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, April 8, 2026 - 3pm
West Center Auditorium / Zoom
*Code of Conduct

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Bart Hillyer, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

Director Absent: Dave Barker

Staff Present: Dave Dixon (CFO), Nanci Moyo (Board and Records Administrator)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
   The President being in the chair and the Secretary being present.
   President English called the meeting to order at 3pm MST. Secretary McCue called the roll; quorum established.

2. **Adopt or Amend Agenda**
   MOTION: Director Smith moved, Director Walker seconded to approve the Agenda.
   Passed: unanimous

3. **Action Items**
   A. Approve Strategic Plan Consultant
   MOTION: Director Stock moved, Director Smith seconded to authorize the President to enter into an agreement with Zelos to facilitate the next 5-year strategic plan.
   Passed: 8 yes / 1 no

4. **Member Comments –** 0

5. **Adjournment**
   MOTION: Director Hillyer moved, Director Smith seconded to adjourn the meeting at 3:05pm MST.
   Passed: unanimous

Green Valley Recreation, Inc.

Board of Directors Meeting

March 2026 Financial Highlights

Prepared By: Dave Dixon, CFO **Meeting Date: April 22, 2026**

Presented By: Dave Dixon, CFO **Consent Agenda: N/A**

Originating Committee / Department:
Administration

Strategic Plan Goal:
Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:
The Board has requested a separate staff report stating the highlights for each month.

Key Points/Highlights for March 2026:

1. Statement of Financial Position
    a. Operating Cash increase for March was $54,154.
    b. Designated Funds Cash net decrease for March was $402,975.
    c. Net Assets Increase Year to Date March 2026 was $402,384 and includes $105,943 of unrealized losses.
2. Statement of Financial Activities
    a. Overall YTD total revenues are over budget (favorable) 1.1% or $36,638.
    b. YTD total expenses under budget (favorable) 4.7% or $145,090.
    c. YTD unrealized losses on investments $105,943.
    d. March MCF fees under budget (unfavorable) 2.1%, 94 actual compared to 96 budgeted, but YTD is 1 under budget (unfavorable) through the first quarter 0.46%.
    e. YTD Fees income under budget (unfavorable) 10% or $28,186 due primarily to lower actual than budgeted Transfer Fees, Guest Card Fees, and Tenant Fee revenues.
    f. YTD GVR personnel under budget (favorable) by 4% YTD or $56,943.
    g. YTD Recreation revenue over budget (favorable) by 19% or $71,174.
    h. YTD Recreation Program expenses are over budget (unfavorable) by 2% or $6,905.
    i. YTD Operating Expenses under budget (favorable) 4.7% or $145,090.
    j. Gross Operating Surplus is $508,328 which is 56% more than budgeted.

Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: March 31, 2026 and Dec 31, 2025

	March 31, 2026 Total		Dec 31, 2025 Total	
ASSETS				
Current Assets				
Cash/Cash Equivalents		668,471		1,528,231
Accounts Receivable		660,330		404,170
Prepaid Expenses		144,452		267,712
Maintenance Inventory		61,927		61,927
Designated Investments (Charles S./SBH)				
Emergency - Fund	562,645 (1)		573,244 (18)	
MRR - Fund	8,437,991 (2)		7,385,186 (19)	
Initiatives - Fund	1,448,522 (3)		1,339,862 (20)	
Pools & Spas - Fund	1,963,680 (4)		1,697,677 (21)	
Total Designated Investments (CS/SBH)	12,412,838 (5)		10,995,969 (22)	
Undesignated Invest. (JP Morgan Long Term)	1,659,027 (6)		1,609,852 (23)	
Undesignated Invest. (JP Morgan)	3,622,743 (7)		2,605,102 (24)	
Investments		17,694,608 (8)		15,210,923 (25)
Total Current Assets		**19,229,787**		**17,472,962**
Fixed Assets				
Contributed Fixed Assets		18,017,085		18,017,085
Purchased Fixed Assets		35,767,458		35,403,036
Sub-Total		53,784,542		53,420,121
Less - Accumulated Depreciation		(30,431,370)		(30,085,549)
Net Fixed Assets		**23,353,172** (9)		**23,334,572** (26)
Operating Lease ROU, Net of Accum. Amortization		13,679		13,679
Finance Lease ROU, Net of Accum. Amortization		8,470		8,470
Total Assets		**42,605,108**		**40,829,683**
LIABILITIES				
Current Liabilities				
Accounts Payable		486,862		436,933
Deferred Dues Fees & Programs		5,758,751		4,524,612
Accrued Payroll		136,736		58,200
Compensation Liability		-		-
MCF Refund Liability		141,000		141,000
In-Kind Lease Liability -Current		5,688		2,250
Operating ROU Liability - Current		5,510		5,510
Financing ROU Liability - Curent		10,321		10,321
Total Current Liabilities		**6,544,867**		**5,178,826**
In-Kind Lease Liability - LT		37,149		41,149
Notes Payable		22,000		11,000
Financing ROU Laibility - LT		-		-
Total Long Term Liabilities		**59,149**		**52,149**
TOTAL NET ASSETS		**36,001,093** (10)		**35,598,709** (27)
NET ASSETS				
Temporarily Designated:				
Board Designated:				
Emergency		562,645 (11)		573,244 (28)
Maint - Repair - Replacement		8,437,991 (12)		7,387,735 (29)
Initiatives		1,448,522 (13)		1,339,862 (30)
Pools & Spas		1,963,680 (14)		1,697,677 (31)
Sub-Total		**12,412,838** (15)		**10,998,517**
Unrestricted Net Assets		23,185,870		24,600,191
Net change Year-to-Date		402,384 (16)		-
Unrestricted Net Assets		**23,588,254** (17)		**24,600,191**
TOTAL NET ASSETS		**36,001,093**		**35,598,709**
TOTAL LIABILITIES & NET ASSETS		**42,605,108**		**40,829,683**

Green Valley Recreation, Inc.

Summary Statement of Activities

YTD Period: 3 month period ending March 31, 2026

FY Budget Period: Jan 1, 2026 - Dec 31, 2026

	PRIOR YEAR COMPARISON				BUDGET COMPARISON					
	2025 YTD Actual	2026 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%	Fiscal Year Budget	Remaining FY Budget
Revenue										
Member Dues	1,841,551	1,895,367	53,816	3%	1,895,367	1,892,240	3,127	0.2%	7,568,960	5,673,593
LC,Trans., Crd Fees.	243,962	252,936	8,974	4%	252,936	281,121	(28,186)	(10%)	800,700	547,764
Capital Revenue	705,816	678,016	(27,800)	(4%)	678,016	713,031	(35,015)	(5%)	2,860,800	2,182,784
Programs	146,980	195,513	48,533	33%	195,513	177,945	17,567	10%	571,456	375,943
Instructional	205,942	247,246	41,304	20%	247,246	193,639	53,607	28%	498,000	250,754
Recreational Revenue	***352,921***	***442,758***	***89,837***	**25%**	***442,758***	***371,584***	***71,174***	**19%**	***1,069,456***	***626,698***
Investment Income	***130,886***	***130,997***	***111***	**0%**	***130,997***	***108,750***	***22,247***	**20%**	***435,000***	***304,003***
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	12,461	12,864	403	3%	12,864	12,230	634	5%	48,919	36,055
Comm. Revenue	***12,461***	***12,864***	***403***	**3%**	***12,864***	***12,230***	***634***	**5%**	***48,919***	***36,055***
Other Income	47,730	54,399	6,669	14%	54,399	51,976	2,423	5%	117,350	62,951
Facility Rent	6,478	5,325	(1,153)	(18%)	5,325	4,655	670	14%	18,620	13,295
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	1,000	563	(437)	(44%)	563	1,000	(437)	(44%)	4,000	3,438
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	-	-
Other Revenue	***55,207***	***60,286***	***5,079***	**9%**	***60,286***	***57,631***	***2,656***	**5%**	***139,970***	***79,684***
Total Revenue	***3,342,804***	***3,473,225***	***130,420***	**4%**	***3,473,225***	***3,436,587***	***36,638***	**1.1%**	***12,923,805***	***9,450,580***
Expenses										
Major Proj.-Rep. & Maint.	51,378	42,982	8,396	16%	42,982	59,743	16,760	28%	238,970	195,988
Facility Maintenance	114,087	85,482	28,605	25%	85,482	105,400	19,918	19%	421,600	336,118
Fees & Assessments	90	210	(120)	(133%)	210	250	40	16%	1,000	790
Utilities	324,701	259,431	65,270	20%	259,431	313,758	54,327	17%	1,084,093	824,662
Depreciation	340,030	345,821	(5,791)	(2%)	345,821	317,130	(28,691)	(9%)	1,268,520	922,699
Furniture & Equipment	60,382	54,524	5,857	10%	54,524	54,893	369	1%	229,874	175,350
Vehicles	19,354	27,593	(8,238)	(43%)	27,593	20,000	(7,593)	(38%)	80,000	52,408
Facilities & Equipment	***910,022***	***816,044***	***93,978***	**10%**	***816,044***	***871,174***	***55,130***	**6%**	***3,324,057***	***2,508,013***
Wages	1,090,888	1,091,170	(281)	(0%)	1,091,170	1,146,074	54,904	5%	4,584,295	3,493,125
Payroll Taxes	91,720	94,229	(2,509)	(3%)	94,229	96,877	2,648	3%	355,699	261,470
Benefits	227,509	233,652	(6,143)	(3%)	233,652	233,043	(609)	(0%)	897,672	664,020
Personnel	***1,410,118***	***1,419,051***	***(8,933)***	**(1%)**	***1,419,051***	***1,475,994***	***56,943***	**4%**	***5,837,665***	***4,418,614***
Food & Catering	5,599	11,796	(6,197)	(111%)	11,796	27,024	15,229	56%	78,698	66,902
Recreation Contracts	261,034	267,624	(6,590)	(3%)	267,624	238,281	(29,343)	(12%)	651,787	384,163
Bank & Credit Card Fees	30,147	34,241	(4,094)	(14%)	34,241	41,450	7,209	17%	67,895	33,655
Program	***296,780***	***313,661***	***(16,881)***	**(6%)**	***313,661***	***306,755***	***(6,905)***	**(2%)**	***798,380***	***484,719***
Communications	23,802	31,146	(7,345)	(31%)	31,146	26,892	(4,254)	(16%)	107,569	76,423
Printing	35,550	15,283	20,267	57%	15,283	28,000	12,717	45%	129,500	114,217
Advertising	3,666	4,375	(709)	(19%)	4,375	2,750	(1,625)	(59%)	11,000	6,625
Communications	***63,018***	***50,804***	***12,213***	**19%**	***50,804***	***57,642***	***6,838***	**12%**	***248,069***	***197,265***
Supplies	105,689	115,883	(10,193)	(10%)	115,883	138,977	23,094	17%	570,906	455,023
Postage	12,810	808	12,003	94%	808	5,281	4,474	85%	21,125	20,317
Dues & Subscriptions	(1,305)	2,343	(3,649)	280%	2,343	3,422	1,078	32%	13,687	11,344
Travel & Entertainment	-	223	(223)	0%	223	600	377	63%	2,400	2,177
Other Operating Expense	4,692	24,330	(19,637)	(418%)	24,330	9,408	(14,922)	(159%)	107,672	83,342
Operations	***121,887***	***143,586***	***(21,699)***	**(18%)**	***143,586***	***157,687***	***14,101***	**9%**	***715,790***	***572,204***
Information Technology	18,298	15,514	2,783	15%	15,514	35,694	20,180	57%	142,777	127,263
Professional Fees	46,828	89,091	(42,263)	(90%)	89,091	83,975	(5,116)	(6%)	234,350	145,259
Commercial Insurance	102,755	114,768	(12,013)	(12%)	114,768	111,766	(3,002)	(3%)	447,064	332,296
Taxes	-	-	-	0%	-	-	-	0%	53,532	53,532
Conferences & Training	1,969	603	1,367	69%	603	6,050	5,447	90%	24,200	23,597
Employee Recognition	854	1,775	(921)	(108%)	1,775	3,250	1,475	45%	13,000	11,225
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	**170,704**	**221,751**	**(51,047)**	**(30%)**	**221,751**	**240,735**	**18,984**	**8%**	**914,923**	**693,172**
Expenses	***2,972,528***	***2,964,897***	***7,631***	**0%**	***2,964,897***	***3,109,987***	***145,090***	**4.7%**	***11,838,884***	***8,873,987***
										-
Gross Surplus(Rev-Exp)	370,276	508,328	138,052	**37%**	508,328	326,599	181,728	**56%**	1,084,921	576,593
Net. Gain/Loss on Invest.	(144,463)	(105,943)	38,519		(105,943)	-	(105,943)		-	105,943
Net from Operations	225,813	402,384	176,571	**78%**	402,384	326,599	75,785		1,084,921	682,536

GVR MEMBER PROPERTIES MONTHLY REPORT

2026	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	*YTD*
NEW MEMBERS	-	5	2										7
Total Members (2026)	13,902	13,907	13,909	13,909	13,909	13,909	13,909	13,909	13,909	13,909	13,909	13,909	13,909
Members Last Year (2025)	13,873	13,875	13,877	13,879	13,880	13,881	13,883	13,886	13,887	13,890	13,892	13,902	13,902
Members Before Last Year (2024)	13,852	13,853	13,857	13,858	13,862	13,862	13,863	13,864	13,866	13,871	13,872	13,872	13,872
Membership Change Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Fee	-	5	2	-	-	-	-	-	-	-	-	-	7
Transfer Fee (New Build, no Initial fee)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee (Voluntary Deed Restriction w/Initial fee)	-	5	2	-	-	-	-	-	-	-	-	-	7
Transfer Fee (Estate Planning)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee (Resale)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee Non-Resale	3	4	2	-	-	-	-	-	-	-	-	-	9
Budget Monthly Resales (2026)	66	56	96	103	102	75	73	66	57	65	51	66	876
Monthly Resales (2026)	55	68	94	-	-	-	-	-	-	-	-	-	217
Monthly Delta Actual vs Budget (2026)	(11)	12	(2)										(1)
Monthly Resales Last Year (2025)	68	61	105	94	93	78	65	73	68	67	59	67	898
Monthly Resales 2 Years Prior (2024)	62	55	100	98	94	64	69	58	62	61	43	67	833
	7.5%	6.7%	11.8%	11.1%	10.8%	8.2%	7.7%	7.6%	7.5%	7.4%	5.9%	7.7%	100.0%
YTD Budget (2026)	66	122	218	321	423	498	571	637	694	759	810	876	876
YTD Resales (2026)	55	123	217	-	-	-	-	-	-	-	-	-	217
YTD Over/(Under) Budget	(11)	1	(1)										(659)
YTD Over/(Under) Budget	(16%)	1%	(0%)										(75%)
YTD Resales Last Year (2025)	68	129	234	328	421	499	564	637	705	772	831	898	898
YTD Resales Before 2 years prior (2024)	62	117	217	315	409	473	542	600	662	723	766	833	833
Total Sales (New and Resale) (2026)	55	73	96	-	-	-	-	-	-	-	-	-	224
Total Sales (New and Resale) Last Year (2025)	69	63	107	96	94	79	67	76	69	70	61	97	948
Total Sales (New and Resale) 2 Years Prior (2024)	64	56	104	99	98	64	70	59	64	66	44	67	855
MCF Refund	4	4	12	-	-	-	-	-	-	-	-	-	20
HB 2119 (No MCF Assessed)	10	3	4	-	-	-	-	-	-	-	-	-	17
	Refunds	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Total**
$ Total	**$12,500**	**$12,400**	**$37,800**										$62,700

2322A

Project Name	Center Location	Scope of Work	Estimated Construct. Start	Estimated Construct. Finish	Status	Summary Notes/Next Steps	Funding Sources	Budget Total	Expenses To Date	Balance
Desert Hills Kiln Room Enhancements	Desert Hills	Strengthen sub-floor for 5 kilns and brick flooring. Upgrade ventilation system and electrical needs.	Apr-26	May-26	Construction-20%	Contract signed with Building Excellence for $94,424 ($10,000 is contingency). Met with construction team and club reps on 2/4 to discuss project details on site. Tentative start date: 4/14.	Initiatives	$ 90,000	$ -	$ 90,000
West Center Lapidary Club Expansion	West Center	Expand Lapidary Club building to the west. Renovate existing space, including Billiards Room space.	Mar-26	Dec-26	Construction-5%	Demolition and site prep in process. Finalize construction cost estimate, schedule, and construction documents with team. Waiting for "industrial wastewater discharge" permit from Pima County.	Initia. $991k Initia. $43k	$ 1,034,000	$ 92,223	$ 941,777
West Center Membership Services Expansion	West Center	Expand Membership Services offices in Auditorium lobby. Add lobby counters for events.	May-26	Jul-26	Pre-construction	Two bids received 3/20. Awarding contract to Rio West for $123,392. Same contractor doing WC Lapidary project. Get schedule.	Initiatives	$ 190,000	$ -	$ 190,000
Abrego South Pool and Locker Room	Abrego South	Redesign pool, spa, and locker rooms for potential reconstruction. Demolish existing pool facilities.	Oct-26	Mar-27	Design-30% Demo- 95%	Demolition completed on 3/9, except for pool equipment room. Schematic Design (30% plans) and cost estimate provided by architect on 3/12. Revisions provided 4/7. Soils drilling took place 3/20 and report provided 4/9.	Initia. $250k $1.651k MRR-B	$ 1,901,539	$ 74,310	$ 1,827,229
Pickleball Center Fencing	Pickleball Center	Install west and north perimeter fencing and gates to better manage access and security.	Apr-26	May-26	Construction-30%	Bids received on 2/27. Awarded contract to Canyon Fence Co. for $38,489. Work began 4/8 and will take approximately three weeks.	Initiatives	$ 50,000		$ 50,000
Las Campanas Fitness Room Expansion	Las Campanas	Expand Fitness Room into Cypress Room for additional capacity. Install new flooring and paint.	Jun-26	Jul-26	Scoping	Scoping in process. Send out bid invitation by late April. Work planned for June-July.	Initiatives	$ 100,000	$ -	$ 100,000
SRS Fitness Center Expansion	Santa Rita Springs	Remove corner RSA office to expand floor area in fitness room. Paint and patch to match.	Aug-26	Aug-26	Scoping	Need scope of work details.	Initiatives	$ 40,000		$ 40,000
East Center Tennis Courts Upgrades	East Center	Upgrade courts 1and 2, fencing, and amenities.	TBD	TBD	Scoping	Discussed site planning and improvements with reputable sports court contractor. Waiting for ballpark cost estimate from Tarkett Sports (Renner).	TBD			

Green Valley Recreation, Inc.

Board of Directors Meeting

South Abrego Pool and Improvements Concept Drawings

Prepared By: Scott Somers, CEO

Meeting Date: April 22, 2026

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:
Administration and Facilities

Action Requested:
The Board is asked to consider approving concept drawings for the South Abrego pool, bathhouse, and other related improvements

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

Background Justification:
The Board included funds in the 2026 Capital Budget to rebuild the Abrego South pool and bathhouse. The pool was constructed in 1975 and the bathhouse was constructed in 1994. The pool was originally 5 to 8.5 feet deep and later reconstructed to a shallower 4 to 4.5-foot depth.

Per GVR policy, once the approved Budget goes into effect on January 1, staff begins project planning to include:

- member outreach, if necessary;
- working with an architect to develop high-level concept drawings and cost estimates;
- and presenting the concept drawings and associated cost estimates to the Board for approval.
- If rejected, the previous steps are repeated until a concept receives Board approval, or until the Board provides alternative direction.
- If approved, staff pursues developing complete construction documents, obtains permits, goes out for bid and asks the Board to award a contract for the project.

In this case, the CEO facilitated a community meeting in which mostly residents adjacent to the Abrego South Center (ABS) participated in the meeting where 100+ persons were in attendance. During the meeting, attendees passed around a petition in support of rebuilding the pool. The petition will be made available to the Board during the April 22nd Board meeting and the cover letter from Chris P. Rodgers is attached. The purpose of this meeting was not to debate or discuss the pros and cons of rebuilding the pool, but to assist the architect in developing concept drawings by inquiring about needs and wants.

Geotechnical Summary
A geotechnical report was completed on September 4, 2025, in which surveying, geotechnical exploration, soils sampling, testing, analysis, findings, and recommendations were included.

The findings and conclusions of the report revealed that the subsurface wet utility leak(s) [near the spa] saturated the surrounding soils, which in turn collapsed, compressed and consolidated, resulting in distress in the bathhouse, spa, swimming pool, and other areas. The findings also conclude that the pool reconstruction that occurred, decreasing the depth of the pool, may have contributed to the distress to the pool. During conversations with the engineer, the engineer further revealed that pools constructed in the 1970s did not include proper soils compaction during construction, which likely contributed to the distress. In addition to correcting any and all leaks, the report recommended additional geotechnical services including deeper borings than the 7.5 explored during this study, along with replacement of excavated soils with compacted engineered fill to a minimum of 7.5 feet in depth.

A second geotechnical report was completed on April 9, 2026. This report was based on deeper borings than the first report in order to gain a clearer and more confident picture concerning the soil conditions if the pool were to be rebuilt. Borings ranged from 21.5 to 31.5 feet in depth. It is important to note what is stated in 4.2 of the report - "Groundwater was not encountered in any boring." Also, section 6.8 stated "The major cause of soil problems in this vicinity is moisture increase in soils below structures. Therefore, it is extremely important that positive drainage be provided during construction and maintained throughout the life of the proposed buildings and pool." Based on both of these notations, it appears that water is not naturally found below the site and that it is important that we don't allow water to be entrained under the structures by poor surface drainage or broken piping. Per the geotechnical engineer, there isn't any way to know if nearby pumping caused the pool issues, but that it is unlikely. [Please keep in mind that the pool lasted 49 years and that the distress and ultimate failure of the pool and spa were caused primarily as a result of poor soil compaction and saturated soil near the spa which was caused by chronic leaks]. The report concludes that the current soils become weak and collapsed with an increase in moisture content, and the soils are not suitable for the support of foundations in their present state. The report recommends that engineered fill should extend to at least 36 inches below the pool bottom, among other recommendations listed in the report. In short, neither report warns against rebuilding a pool in this location, but do recommend replacing existing fill with engineered soils. The cost estimates provided below include replacing current fill with engineered fill, based on the parameters and recommendations in the report.

Cost Estimates

The total estimated construction cost for this project is $1,164,629.
Funds for this project would be allocated from GVR's various reserve funds as follows:

- MRR-B (pools and spas): $942,629 vs a budgeted amount of $1,651,539
- Initiatives: $222,000 vs a budgeted amount of $750,000
- MRR-A (specific project components): $139,344 which is the amount identified in MRR-A for 2026-27.

Discussion

Until the closure of Abrego South in July, 2025, GVR maintained thirteen pools. Questions have been raised about the need for thirteen pools when GVR serves a membership of about 23,000 and their tenants and guests. In terms of comparison, it's important to remember that GVR is not a municipality or a public parks and recreation district and therefore shouldn't be benchmarked against such organizations. GVR is a private organization, serving

its dues paying members and guided by its mission: ***To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives.*** While GVR collects usage data from its pool facilities, GVR has not applied efficiency or performance measures to its pools in terms of member usage because this metric is not included in the mission or the current strategic plan. GVR is embarking on its next strategic plan (2027-2031) and may very well include and rely on such measures going forward. I would recommend the Board take a thoughtful and strategic approach if it decides to implement such measures and criteria for eliminating facilities going forward, rather than viewing the Abrego South pool as an opportunity to decrease the number of pools simply because the usage numbers are lower and because it happened to fail at this point in time.

Recognizing that pool counts and usage are not entirely accurate, the same challenges, such as cards not being swiped, doors being left open, etc., are consistent across all thirteen pools. The last time the Abrego South pool was opened for an entire year was 2024. In 2024, Abrego South had the second lowest usage of all thirteen pools. (Please see the attached spreadsheet and please note that the ABS spa was closed part of that year due to chronic leaks, which certainly impacted usage numbers.) It should be noted that the pool with the lowest usage in 2024 was Abrego North and yet Abrego North was rebuilt in 2017.

Taking the Abrego South pool offline has already created negative downstream effects. The Volleyball Club has used Abrego South for many years for its water volleyball activities, primarily because its depth is fairly consistent across the length of the pool, roughly 4 to 4.5 feet, making it GVR's only real "sports pool." These activities have temporarily been moved to Casa Paloma II since it is the most comparable and conducive pool for water volleyball outside of Abrego South, but far from ideal. This has resulted in increased pressure on the Casa Paloma II pool since it already hosts water aerobics classes, pool walkers, lane swimmers, and pool noodlers. As a result, consideration is being given to moving some of the water aerobics classes to Casa Paloma I, which is already scheduled with similar activities and usage and will therefore feel additional pressure, too. Parking at Casa Paloma II and increased traffic are warranted concerns of the HOA and the residents, who are also GVR members.

GVR solicited feedback from its members concerning the concept drawings of the Abrego South pool from April 3 - 10. Of the 168 respondents, 122 were supportive of rebuilding the pool, 23 were opposed, and 23 shared comments or questions without expressing opinions. Repeated themes include: "I bought my home for proximity to the pool", "Uniform depth please", "Suit spinner please", "Deep spa please", "Salt water please", "Lazy river please", "Get volleyball out of Casa Paloma II". Opposition themes included concerns with finance and water usage.

Concerns have been raised about the sustainability of the MRR-B Fund (pools and spas). In the attached memo from David Webster, then CFO, to Scott Somers, CEO, dated January 26, 2026, Mr. Webster provides projections on the viability of the MRR-B Fund based on various scenarios. Assumptions include an inflation factor of 3% and an earnings estimate of 6% per year. His analysis assumes a continued 7% increase in funding annually through 2033 which then reverts to 3% annually. A 50-year lifespan for GVR pools is assumed. This analysis also assumes the Abrego South pool will be rebuilt. The analysis reveals that GVR can very comfortably replace its five oldest pools every 4 years and comfortably every 3 years. GVR

could even replace 4 of its oldest pools every 2 years, but would need to rebuild the MRR-B Fund balance to replace the 5th and subsequent pools.

If the Abrego South pool weren't rebuilt, the approximate estimated cost of $1,000,000 would remain in the MRR-B Fund. That said, I would not expect the Board to decrease its policy of 7% increases to the Fund simply because Abrego South isn't being rebuilt. Therefore, rebuilding the Abrego South pool will not likely have any impact on the annual transfer from the Operations Fund to the MRR-B Fund. Please note that $342,783 was transferred to the MRR-B Fund in 2026. The projected transfer in 2027 is $366,778. The annual operating cost of comparable pools in 2026, including labor, equipment and supplies, and utilities is roughly $66,000.

Staff recommends approving the concept drawings for the South Abrego pool, bathhouse, and other related improvements which will allow the architect to complete construction documents and obtain permitting, allow staff to issue a request for proposals for construction bids, and allow the Board to consider awarding a contract for construction.

Fiscal Impact:

The 2026 Budget includes $1,651,539 from MRR-B for pool and spa replacement and $750,000 from Initiatives for the bathhouse for total of $2,401,539 in budgeted funds. The total estimated cost is $1,164,629, minus $139,344 from MRR-A in preplanned component spending, is $1,025,285. This results in an estimated project savings of $1,376,25 under budget.

Board Options:

1) Approve concept drawings for the South Abrego pool, bathhouse, and other related improvements.
2) Direct staff to amend the concept drawings and come back to the Board for consideration once complete.
3) Provide alternative direction to staff.

Staff Recommendation:

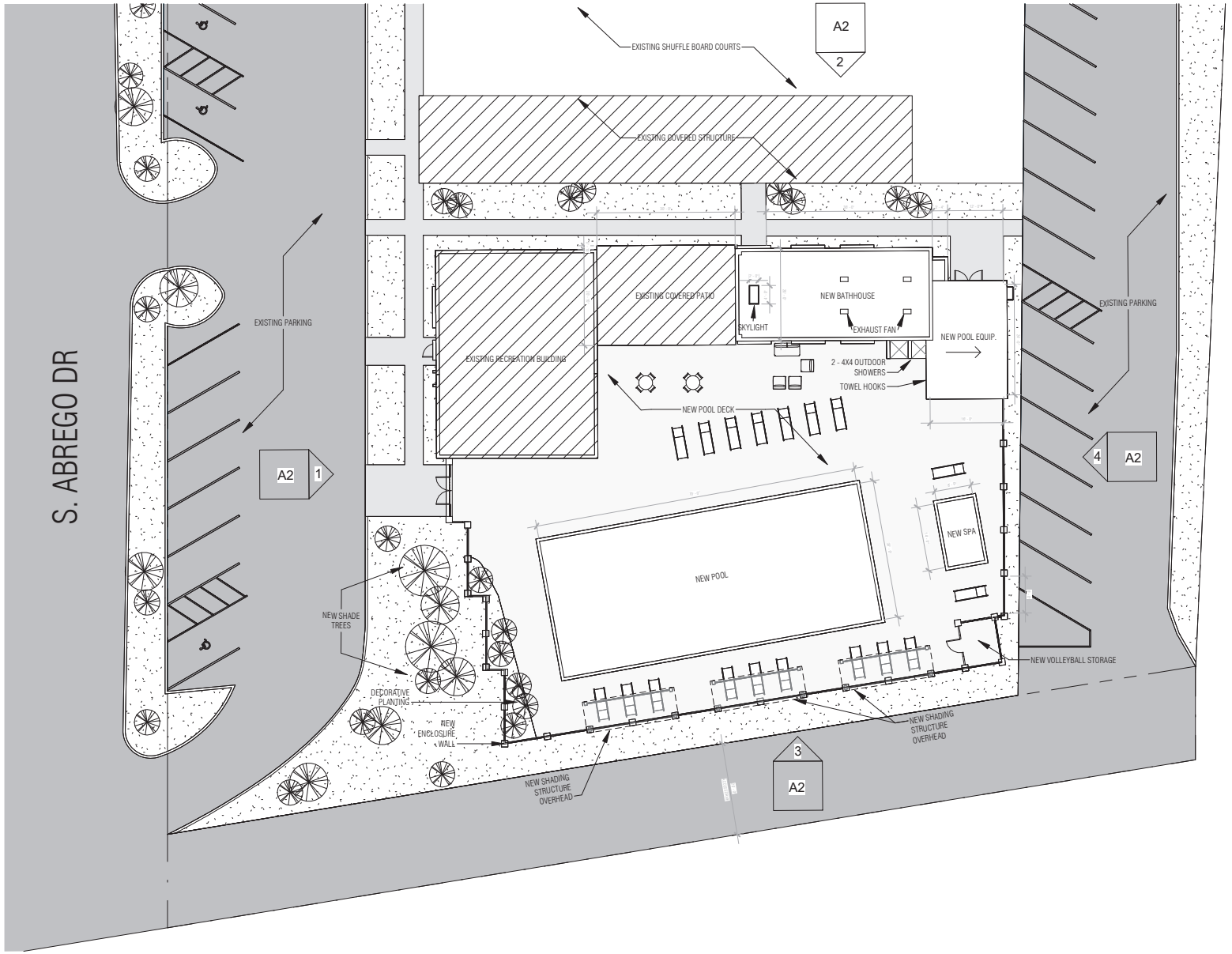
Option 1

Recommended Motion:

I move to approve concept drawings for the South Abrego pool, bathhouse, and other related improvements.

Attachments:

1. Concept Drawing
2. Petition cover letter from Chris P. Rodgers, dated March 29, 2026
3. Ninyo & Moore Geotechnical Report, September 4, 2025
4. Certerra Geotechnical Report, April 9, 2026
5. 2024 Pool Usage Data
6. January 26, 2026, Memo regarding MRR-B



1 SITE PLAN
3/64" = 1'-0"

PHASE:
SCHEMATIC DESIGN 30%

NOT FOR CONSTRUCTION

SHEET: SP1

BURTON and Associates ARCHITECTS
4572 E. CAMP LOWELL DR.
TUCSON, ARIZONA 85712
(520) 471-8072
IG: BURTON.ARCH
BURTONASSOCIATESARCH.COM

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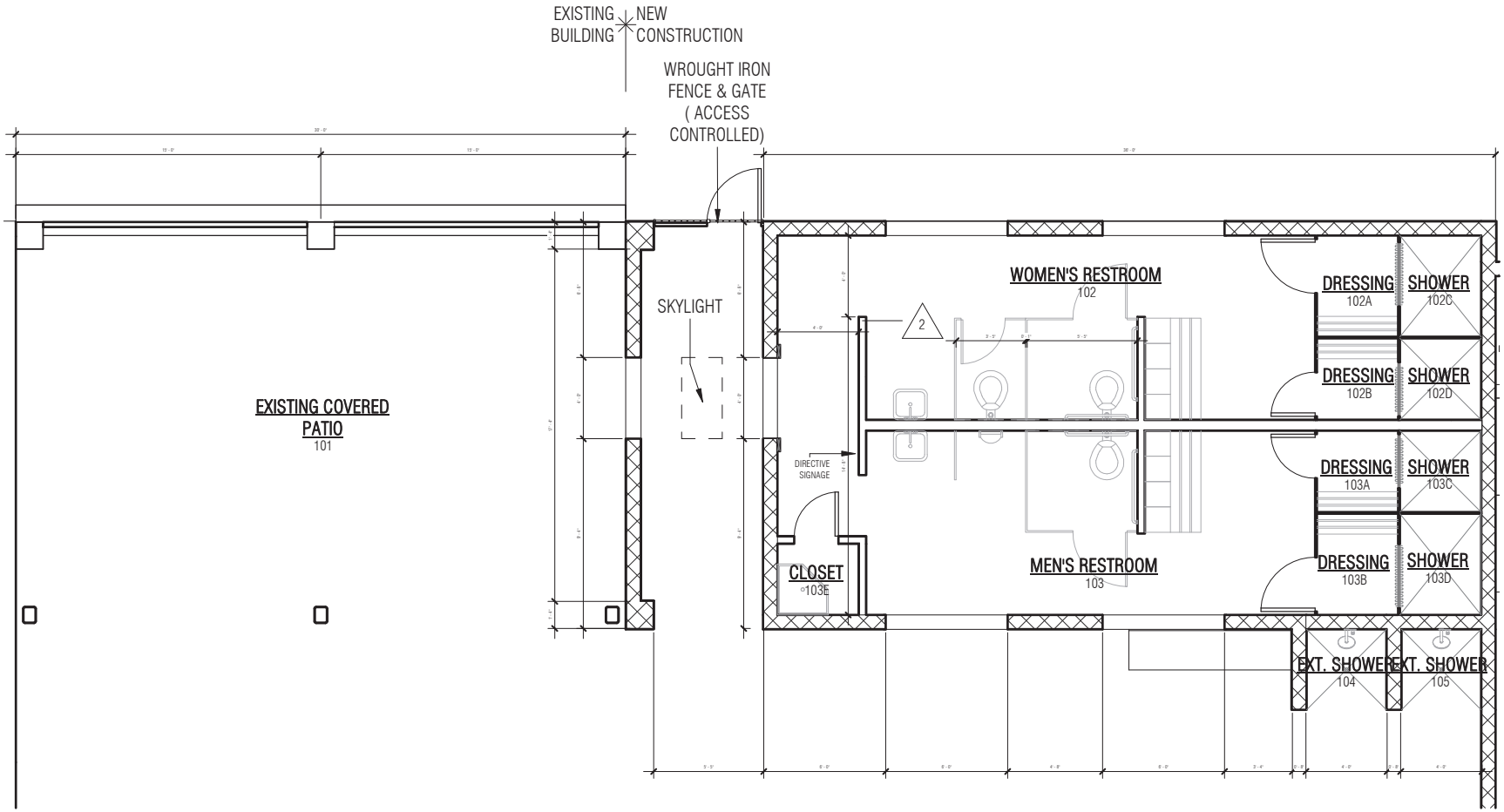

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NOT FOR CONSTRUCTION

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BURTON and Associates ARCHITECTS
4572 E. CAMP LOWELL DR.
TUCSON, ARIZONA 85712
(520) 471-8072
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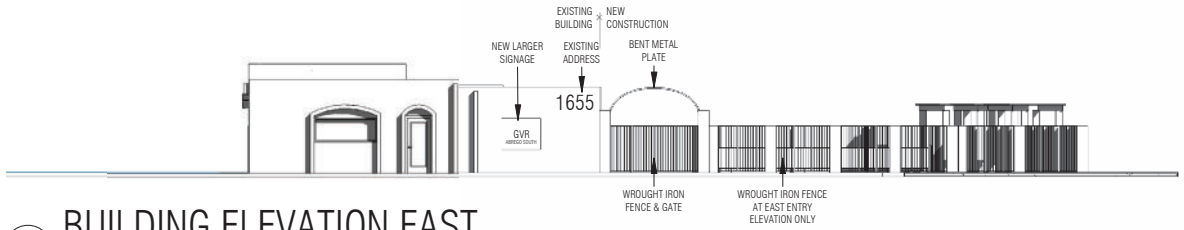
BURTONASSOCIATESARCH.COM

4/9/2026 9:00:16 AM

1 FLOOR PLAN

3/16" = 1'-0"



1 BUILDING ELEVATION EAST

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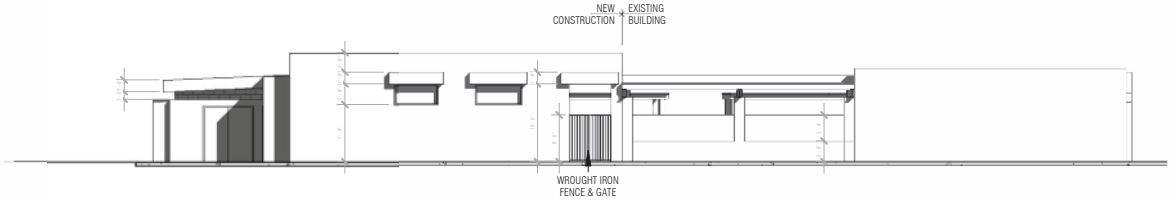

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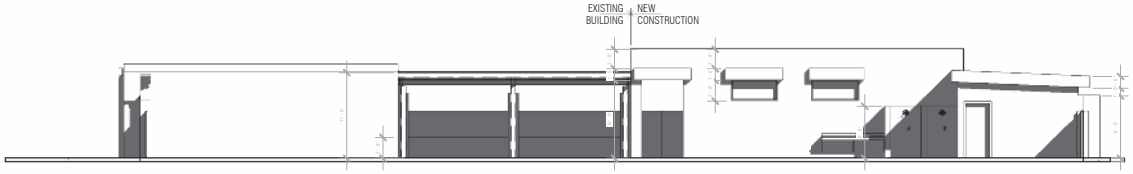

3 BUILDING ELEVATION SOUTH

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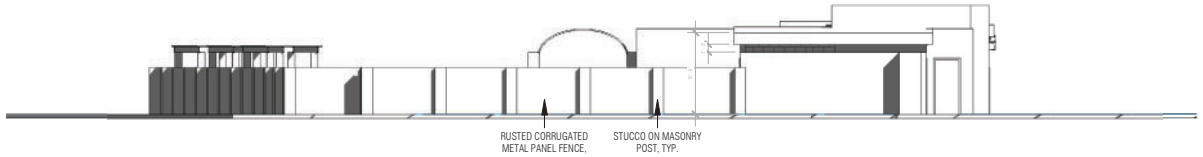

4 BUILDING ELEVATION WEST

1/16" = 1'-0"

PHASE: SCHEMATIC DESIGN 30%

NOT FOR CONSTRUCTION

SHEET: A2

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4572 E. CAMP LOWELL DR.
TUCSON, ARIZONA 85712
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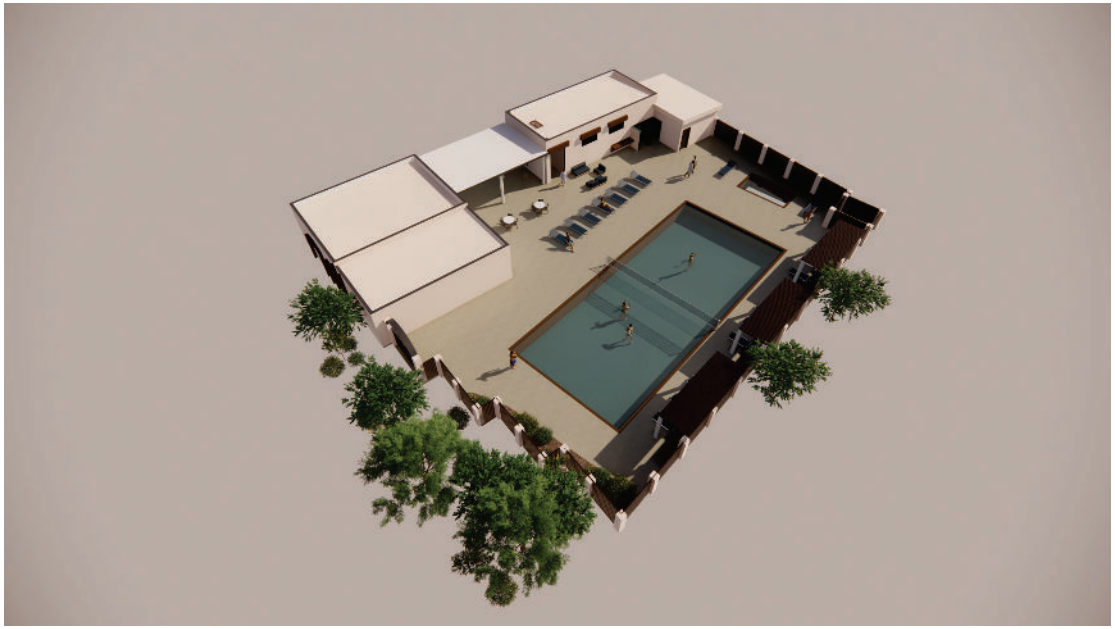

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BURTON and Associates ARCHITECTS
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TUCSON, ARIZONA 85712
(520) 471-8072
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4/9/2026 9:00:19 AM

PHASE:

SCHEMATIC DESIGN 30%

NOT FOR CONSTRUCTION

SHEET: A4

BURTON and Associates ARCHITECTS
4572 E. CAMP LOWELL DR.
TUCSON, ARIZONA 85712
(520) 471-8072
IG: BURTON.ARCH
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NOT FOR
CONSTRUCTION

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BURTON and Associates
ARCHITECTS
4572 E. CAMP LOWELL DR.
TUCSON, ARIZONA 85712
(520) 471-8072
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BURTONASSOCIATESARCH.COM

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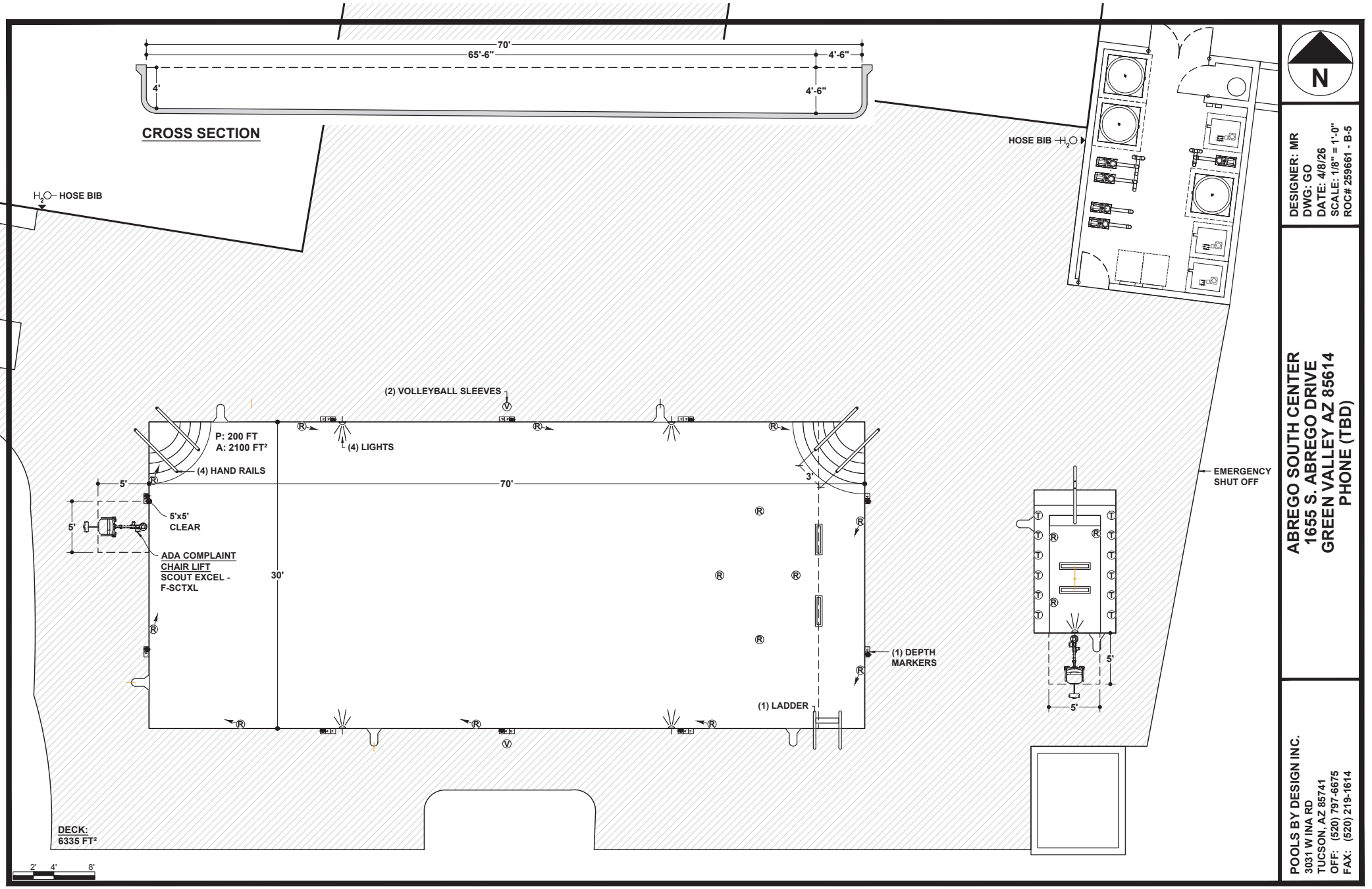
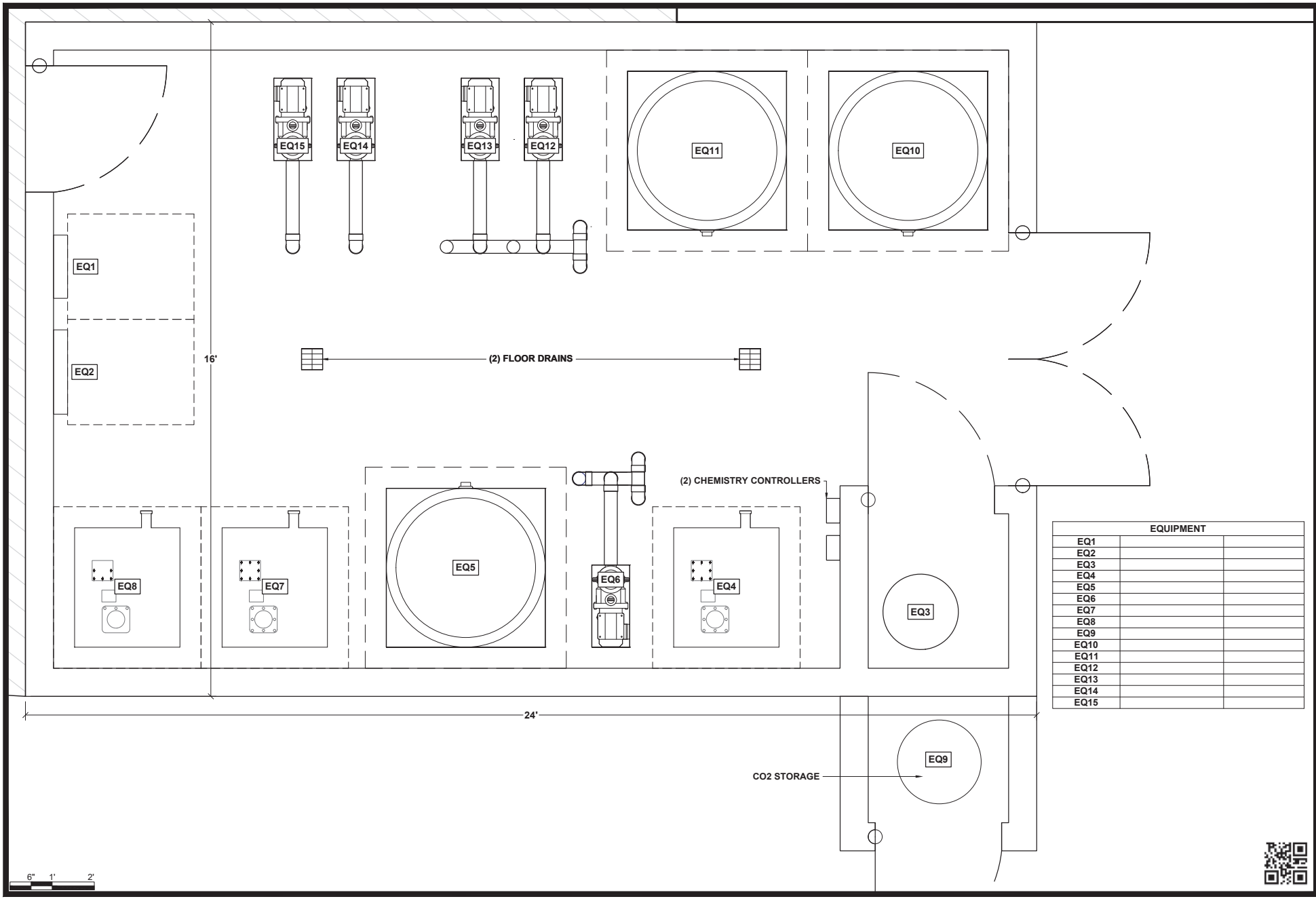

70'
65'-6"
4'-6"
4'
4'-6"
CROSS SECTION
HOSE BIB
HOSE BIB
(2) VOLLEYBALL SLEEVES
P: 200 FT
A: 2100 FT²
(4) LIGHTS
(4) HAND RAILS
5'
70'
3'
5'
5'x5'
CLEAR
ADA COMPLAINT
CHAIR LIFT
SCOUT EXCEL -
F-SCTXL
30'
(1) DEPTH
MARKERS
(1) LADDER
EMERGENCY
SHUT OFF
5'
5'
DECK:
6335 FT²
2'
4'
8'
N
DESIGNER: MR
DWG: GO
DATE: 4/8/26
SCALE: 1/8" = 1'-0"
ROC# 259661 - B-5
ABREGO SOUTH CENTER
1655 S. ABREGO DRIVE
GREEN VALLEY AZ 85614
PHONE (TBD)
POOLS BY DESIGN INC.
3031 W INA RD
TUCSON, AZ 85741
OFF: (520) 797-6675
FAX: (520) 219-1614



EQUIPMENT		
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EQ2		
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EQ15		

DESIGNER: MR
DWG: GO
DATE: 4/9/26
SCALE: 1/2" = 1'-0"
ROC# 259661 - B-5

ABREGO SOUTH CENTER
1655 S. ABREGO DRIVE
GREEN VALLEY AZ 85614
PHONE (TBD)

POOLS BY DESIGN INC.
3031 W INA RD
TUCSON, AZ 85741
OFF: (520) 797-6675
FAX: (520) 219-1614

Chris P. Rodgers

100 East Santa Inez
Green Valley, AZ 85614

Cell: 612-221-4472
Email: Chris@CPRodgers.com

March 29, 2026

To:
Mr. Scott Somers
Chief Executive Officer – Green Valley Recreation
1070 Calle de las Casitas
Green Valley, AZ 85614
520-838-0143

Concerning: Abrego South Pool Project

Greetings Scott!
Thanks so much for supporting us in our efforts to present to the GVR Board our petition and a few comments. Attached is a pile of paper that you can show to the board and the following is the statement that we would like you to present for us. We have some time, so if you don't like something in the statement, please request a revision. Holli Madsen who lives next to me here on Santa Inez is pretty much the anchor in getting the petition going and there was help from neighbors too. I'm the appointed scribe.

I present the statement in quotes as follows:

"Dear GVR Board. Thanks much for taking the time to hear of our efforts. In summary:
Except for the 81 homes in Desert Meadows Circle, we covered the two HOA's (Desert Meadows 2 and 3) that basically surround the Abrego South (proposed) pool. We also covered at least one of each of the three recent HOA meetings, and then the GVR Pool informational meeting conducted by Scott and Natalie in late January of this year.

We have 248 signatures. Sadly, *many people do not answer their door!* Some were not home, and again many just refused to answer. Then we had 2 people that would not sign out of confusion. We chalked that up to "Brain Fog," and moved on. We are proud to tell you that everybody else that we approached signed – 248 single family homeowners!
As you may expect, we counted only one signature per single family home.

Some concerns we heard:
"They're gonna' replace it right? (By far the most popular)
"I'm concerned about my property values."
"I miss my pool!" (That's me).
"I assume we still gotta' pay the +$500 per year without the pool?"
"The East Abrego Pool is too crowded when it gets hot out."

There were many more comments as you can imagine. We are proud of our results, almost everybody we met other than 2 were enthusiastic to sign.

GVR Mission:
To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives.

Please GVR Board, continue to enhance the quality of our lives – approve this pool project today."

<< End of Statement >>

Thanks again Scott for your help. God's peace to you and all of yours!
Sincerely,

Chris P. Rodgers

Chris P. Rodgers

Holli Madsen

Holli Madsen

Geotechnical Engineering Services

Green Valley Recreation, Abrego South Center

1655 South Abrego Drive
Green Valley, Arizona

Green Valley Recreation, Inc.
1655 South Abrego Drive | Green Valley, Arizona

September 4, 2025 | Project No. 609090001

Geotechnical | Environmental | Construction Inspection & Testing | Forensic Engineering & Expert Witness

Geophysics | Engineering Geology | Laboratory Testing | Industrial Hygiene | Occupational Safety | Air Quality | GIS

September 4, 2025
Project No. 609090001

Mr. Tom Fisher
Green Valley Recreation
1725 East Bilby Road
Tucson, Arizona 85706

Subject: Geotechnical Services
Green Valley Recreation, Abrego South Center
1655 South Abrego Drive
Green Valley, Arizona

Dear Mr. Fisher:

In accordance with your authorization, Ninyo & Moore has performed geotechnical services for the above-referenced site. The attached report presents our methodology, findings, conclusions, and recommendations for the project site.

Ninyo & Moore appreciates the opportunity to be of service to you on this project.

Respectfully submitted,
NINYO & MOORE

Marek J. Kasztalski, PE
Principal Engineer

Steven D. Nowaczyk, PE
Managing Principal Engineer

MJK/SDN/amg

CONTENTS

FIGURES

APPENDICES

1 INTRODUCTION

This report was prepared to present our geotechnical services pertaining to the Green Valley Recreation, Abrego South Center in Green Valley, Arizona (Figure 1). Specifically, various forms of distress have occurred within the Bath House building and the pool deck area and are the subject of this study. The purpose of our work was to assess the site geotechnical conditions, perform an evaluation of the cause of the distress at the above-mentioned area, and provide recommendations for remediation work.

2 SCOPE OF SERVICES

The scope of our services for this project generally included:

- Reviewing readily available geotechnical data and collecting background information pertaining to the project site and vicinity.
- Conducting a site visit to interview the Recreation Center personnel, observe the facility distress, and to mark out boring locations.
- Performing a floor level (manometer) survey of the area. The results of the manometer survey are presented on Figure 3.
- Performing a geotechnical exploration, which included drilling of three borings to depths of 3.3 to 7.5 feet using a hand operating equipment (hand auger). A Ninyo & Moore employee observed the drilling operations and prepared the boring logs in general accordance with the Unified Soil Classification System (USCS) and ASTM Internal (ASTM) D2488 by observing cuttings and samples. The boring locations are depicted on Figure 2 and the boring logs are presented in Appendix A.
- Collecting soils samples in the borings for laboratory testing and analysis. The soil samples were transported to a Ninyo & Moore laboratory for testing.
- Conducting laboratory testing on soil samples that generally included in-place moisture and dry density, gradation, Atterberg limits, and consolidation. The laboratory test results are presented in Appendix B.
- Conducting geotechnical analysis of the information obtained from our document review and site reconnaissance.
- Preparing this report presenting our findings, conclusions, and remediation recommendations.

3 SITE DESCRIPTION

The subject site is located at 1655 South Abrego Drive in Green Valley, Arizona (Figure 1), within the existing Green Valley Recreation, South Abrego Center (Recreation Center) complex surrounded by a perimeter masonry wall. At the time of our evaluation, the center generally consisted of:

- Single-story Recreation Center building and Bath House;
- Covered ramada adjacent to the Recreation Center building;
- Swimming pool, 5-feet deep and standalone spa (jacuzzi), 4 ½-foot deep;
- Concrete deck area around the pool and spa; and
- Adjacent equipment area surrounded by a masonry perimeter wall.

4 BACKGROUND INFORMATION

Based on our review of available drawings and aerial photograph, the swimming pool and some of adjacent facilities including the Recreation Center building and the ramada were constructed around 1975.

The Bath House was constructed around 1994. Based on the Bath House Framing Plan/Sections and Details as-built drawing dated July 13, 1994, the building is a wooden frame structure with masonry walls supported on shallow foundations (spread footings) and slab on grade. The adjacent Recreation Center building is a similar wood frame structure, also supported on shallow foundations. The swimming pool was originally 5 to 8.5 feet deep. However, it was more recently reconstructed to a shallower 5-foot depth.

We understand that the Recreation Center has been experiencing movements of the Bathroom House that resulted in structural cracks of the walls and floors. Cracks have also developed in the concrete decking around the swimming pool and spa and within the pool walls. We also understand that in 2024, a pipe associated with the spa was compromised, but we were informed that the recreation center maintenance staff had it repaired. Recently, the structural cracks have been observed to grow bigger and wider and distress aggravated also within the concrete decking area. The Center staff also acknowledged that monthly water bills have recently increased significantly, apparently without any abnormal usages.

5 OBSERVATIONS

On July 25, 2025, Ninyo & Moore visited the site and documented the current site conditions. The pool had water in it, but the spa was empty. We also observed the Recreation Center staff turning off water supply to the facility; however; the water meter was still recording flowing water. Our general observations are summarized below and selected photographs are presented in Appendix C:

- Numerous cracks were observed in the Bath House walls and floor slabs:
    - Cracks in the floor slab tiles;
    - Damage to the floor tiling indicating possible floor slab movements;
    - Vertical and horizontal cracks in interior wall drywall and external masonry block walls;
    - Diagonal and stepping cracks in exterior wall masonry block walls and interior dry wall; and
    - Separation cracks at celling and wall corners.
- The western portion of the open area around the pool and the spa demonstrated significant concrete deck distress, including:
    - Cracks in the concrete slabs;
    - Slab vertical movement at joints, which have been compromised; and
    - Diagonal cracks in some floor slabs.
- The eastern portion of the open area around the pool exhibited similar distress with less pronounced vertical slab movements.
- Pool and spa:
    - Vertical cracks and separations in the pool walls;
    - Cracks in the pool bottom slab; and
    - Cracks and separations in spa walls.
- The equipment area perimeter wall exhibited horizontal and stepping cracks.
- The distress observed in the Recreation Center Building and the ramada was less significant and indicative or typical structural performance.

6 ELEVATION SURVEY

On August 11, 2025, Ninyo & Moore performed a floor level survey (using a water-level manometer) to evaluate the differential elevations across select Recreation Center areas. The results of the survey are presented on Figure 3.

The elevation survey results for portions of the Bath Building and the decking area around the pool and spa showed an approximately 7-inch elevation differential between the entrance to the Bath House and the concrete decking slab near the Recreation Center building and the ramada. An approximate differential of about 5 ½ inches was measured across the Bath House footprint. A relatively low spot was found between the pool and spa. The area around the pool was generally 6 inches higher than the low spots mentioned above.

7 GEOTECHNICAL BORING AND LABORATORY TESTING

On August 15, 2015, Ninyo & Moore conducted a subsurface exploration at the site in order to evaluate the subsurface conditions and to collect soil samples for laboratory testing. Our evaluation consisted of drilling, logging, and sampling of three borings to depths of 3.3 to 7.5 feet using a hand operating equipment (hand auger), see Figure 2. Bulk and relatively undisturbed soil samples were collected at selected depth intervals in our borings.

Ninyo & Moore personnel logged the borings in general accordance with the USCS and ASTM test method D2488 by observing cuttings and drive samples. Collected ring samples were trimmed in the field, wrapped in plastic bags, and placed in cylindrical plastic containers to retain in-place moisture conditions. Similarly, Standard Penetration Test (SPT) and bulk samples were sealed in plastic bags to retain their approximate in-place moisture. Detailed descriptions of the soils encountered are presented on the boring logs in Appendix A.

The soil samples collected from our exploratory activities were transported to the Ninyo & Moore laboratory in Tucson, Arizona for geotechnical laboratory testing. The testing included in-situ moisture content and dry density, gradation, Atterberg limits, and consolidation. The results of the in-situ moisture content and dry density testing are presented on the boring logs in Appendix A and a description of each laboratory test method and the remainder of the test results is presented in Appendix B.

8 SUBSURFACE CONDITIONS

The boring log contains our field and laboratory test results, as well as our interpretation of conditions believed to exist between actual samples retrieved. Therefore, this boring log contain both factual and interpretive information. Lines delineating subsurface strata on the boring log are intended to group soils having similar engineering properties and characteristics. They should be considered approximate, as the actual transition between soil types (strata) may be gradual. Detailed stratigraphic information and a key to the soil symbols and terms used on the boring log are provided in Attachment A.

8.1 Concrete Pool Decking

Approximately 4-inch-thick concrete pool decking was encountered at the surface of our borings.

8.2 Fill

Undocumented fill soils were encountered below the concrete pool decking in our borings, and extended to the boring termination depths. The fill in our borings consisted of wet, loose (HS-1) to moist, medium dense (HS-2 and HS-3) silty sand, clayey sand, and silty clayey sand with variable percentages of gravel. Our boring HS-3 was terminated by Auger refusal and a very dense gravel layer.

9 DISCUSSION OF LABORATORY TEST RESULTS

The fill soils sampled in our boring generally consisted of non-plastic silty sand and low plasticity clayey sand with various percentages of gravel and were found to be in a loose to medium dense condition. The laboratory test results show that the site soil types encountered in our borings are relatively consistent. In-situ dry densities of the tested soil specimens were generally within the range of typical dry density values for these types of soil. However, the results of in-situ moisture content tests indicate significantly elevated moisture contents within boring HS-1, especially below an approximate depth of 3 feet below ground surface (bgs). These soil samples demonstrated saturation levels well above the range of typical moisture contents for these types of soils. In the other borings, the moisture contents of the samples tested were much lower; however, we observed a general trend indicating increased moisture content with the sample depth. The results of a consolidation test indicate an approximately 5.5 percent collapse upon saturation and increased compressibility after sample inundation.

10 FINDINGS AND CONCLUSIONS

Based on the results of our subsurface evaluation, laboratory testing, and data analysis, we conclude that subsurface wet utility leak(s) have occurred in the past or are occurring and these leak(s) have saturated the surrounding subsurface soils. These subsurface soils have in turn collapsed, compressed, and/or consolidated; resulting in the observed distress in the Bath House, the equipment area perimeter wall, the swimming pool and spa walls, and the concrete pool decking areas. The recent pool reconstruction may have contributed to the observed distress but its impact can not be evaluated due to the lack of the construction records. These conclusions are based on the following findings:

- Our background research revealed:
  - a history of distress development near the affected facilities;
  - possible water leakages from subsurface utility lines within the area of concern; and
  - the pool was reconstructed but no construction records were available for our review.
- The floor level survey results are consistent with the observed distress, showing that various areas of the site have experienced total settlements of up to about 6 inches and a relatively low spot was found between the pool and spa.
- The results of the field and laboratory testing indicate that the subgrade soil exhibit abnormally high saturation levels in the areas of the highest measured elevation differentials and the most severe distress.
- Many of the observed cracks and settlements and their severity coincide with the highest differential movements of the Bath House floor and concrete deck slabs, as well as with the elevated moisture contents of the subgrade soils.
- Some of the pool distress is situated over subgrade soils that were likely placed as part of the recent pool reconstruction.

11 RECOMMENDED MITIGATION MEASURES

Prior to any mitigation work, the leak detection should be performed and any leaking utilities should be repaired.

Typical measures to mitigate the building distress similar to what have been reported at this building include underpinning of the building and the perimeter wall foundations (footings and slabs on grade) to provide additional support and the reduce potential for future movements. This would include system of helical piers or micro-piles that are commonly designed and installed by specialty contractors. For the design of such mitigation measures, additional geotechnical services including deeper borings will need to be considered.

Possible mitigation of the concrete deck slab movements should include overexcavation of the subgrade soils to depths indicating competent soil strata, which may be below the depths of our exploration (7.5 feet bgs) and replacement of the excavated soils with compacted engineered fill placed in 6-inch-thick lifts at a moisture content generally close to the optimum.

The pool distress, although believed to be largely associated with the above discussed subsurface conditions, should be subject of additional evaluation of the fill soils condition under its bottom.

Ninyo & Moore will be happy to provide support geotechnical and material testing services during and after the mitigation measure implementation.

12 LIMITATIONS

The geotechnical services described in this report have been conducted in general accordance with current practice and the standard of care exercised by geotechnical consultants performing similar tasks in the project area. No warranty, expressed or implied, is made regarding the conclusions, and opinions presented in this report.

13 REFERENCES

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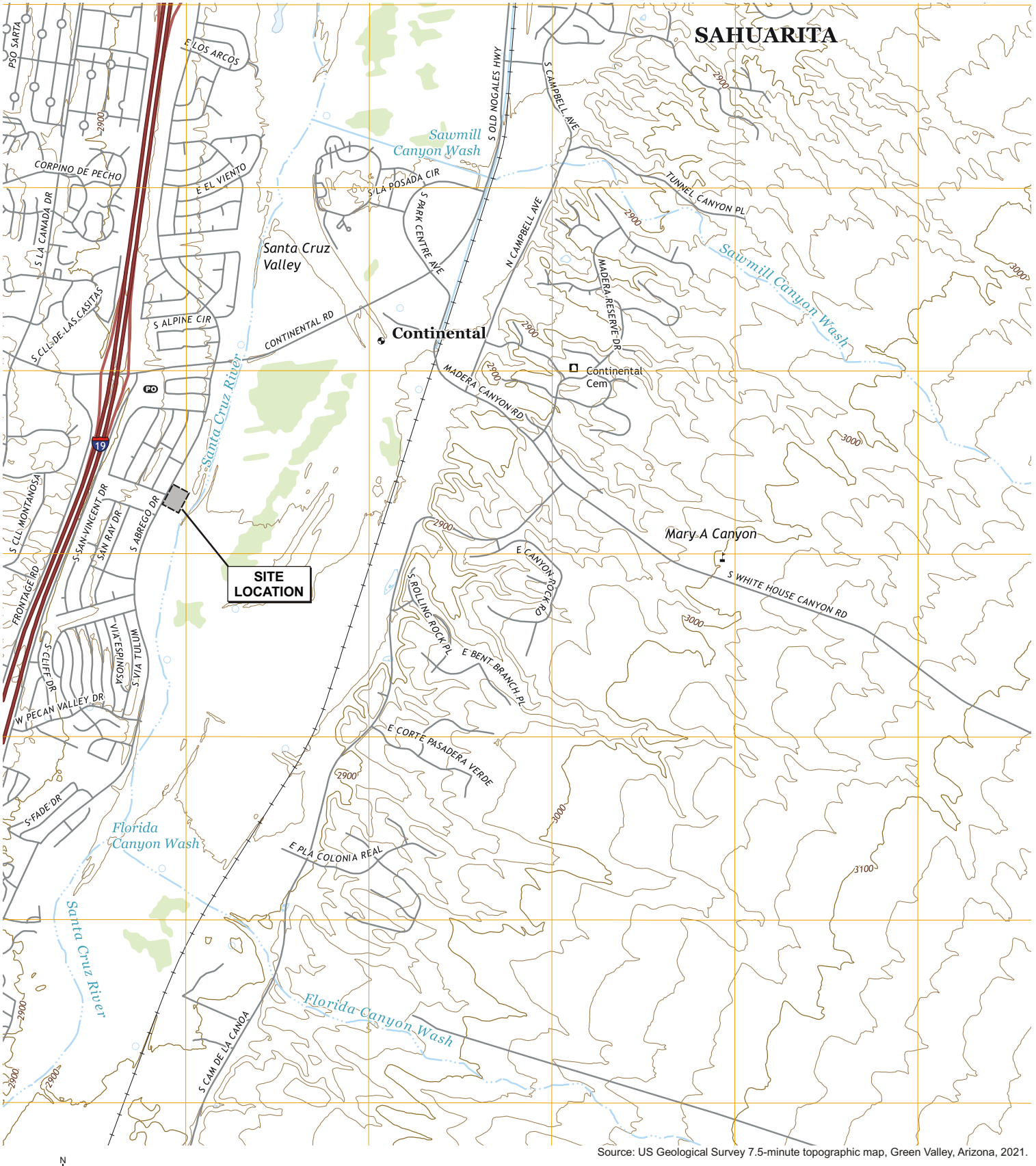
FIGURES



Source: US Geological Survey 7.5-minute topographic map, Green Valley, Arizona, 2021.

N

FEET

0 2000

NOTE: DIMENSIONS, DIRECTIONS AND LOCATIONS ARE APPROXIMATE.

FIGURE 1

SITE LOCATION

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION
GREEN VALLEY, ARIZONA

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bsm file no: 9090vmap0825

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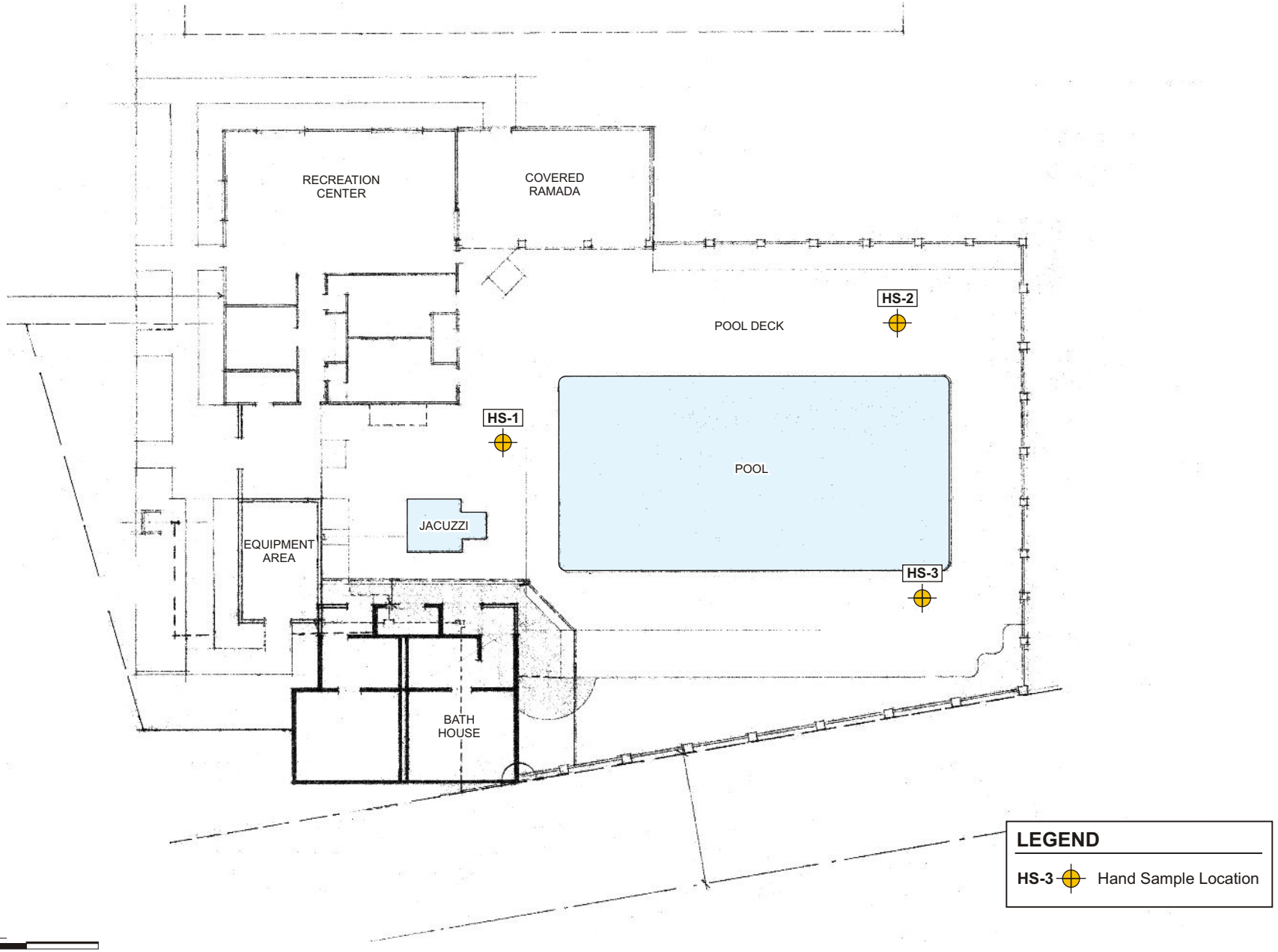

NOTE: DIMENSIONS, DIRECTIONS AND LOCATIONS ARE APPROXIMATE.

bsm file no: 9090blm0825

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FIGURE 2

HAND SAMPLE LOCATIONS

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION
GREEN VALLEY, ARIZONA

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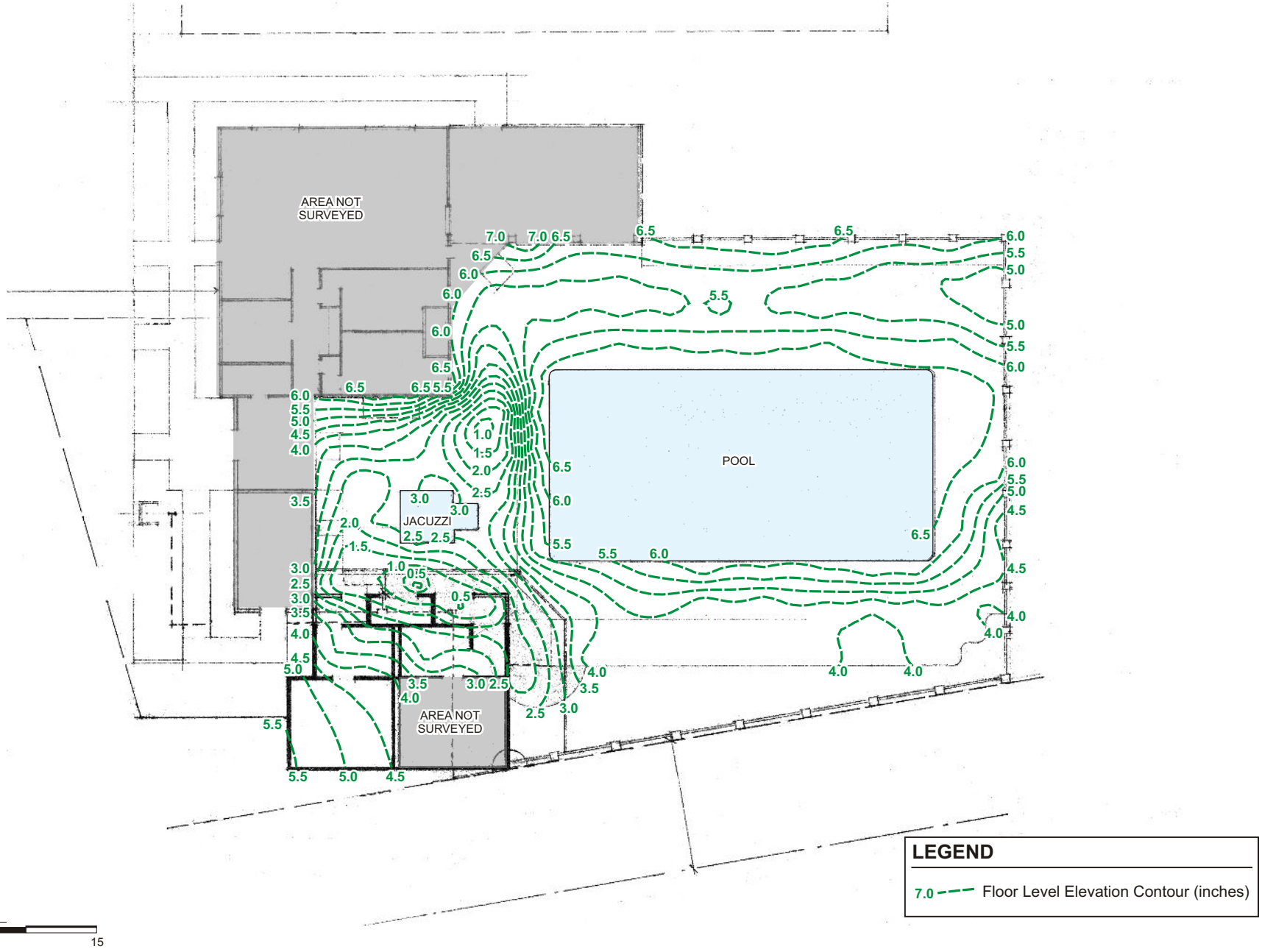

NOTE: DIMENSIONS, DIRECTIONS AND LOCATIONS ARE APPROXIMATE.

bsm file no: 9090fls0825

FIGURE 3

FLOOR LEVEL SURVEY

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION
GREEN VALLEY, ARIZONA

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APPENDIX A

Boring Logs

APPENDIX A

BORING LOG

Field Procedure for the Collection of Disturbed Samples
Disturbed soil samples were obtained in the field using the following methods.

Bulk Samples
Bulk samples of representative earth materials were obtained from the exploratory boring. The samples were bagged and transported to the laboratory for testing.

The Standard Penetration Test (SPT) Sampler
Disturbed drive samples of earth materials were obtained by means of a Standard Penetration Test sampler. The sampler is composed of a split barrel with an external diameter of 2 inches and an unlined internal diameter of 1-3/8 inches. The sampler was driven into the ground 12 to 18 inches with a 140-pound hammer falling freely from a height of 30 inches in general accordance with ASTM D1586. The blow counts were recorded for every 6 inches of penetration; the blow counts reported on the log are those for the last 12 inches of penetration. Soil samples were observed and removed from the sampler, bagged, sealed and transported to the laboratory for testing.

Field Procedure for the Collection of Relatively Undisturbed Samples
Relatively undisturbed soil samples were obtained in the field using the following methods.

The Modified Split-Barrel Drive Sampler
The sampler, with an external diameter of 3.0 inches, was lined with 1-inch long, thin brass rings with inside diameters of approximately 2.4 inches. The sample barrel was driven into the ground with the weight of a hammer or the Kelly bar of the drill rig in general accordance with ASTM D3550. The driving weight was permitted to fall freely. The approximate length of the fall, the weight of the hammer or bar, and the number of blows per foot of driving are presented on the boring log as an index to the relative resistance of the materials sampled. The samples were removed from the sample barrel in the brass rings, sealed, and transported to the laboratory for testing.

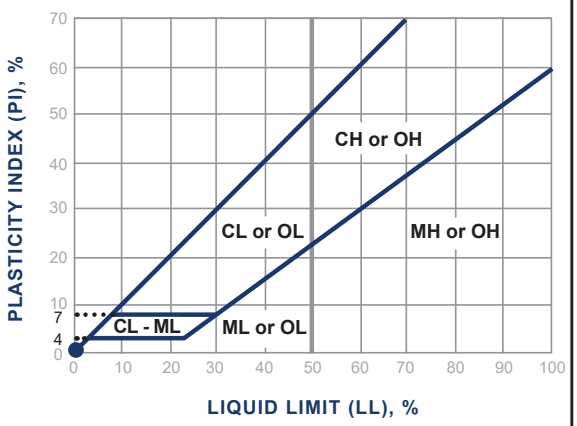
Soil Classification Chart Per ASTM D 2488

Primary Divisions			Secondary Divisions	
			Group Symbol	Group Name
COARSE-GRAINED SOILS more than 50% retained on No. 200 sieve	**GRAVEL** more than 50% of coarse fraction retained on No. 4 sieve	CLEAN GRAVEL less than 5% fines	GW	well-graded GRAVEL
			GP	poorly graded GRAVEL
		GRAVEL with DUAL CLASSIFICATIONS 5% to 12% fines	GW-GM	well-graded GRAVEL with silt
			GP-GM	poorly graded GRAVEL with silt
			GW-GC	well-graded GRAVEL with clay
			GP-GC	poorly graded GRAVEL with clay
		GRAVEL with FINES more than 12% fines	GM	silty GRAVEL
			GC	clayey GRAVEL
			GC-GM	silty, clayey GRAVEL
	SAND 50% or more of coarse fraction passes No. 4 sieve	CLEAN SAND less than 5% fines	SW	well-graded SAND
			SP	poorly graded SAND
		SAND with DUAL CLASSIFICATIONS 5% to 12% fines	SW-SM	well-graded SAND with silt
			SP-SM	poorly graded SAND with silt
			SW-SC	well-graded SAND with clay
			SP-SC	poorly graded SAND with clay
		SAND with FINES more than 12% fines	SM	silty SAND
			SC	clayey SAND
			SC-SM	silty, clayey SAND
FINE-GRAINED SOILS 50% or more passes No. 200 sieve	**SILT and CLAY** liquid limit less than 50%	INORGANIC	CL	lean CLAY
			ML	SILT
			CL-ML	silty CLAY
		ORGANIC	OL (PI > 4)	organic CLAY
			OL (PI < 4)	organic SILT
	SILT and CLAY liquid limit 50% or more	INORGANIC	CH	fat CLAY
			MH	elastic SILT
		ORGANIC	OH (plots on or above "A"-line)	organic CLAY
			OH (plots below "A"-line)	organic SILT
	Highly Organic Soils		PT	Peat

Grain Size

Description		Sieve Size	Grain Size	Approximate Size
Boulders		> 12"	> 12"	Larger than basketball-sized
Cobbles		3 - 12"	3 - 12"	Fist-sized to basketball-sized
Gravel	Coarse	3/4 - 3"	3/4 - 3"	Thumb-sized to fist-sized
	Fine	#4 - 3/4"	0.19 - 0.75"	Pea-sized to thumb-sized
Sand	Coarse	#10 - #4	0.079 - 0.19"	Rock-salt-sized to pea-sized
	Medium	#40 - #10	0.017 - 0.079"	Sugar-sized to rock-salt-sized
	Fine	#200 - #40	0.0029 - 0.017"	Flour-sized to sugar-sized
Fines		Passing #200	< 0.0029"	Flour-sized and smaller

Plasticity Chart



Apparent Density - Coarse-Grained Soil

Apparent Density	Spooling Cable or Cathead		Automatic Trip Hammer	
	SPT (blows/foot)	Modified Split Barrel (blows/foot)	SPT (blows/foot)	Modified Split Barrel (blows/foot)
Very Loose	≤ 4	≤ 8	≤ 3	≤ 5
Loose	5 - 10	9 - 21	4 - 7	6 - 14
Medium Dense	11 - 30	22 - 63	8 - 20	15 - 42
Dense	31 - 50	64 - 105	21 - 33	43 - 70
Very Dense	> 50	> 105	> 33	> 70

Consistency - Fine-Grained Soil

Consis-tency	Spooling Cable or Cathead		Automatic Trip Hammer	
	SPT (blows/foot)	Modified Split Barrel (blows/foot)	SPT (blows/foot)	Modified Split Barrel (blows/foot)
Very Soft	< 2	< 3	< 1	< 2
Soft	2 - 4	3 - 5	1 - 3	2 - 3
Firm	5 - 8	6 - 10	4 - 5	4 - 6
Stiff	9 - 15	11 - 20	6 - 10	7 - 13
Very Stiff	16 - 30	21 - 39	11 - 20	14 - 26
Hard	> 30	> 39	> 20	> 26

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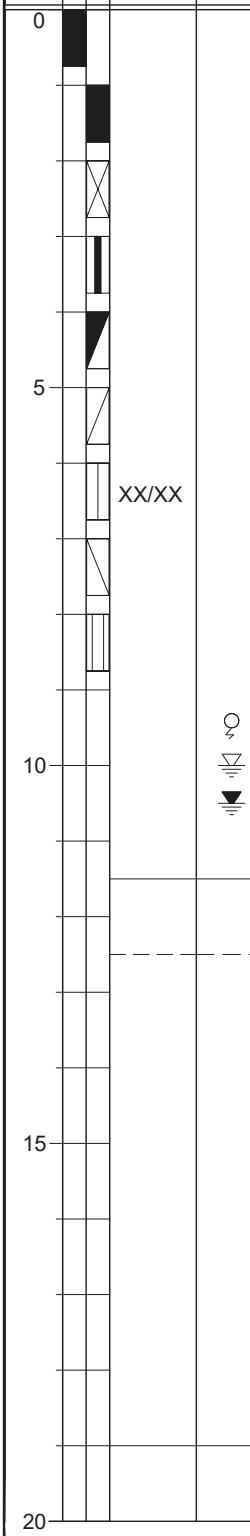
USCS METHOD OF SOIL CLASSIFICATION

BORING LOG EXPLANATION SHEET



Bulk sample.

Modified split-barrel drive sampler.

No recovery with modified split-barrel drive sampler.

Sample retained by others.

Standard Penetration Test (SPT).

No recovery with a SPT.

Shelby tube sample. Distance pushed in inches/length of sample recovered in inches.

No recovery with Shelby tube sampler.

Continuous Push Sample.

Seepage.

Groundwater encountered during drilling.

Groundwater measured after drilling.

SM

MAJOR MATERIAL TYPE (SOIL):
Solid line denotes unit change.

CL

Dashed line denotes material change.

Attitudes: Strike/Dip
b: Bedding
c: Contact
j: Joint
f: Fracture
F: Fault
cs: Clay Seam
s: Shear
bss: Basal Slide Surface
sf: Shear Fracture
sz: Shear Zone
sbs: Shear Bedding Surface

The total depth line is a solid line that is drawn at the bottom of the boring.

DATE DRILLED 8/15/2025 BORING NO. HS-1

GROUND ELEVATION 2,870 ± (MSL) SHEET 1 OF 1

METHOD OF DRILLING Hand Sample/Hand Auger

DRIVE WEIGHT 35 lbs. (Manual) DROP N/A

SAMPLED BY BSJ LOGGED BY BSJ REVIEWED BY SDN

DEPTH (feet)	SAMPLES (Bulk / Driven)	BLOWS/FOOT	MOISTURE (%)	DRY DENSITY (PCF)	SYMBOL	CLASSIFICATION U.S.C.S.	DESCRIPTION/INTERPRETATION
0							POOL DECKING; Approximately 4 1/1 inches thick.
			9.0			SM	FILL: Brown, wet, loose, silty SAND; trace gravel.
			9.0				
			18.9			SC	Brown, moist, loose, clayey SAND; few gravel.
5			18.3				
			16.9				
			14.9				
							Total Depth = 7.5 feet. Groundwater not encountered during drilling. Backfilled with soil and patched with grout on 8/15/25 shortly after completion of drilling. Notes: Groundwater, though not encountered at the time of drilling, may rise to a higher level due to seasonal variations in precipitation and several other factors as discussed in the report. The ground elevation shown above is an estimation only. It is based on our interpretations of published maps and other documents reviewed for the purposes of this evaluation. It is not sufficiently accurate for preparing construction bids and design documents.
10							
15							
20							

FIGURE A- 1

DATE DRILLED 8/15/2025 BORING NO. HS-2

GROUND ELEVATION 2,870 ± (MSL) SHEET 1 OF 1

METHOD OF DRILLING Hand Sample/Hand Auger

DRIVE WEIGHT 35 lbs. (Manual) DROP N/A

SAMPLED BY BSJ LOGGED BY BSJ REVIEWED BY SDN

DEPTH (feet)	SAMPLES (Bulk / Driven)	BLOWS/FOOT	MOISTURE (%)	DRY DENSITY (PCF)	SYMBOL	CLASSIFICATION U.S.C.S.	DESCRIPTION/INTERPRETATION
0							POOL DECKING; Approximately 4 inches thick.
			4.1			SC-SM	FILL: Brown, dry, medium dense, silty, clayey SAND.
			3.6	105.7			
			3.7				
5			9.1				Moist
							Total Depth = 6 feet. Groundwater not encountered during drilling. Backfilled with soil and patched with grout on 8/15/25 shortly after completion of drilling.
							Notes: Groundwater, though not encountered at the time of drilling, may rise to a higher level due to seasonal variations in precipitation and several other factors as discussed in the report.
							The ground elevation shown above is an estimation only. It is based on our interpretations of published maps and other documents reviewed for the purposes of this evaluation. It is not sufficiently accurate for preparing construction bids and design documents.
10							
15							
20							

FIGURE A- 2

DATE DRILLED 8/15/2025 BORING NO. HS-3

GROUND ELEVATION 2,870 ± (MSL) SHEET 1 OF 1

METHOD OF DRILLING Hand Sample/Hand Auger

DRIVE WEIGHT 35 lbs. (Manual) DROP N/A

SAMPLED BY BSJ LOGGED BY BSJ REVIEWED BY SDN

DEPTH (feet)	SAMPLES (Bulk / Driven)	BLOWS/FOOT	MOISTURE (%)	DRY DENSITY (PCF)	SYMBOL	CLASSIFICATION U.S.C.S.	DESCRIPTION/INTERPRETATION
0							POOL DECKING; Approximately 4 inches thick.
			2.4			SM	FILL: Brown, dry, medium dense, silty SAND; few gravel.
			3.7	104.2			
							@ 3.3 feet. Refusal on cobbles.
5							Total Depth = 3.3 feet. Refusal Groundwater not encountered during drilling. Backfilled with soil and patched with grout on 8/15/25 shortly after completion of drilling.
10							Notes: Groundwater, though not encountered at the time of drilling, may rise to a higher level due to seasonal variations in precipitation and several other factors as discussed in the report. The ground elevation shown above is an estimation only. It is based on our interpretations of published maps and other documents reviewed for the purposes of this evaluation. It is not sufficiently accurate for preparing construction bids and design documents.
15							
20							

FIGURE A- 3

APPENDIX B

Laboratory Testing

APPENDIX B

LABORATORY TESTING

Classification

Soils were visually and texturally classified in accordance with the Unified Soil Classification System (USCS) in general accordance with ASTM D2488. Soil classifications are indicated on the log of the exploratory boring in Appendix A.

In-Place Moisture and Density Tests

The moisture content and dry density of relatively undisturbed samples obtained from the exploratory boring were evaluated in general accordance with ASTM D2937. The test results are presented on the log of the exploratory boring in Appendix A.

Gradation Analysis

Gradation analysis tests were performed on selected representative soil samples in general accordance with ASTM D422. The grain-size distribution curves are shown on Figure B-1. These test results were utilized in evaluating the soil classifications in accordance with the USCS.

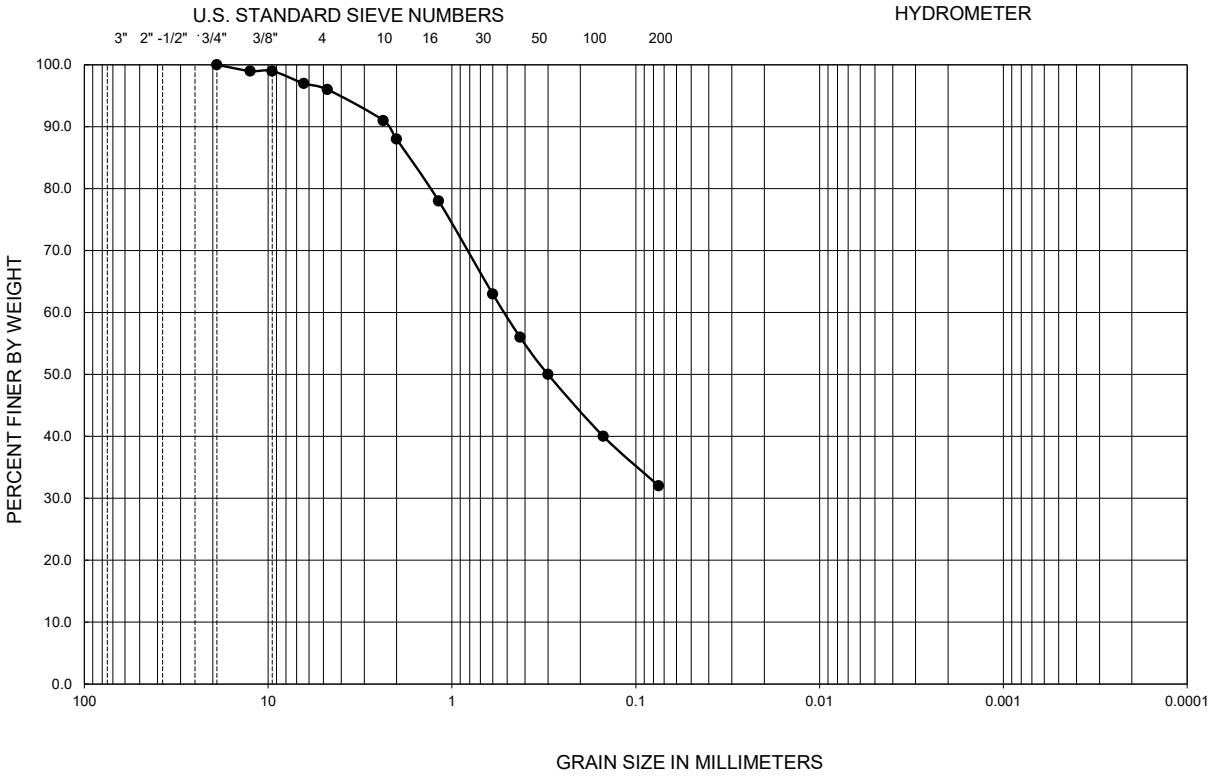
Atterberg Limits

Tests were performed on a selected representative fine-grained soil sample to evaluate the liquid limit, plastic limit, and plasticity index in general accordance with ASTM D4318. These test results were utilized to evaluate the soil classification in accordance with the USCS. The test results and classifications are shown on Figure B-2.

Consolidation Test

Consolidation test was performed on a selected relatively undisturbed soil sample in general accordance with ASTM D2435. The sample was inundated during testing to represent adverse field conditions. The percent of consolidation for each load cycle was recorded as a ratio of the amount of vertical compression to the original height of the sample. The results of the test are summarized on Figure B-3.

GRAVEL		SAND			FINES	
Coarse	Fine	Coarse	Medium	Fine	SILT	CLAY



Symbol	Sample Location	Depth (ft)	Liquid Limit	Plastic Limit	Plasticity Index	D_{10}	D_{30}	D_{60}	C_u	C_c	Passing No. 200 (percent)	USCS
●	HS-1	0.4-2.0	--	--	NP	--	--	0.51	--	--	32.0	SM

NP - INDICATES NON-PLASTIC

PERFORMED IN GENERAL ACCORDANCE WITH ASTM C136 / D422

FIGURE B-1

GRADATION TEST RESULTS

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION

GREEN VALLEY , ARIZONA

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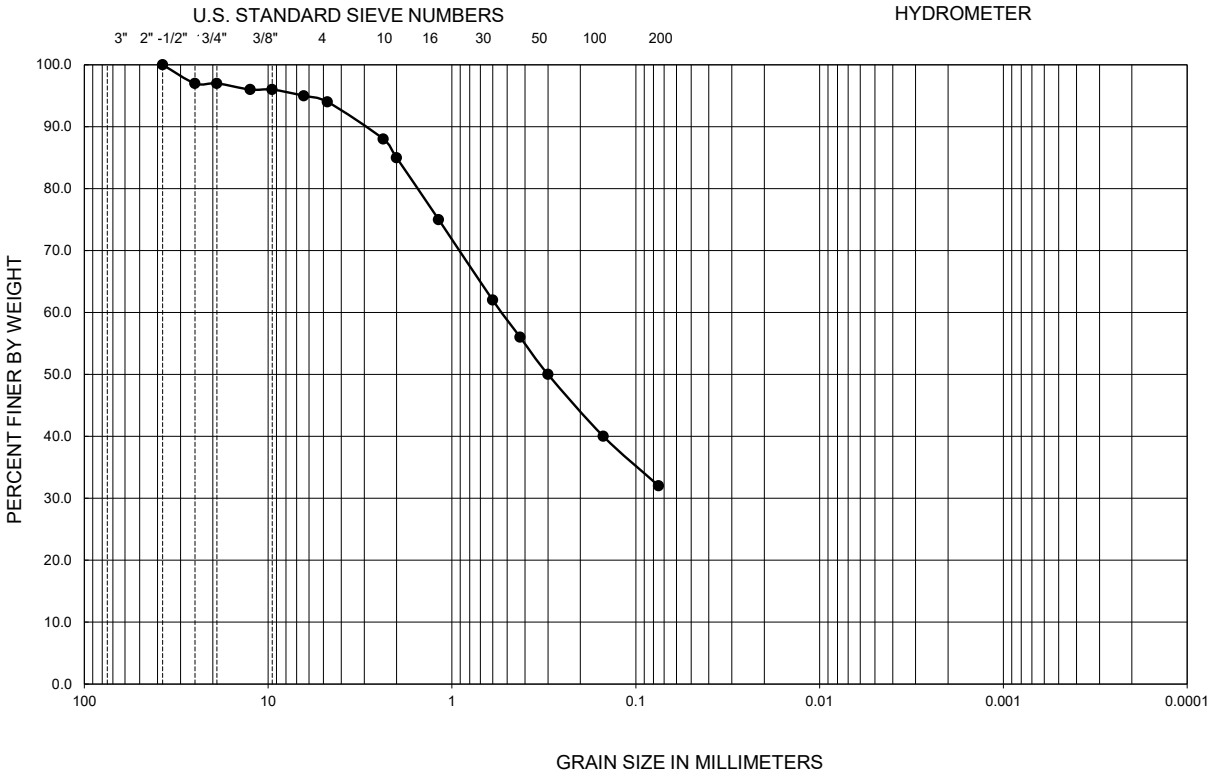
GRAVEL		SAND			FINES	
Coarse	Fine	Coarse	Medium	Fine	SILT	CLAY



Symbol	Sample Location	Depth (ft)	Liquid Limit	Plastic Limit	Plasticity Index	D_{10}	D_{30}	D_{60}	C_u	C_c	Passing No. 200 (percent)	USCS
●	HS-1	5.0-6.0	22	13	9	--	--	0.53	--	--	32.0	SC

PERFORMED IN GENERAL ACCORDANCE WITH ASTM C136 / D422

FIGURE B-2

GRADATION TEST RESULTS

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION

GREEN VALLEY , ARIZONA

609090001 | 9/25

Ninyo & Moore
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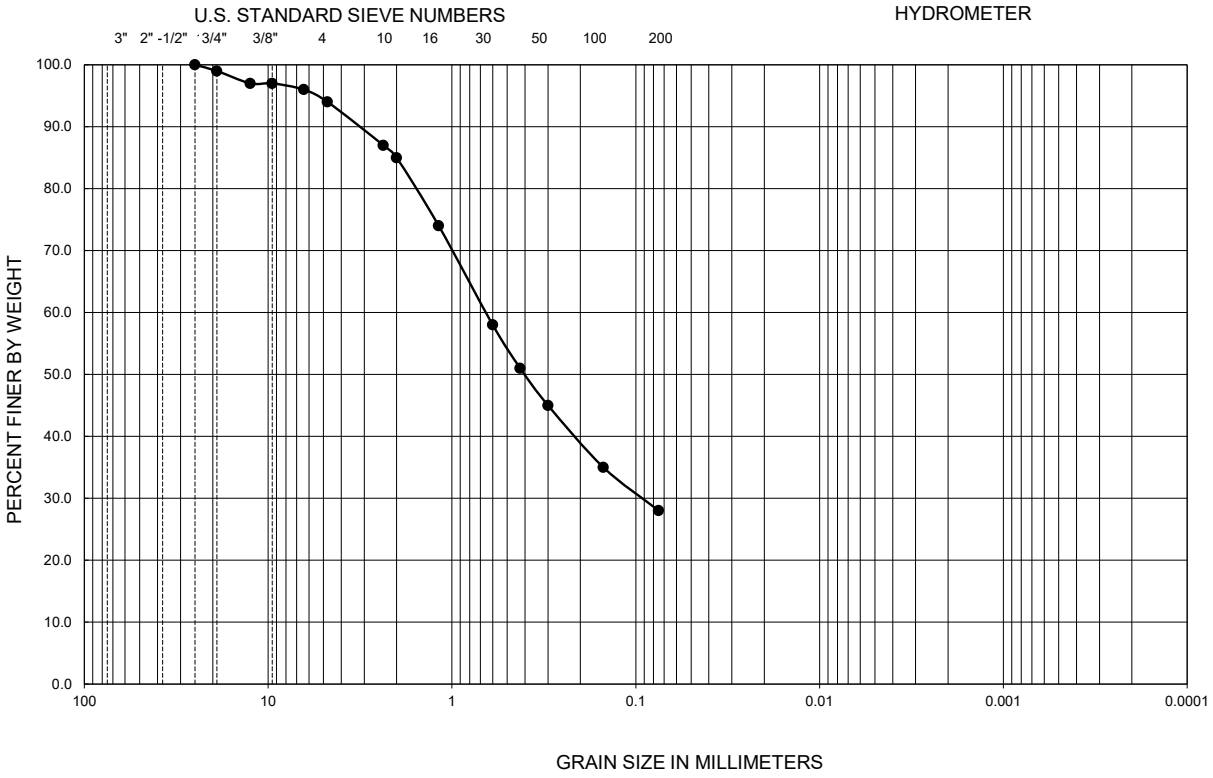
GRAVEL		SAND			FINES	
Coarse	Fine	Coarse	Medium	Fine	SILT	CLAY



Symbol	Sample Location	Depth (ft)	Liquid Limit	Plastic Limit	Plasticity Index	D_{10}	D_{30}	D_{60}	C_u	C_c	Passing No. 200 (percent)	USCS
●	HS-3	2.0-3.0	--	--	NP	--	0.090	0.64	--	--	28.0	SM

NP - INDICATES NON-PLASTIC

PERFORMED IN GENERAL ACCORDANCE WITH ASTM C136 / D422

FIGURE B-3

GRADATION TEST RESULTS

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION

GREEN VALLEY , ARIZONA

609090001 | 9/25

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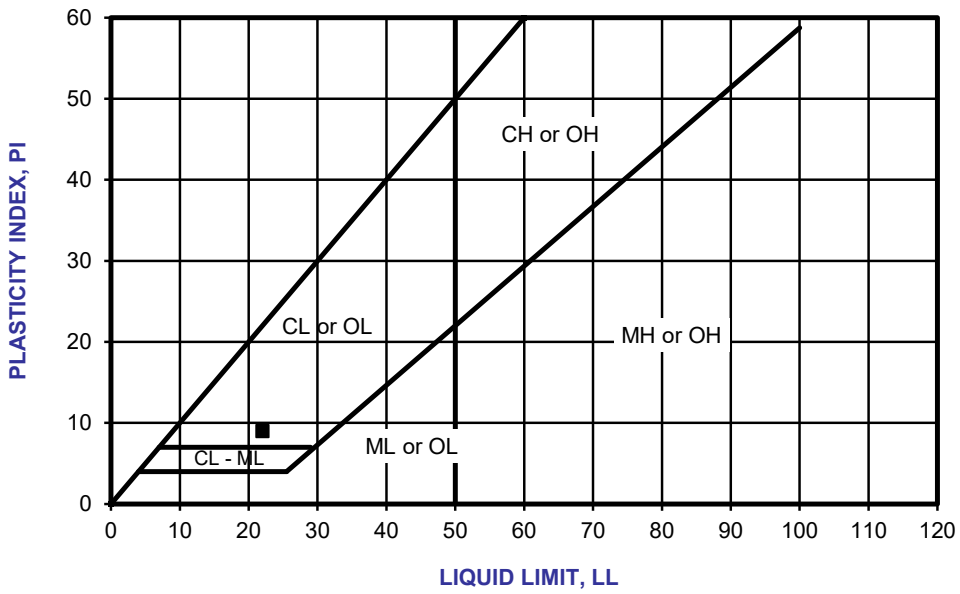
SYMBOL	LOCATION	DEPTH (ft)	LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	USCS CLASSIFICATION (Fraction Finer Than No. 40 Sieve)	USCS
●	HS-1	0.4-2.0	--	--	NP	ML	SM
■	HS-1	5.0-6.0	22	13	9	CL	SC
◆	HS-3	2.0-3.0	--	--	NP	ML	SM

NP - INDICATES NON-PLASTIC



PERFORMED IN GENERAL ACCORDANCE WITH ASTM D 4318

FIGURE B-4

ATTERBERG LIMITS TEST RESULTS

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION

GREEN VALLEY , ARIZONA

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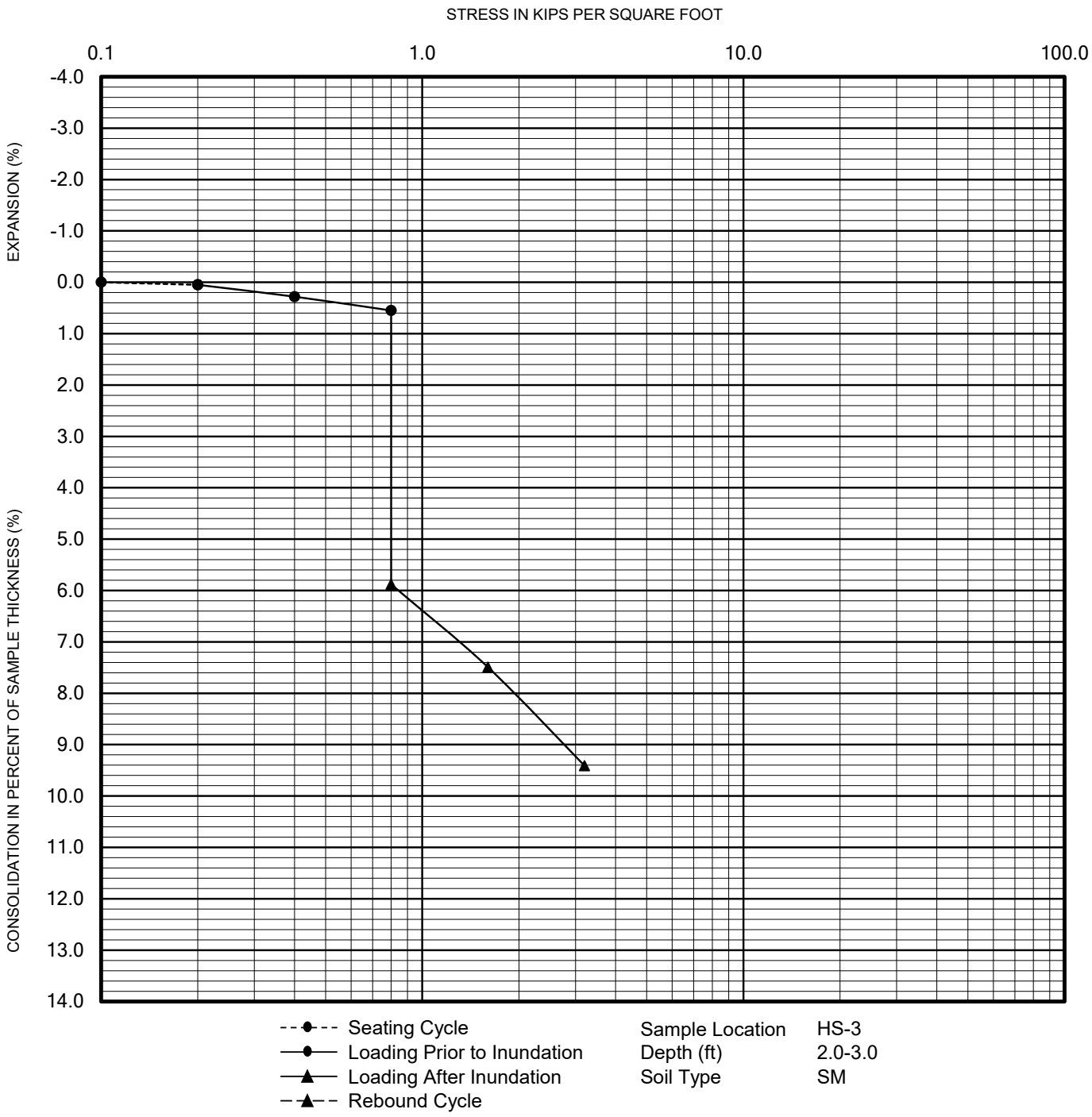

PERFORMED IN GENERAL ACCORDANCE WITH ASTM D 2435

FIGURE B-5

CONSOLIDATION TEST RESULTS

GREEN VALLEY RECREATION CENTER DISTRESS EVALUATION

GREEN VALLEY , ARIZONA

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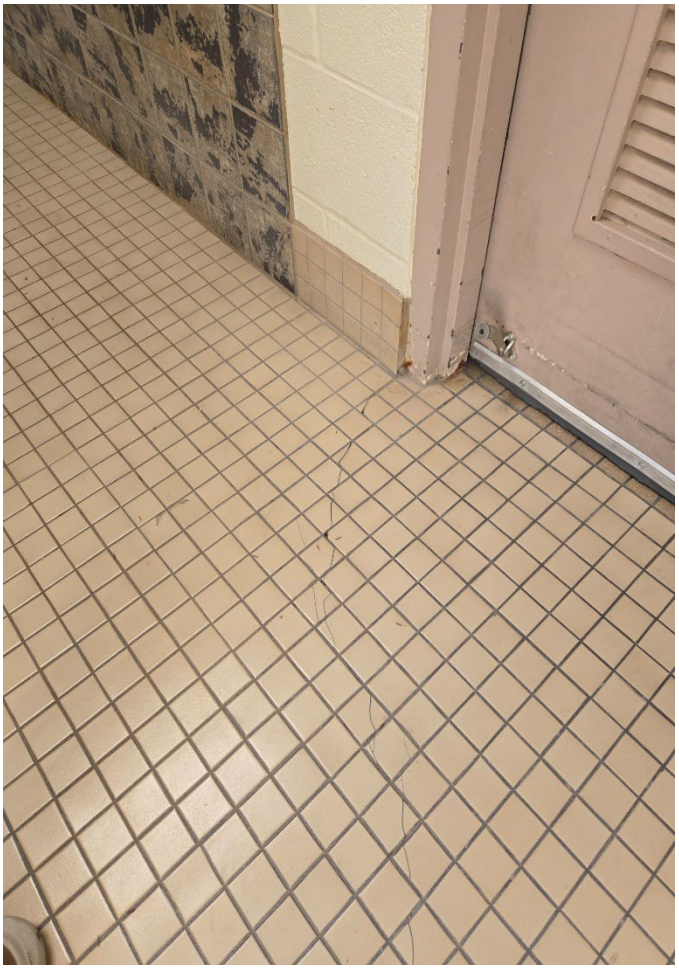
APPENDIX C

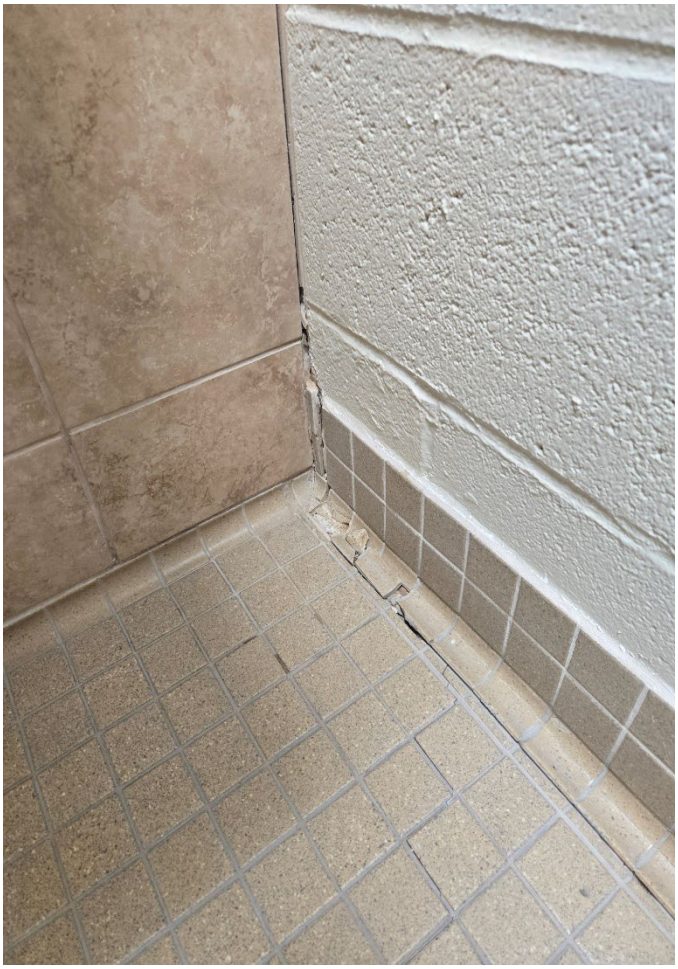
Selected Photographs

Photograph 1: **Bath House - Ceiling and Wall Separation**

Photograph 2: **Bath House - Diagonal Crack in Dry Wall**

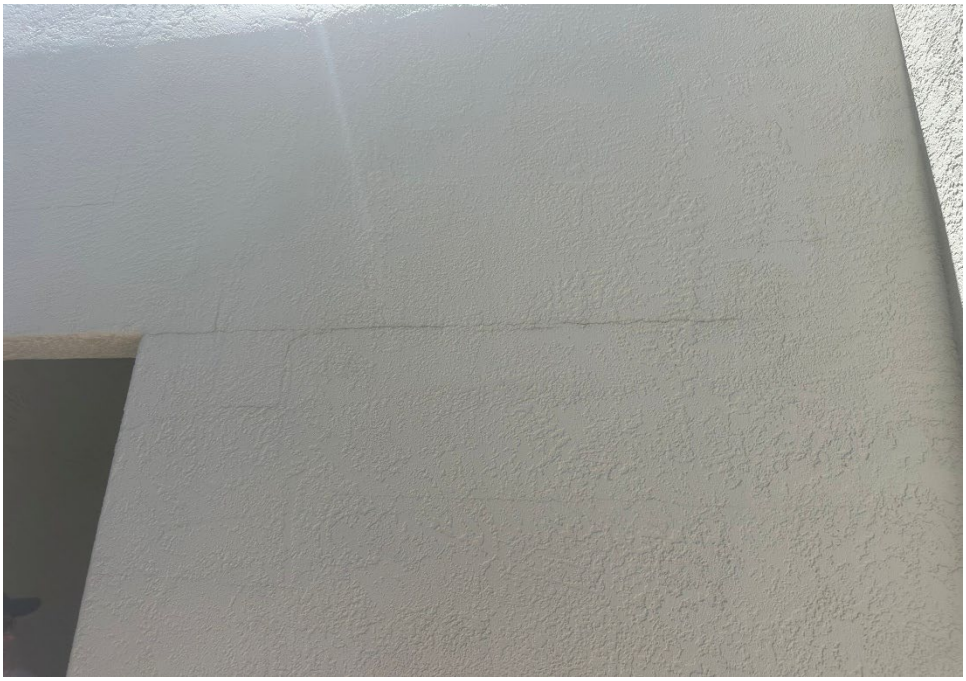


Photograph 3: **Bath House - Floor Tile Crack**



Photograph 4: **Bath House - Floor Tile Damage**

Photograph 5: **Bath House - Stepping Crack in Exterior Wall**

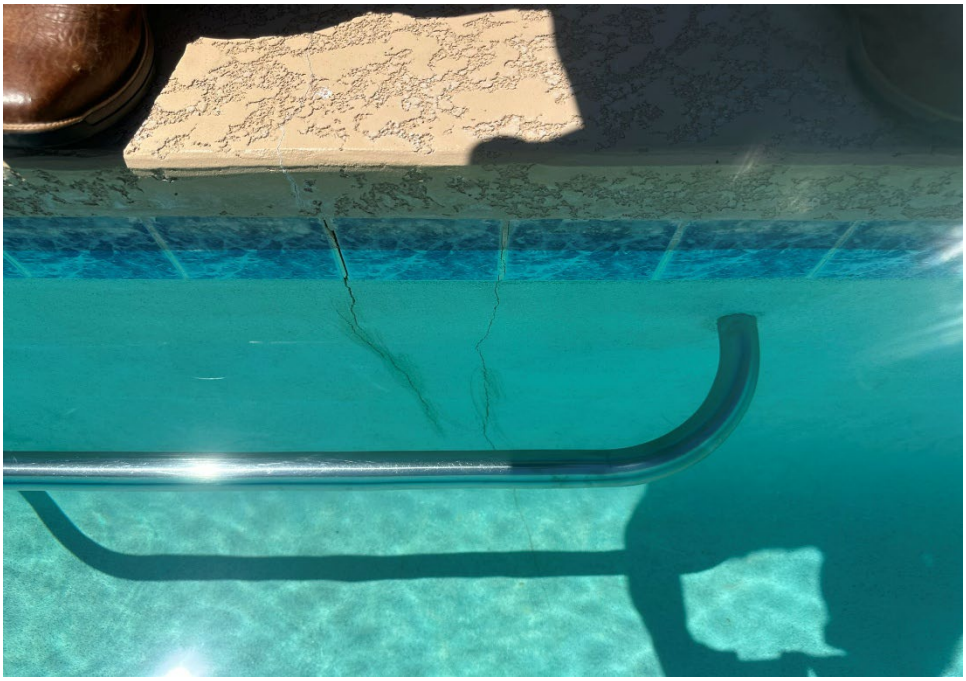


Photograph 6: **Bath House - Horizontal Crack in Exterior Wall**

Photograph 7: **Concrete Deck - Corner Crack**

Photograph 8: **Concrete Deck - Slab Settlement**

Photograph 9: **Concrete Desc - Slab Settlement and Joint Separation**



Photograph 10: **Swimming Pool - Vertical Wall Cracks**

Photograph 11: **Spa - Deck Separation**

Photograph 12: **Equipment Area - Horizontal Crack in Masonry Wall**

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WESTERN TECHNOLOGIES

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Geotechnical
Evaluation Report

Client Name: Green Valley Recreation
Project Name: Abrego South Pool Facility
Project Number: 11-260856-0
Date: April 9, 2026

CERTERRA
WESTERN TECHNOLOGIES

Materially Better™

Green Valley Recreation

333 Paseo del Prado

Green Valley, Arizona 85614

April 9, 2026

Job No. 11-260856-0

Subject: Geotechnical Evaluation

Abrego South Pool Facility

1655 South Abrego Drive

Pima County (Green Valley), Arizona

Certerra has completed the geotechnical evaluation for the proposed pool and bathhouse to be located in the Green Valley area of Pima County, Arizona. This study was performed in general accordance with our Proposal No. 11-260856-P, dated February 19, 2026. The results of our evaluation, including the exploration location diagram, exploration logs, laboratory test results, and geotechnical recommendations are attached.

We appreciate being of service to you in the geotechnical engineering phase of this project and are prepared to assist you during the construction phases as well. If design conditions change, or if you have any questions concerning this report or any of our materials testing, special inspection, or consulting services, please do not hesitate to contact us. We look forward to working with you on future projects.

Sincerely,
Certerra

Registered Professional Engineer (Civil)
CERTIFICATE NO.
43814
JUSTIN M.
HEINECKE
Date Signed 4-9-26
ARIZONA, U.S.A.

Justin M. Heinecke, PE, RG
Senior Geotechnical Engineer
E : jheinecke@certerra.com

JH FOR

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GEOTECHNICAL EVALUATION

Abrego South Pool Facility

1655 South Abrego Drive

Pima County (Green Valley), Arizona

Job No. 11-260856-0

1.0 PURPOSE

This report contains the results of our geotechnical evaluation for a proposed pool and bathhouse to be located in the Green Valley area of Pima County, Arizona. The purpose of these services is to provide information and recommendations regarding:

- Subsurface conditions
- Foundation design parameters
- Lateral earth pressures
- Earthwork guidelines
- Swimming pool design parameters
- Drainage
- Groundwater
- Corrosivity (soil to concrete)
- Slabs-on-grade
- Seismic conditions
- Excavation conditions

Results of the field exploration, field tests, and laboratory testing program are presented in the Appendices.

2.0 PROJECT DESCRIPTION

Project information supplied by Green Valley Recreation indicates the project consists of a new swimming pool, a new bathhouse, and a pool equipment building. The buildings will be single-story structures using wood-frame and/or masonry construction with spread footings. The maximum wall and column loads will be about 2 kips per linear foot (klf) and 30 kips, respectively. The swimming pool will be 3 to 7 feet deep. Concrete pool deck will surround the pool. A previous pool and bathhouse were recently demolished on the site and the poll was backfilled with uncontrolled fill. Should this information not be correct we should be notified immediately.

3.0 SCOPE OF SERVICES

3.1 Field Exploration

Four borings were drilled to depths ranging from about 21.5 to 31.5 feet below existing site grades. The borings were at the approximate locations shown on the attached Boring Location Diagram. A field log was prepared for each boring. These logs contain visual classifications of the materials encountered during drilling as well as interpolation of the subsurface conditions between samples. Final logs, included in Appendix A, represent our interpretation of the field logs and may include modifications based on laboratory observations and tests of the field samples. The final logs describe the materials encountered, their thickness, and the locations where samples were obtained.

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The Unified Soil Classification System was used to classify soils. The soil classification symbols appear on the boring logs and are briefly described in Appendix A. Local and regional geologic characteristics were used to estimate the seismic design criteria.

3.2 Laboratory Analyses

Laboratory analyses were performed on representative soil samples to aid in material classification and to estimate pertinent engineering properties of the on-site soils for preparation of this report. Testing was performed in general accordance with applicable standard test methods. Test results were utilized in the development of the recommendations contained in this report. The following tests were performed and the results are presented in Appendix B.

- Water content
- Dry density
- Compression
- Expansion
- Moisture-density relationship (proctor)
- Soluble sulfate and chloride content
- Minus #200 sieve
- Plasticity

3.3 Analyses and Report

This geotechnical engineering report includes a description of the project, a discussion of the field and laboratory testing programs, a discussion of the subsurface conditions, and design recommendations as appropriate to its purpose. The scope of services for this project does not include, either specifically or by implication, any environmental assessment of the site, discovery of underground storage tanks or other underground structures, or identification of contaminated or hazardous materials or conditions. If there is concern about the potential for such contamination, other studies should be undertaken. We are available to discuss the scope of such studies with you.

4.0 SITE CONDITIONS

4.1 Surface

At the time of our exploration, the form pool and bathhouse had been demolished the resulting excavations were backfilled to the surrounding parking lot grade. The ground surface was relatively flat and clear of vegetation. Site drainage trended to the east as sheet surface flow. The site is bound by a clubhouse building to the north, undeveloped land to the south, a water pumping and storage tank facility to the east, and Abrego Drive to the west.

4.2 Subsurface

As presented on the Boring Logs, surface soils to the full depth of exploration consisted of loose to medium dense Silty SAND; Clayey SAND; and Silty, Clayey SAND and soft to hard Sandy CLAY. Near surface soils are of low to medium plasticity. No apparent zones of carbonate cementation were encountered in the borings. Groundwater was not encountered in any boring at the time of exploration. A detailed description of the soils encountered can be found on the boring logs in Appendix A.

Uncontrolled fill was encountered in Borings 2 and 3 (the former pool area) to depths of 6 to 8 feet below existing grade. The fill may extend to greater depths in areas beyond our borings.

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5.0 GEOTECHNICAL PROPERTIES AND ANALYSIS

5.1 Laboratory Tests

Laboratory test results (see Appendix B) indicate that on-site subsoils near and below shallow foundation level exhibit low compressibility at existing water contents. High additional compression occurs when the water content is increased.

Laboratory test results indicate that on-site subsoils near and below the pool shell level exhibit low compressibility at existing water contents. Low to moderate additional compression occurs when the water content is increased.

Near-surface soils are of low to medium plasticity. These soils exhibit low expansion potential when recompacted, confined by loads approximating floor loads and saturated. Slabs-on-grade supported on recompacted on-site soils have a low potential for heaving if the water content of the soil increases.

Chemical tests were performed on representative samples of the surficial on-site soils to determine the amount of water-soluble sulfate and chloride. The tests were performed by Motzz Laboratories, Inc. and the test results are presented in Appendix B.

5.2 Field Tests

On-site subsoils exhibited low to medium resistance to penetration using the standard penetration test method (ASTM D1586) and ring-lined barrel sampler (ASTM D3550). Penetration resistance values exhibited some variability between test locations. This represents a potential for differential movement within structures supported on existing soils in their present condition.

The boring logs included in this report are indicators of subsurface conditions only at the specific location and date noted. Variations from the field conditions represented by the borings may become evident during construction. If variations appear, we should be contacted to re-evaluate our recommendations.

6.0 RECOMMENDATIONS

6.1 General

Recommendations contained in this report are based on our understanding of the project criteria described in **Section 2.0** and the assumption that the soil and subsurface conditions are those disclosed by the explorations. Others may change the plans, final elevations, number and type of structures, foundation loads, and floor levels during design or construction. Substantially different subsurface conditions from those described herein may be encountered or become known. Any changes in the project criteria or subsurface conditions shall be brought to our attention in writing. This report does not encompass the effects, if any, of underlying geologic hazards or regional groundwater withdrawal and expresses no opinion regarding their effects on surface movements at the project site.

6.2 Design Considerations

Some of the surficial on-site soils encountered are soft to firm or loose in consistency or relative density. In addition, laboratory test results indicate that these soils become weaker and collapsible with an increase in moisture content. These soils are not suitable for support of foundations in their present state and should be over-excavated and recompacted as recommended in the **EARTHWORK** section of this report. Proper drainage should be provided to help prevent infiltration of moisture below the foundations. It should be noted that shallow foundation systems are not designed to resist soil movements resulting from sewer or plumbing leaks, excessive or leaking irrigation systems, poor drainage, or water ponding near structures.

Demolition of pre-existing on-site structures and associated improvements disturbed some of the supporting soils for the new structure and pool. Care should be taken to properly place and compact disturbed soil in accordance with the recommendations in the **EARTHWORK** section of this report.

6.3 Spread Foundations

Shallow spread-type footings may be used to support the proposed structures. The foundations should bear on engineered fills achieved by removal and recompaction of the soils below foundations. The depth and lateral extent of the engineered fills is presented in the **EARTHWORK** section of this report.

The existing fill on the site should not be used for support of foundations without removal and recompaction.

Alternative footing depths and allowable bearing capacities are presented in the following tabulation:

Footing Depth Below Finished Grade[1] (ft)	Allowable Bearing Capacity[2] (psf)
1.5	2000
2.0	2500

We anticipate that total settlement of the proposed structures, supported as recommended, should be less than ¾ inch. Differential settlement is anticipated to be less than ½ inch. Additional foundation movements could occur if water from any source infiltrates the foundation soils. Therefore, proper drainage should be provided in the final design and during construction.

Footings should have minimum widths in accordance with local building codes. The bearing capacities given are net bearing capacities and the weight of the concrete in the footings may be ignored.

All footings, stem walls and masonry walls should be reinforced to reduce the potential for distress caused by differential foundation movements. The use of joints at openings or other discontinuities in masonry walls is recommended.

We recommend that the geotechnical engineer or his representative observe the footing excavations before reinforcing steel and concrete are placed. This observation is to evaluate whether the soils exposed are similar to those anticipated for support of the footings. Any soft, loose or unacceptable soils should be undercut to suitable materials and backfilled with approved fill materials or lean concrete. Soil backfill should be properly compacted.

6.4 Pool Shell Support

The pool shell may be designed using a uniform modulus of subgrade reaction of 150 pci and lateral active pressures of 40 psf/ft for undisturbed subsoil and 35 psf/ft for engineered fill. Proper drainage away from the pool area and any retaining walls should be provided in the final design and during construction. The pool bottom should be supported by engineered fill as outlined in the **EARTHWORK** section of this report.

6.5 Lateral Design Criteria

Lateral loads may be resisted by concrete interface friction and by passive resistance. For shallow foundations bearing on properly compacted fill at this site, we recommend the following lateral resistance criteria:

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[1] Finished grade is the lowest adjacent grade for perimeter footings and floor level for interior footings.

[2] Allowable bearing capacities assume fulfillment of **EARTHWORK** recommendations. Pounds per square foot (psf).

- Passive:

  Shallow wall footings ..... 200 psf/ft
  Shallow column footings ..... 350 psf/ft

- Coefficient of base friction (passive) 0.25

Earth retaining structures less than 15 feet in height, above any free water surface, with level backfill and no surcharge loads may be designed using the equivalent fluid pressure method. Recommended active equivalent fluid pressures and coefficients of base friction for unrestrained elements are:

- Active:

  Undisturbed subsoil ..... 40 psf/ft
  Compacted granular backfill ..... 30 psf/ft
  Compacted site soils (non-clay) ..... 35 psf/ft
  Clay site soils ..... not recommended for use

- Coefficient of base friction (active) 0.35

Where the design includes restrained elements, the following equivalent fluid pressures are recommended:

- At-rest:

  Undisturbed subsoil ..... 60 psf/ft
  Compacted granular backfill ..... 55 psf/ft

The equivalent fluid pressures presented herein do not include the lateral pressures arising from the presence of:

- hydrostatic conditions, submergence or partial submergence
- sloping backfill, positively or negatively
- surcharge loading, permanent or temporary
- seismic or dynamic conditions

We recommend a free-draining soil layer or manufactured geosynthetic material be constructed adjacent to the back of any retaining walls. A filter may be required between the soil backfill and drainage layer. This drainage zone should help prevent development of hydrostatic pressure on the wall. This vertical drainage zone should be tied into a gravity drainage system at the base of the wall. It is important that all backfill be properly placed and compacted. Backfill should be mechanically compacted in layers. Flooding or jetting should not be permitted. Care should be taken not to damage the walls when placing the backfill. Backfills should be observed and tested during placement.

Fill against footings, stem walls, and any retaining walls should be compacted to densities specified in **EARTHWORK**. Clayey soils should not be used as backfill against retaining walls. Compaction of each lift adjacent to walls should be accomplished with hand-operated tampers or other lightweight compactors. Over-compaction may cause excessive lateral earth pressures that could result in wall movements.

6.6 Seismic Considerations

Structures should be designed in accordance with applicable building codes. The seismic design parameters presented in the following table, in accordance with the 2024 International Building Code and ASCE 7-22, are applicable to the project site:

Seismic Design Parameters International Building Code 2024, ASCE 7-22	
Soil Site Class	D
Risk Category	II
Mapped Spectral Response Acceleration at 0.2 sec period (S_s)	0.270g
Mapped Spectral Response Acceleration at 1.0 sec period (S_1)	0.075g
Design Spectral Response Acceleration at 0.2 sec period (S_{DS})	0.27g
Design Spectral Response Acceleration at 1.0 sec period (S_{D1})	0.14g
Seismic Design Category	C
Geometric Mean Peak Ground Acceleration	0.16g

The soil site class is based upon conditions identified in shallow explorations and local knowledge of the subsurface conditions in the vicinity of the site. Conditions extending beyond the depth of our subsurface explorations to a depth of 100 feet were assumed for the purposes of providing the information presented in the table.

6.7 Conventional Slab-on-Grade Support

Floor slabs can be supported on properly placed and compacted fill or on approved, properly recompacted native soils. The slab subgrade should be prepared by the procedures outlined in this report. A minimum 4-inch-thick layer of base course should be provided beneath all slabs to help prevent capillary rise and a damp slab. The modulus of subgrade reaction (k) is estimated to be 150 pounds per cubic inch (pci), based upon a 30-inch diameter plate.

The use of vapor retarders or barriers is desirable for any slab-on-grade where the floor will be covered by products using water based adhesives, wood, vinyl backed carpet, impermeable floor coatings (urethane, epoxy, acrylic terrazzo, etc.) or where the floor will be in contact with moisture sensitive equipment or product. When used, the design and installation should be in accordance with the recommendations given in ACI 302.1R and 302.2R. Final determination on the use of a vapor retarder should be left to the slab designer.

All concrete placement and curing operations should follow the American Concrete Institute manual recommendations. Improper curing techniques and/or high slump (high water-cement ratio) could cause excessive shrinkage, cracking or curling. Concrete slabs should be allowed to cure adequately before placing vinyl or other moisture sensitive floor covering.

6.8 Drainage

The major cause of soil problems in this vicinity is moisture increase in soils below structures. Therefore, it is extremely important that positive drainage be provided during construction and maintained throughout the life of the proposed buildings and pool. Infiltration of water into utility or foundation excavations must be prevented during construction. It is also important that proper planning and control of any landscape and irrigation practices be performed.

In areas where sidewalks or paving do not immediately adjoin the buildings, protective slopes should be provided with an outfall of 5 percent for at least 10 feet from perimeter walls. Scuppers and drainpipes should be designed to provide drainage away from the structures for a minimum of 10 feet. Backfill against footings, exterior walls, and in utility and sprinkler line trenches should be well compacted and free of all construction debris to minimize the possibility of moisture infiltration.

Water and sewer utility lines should be properly installed to avoid possible sources for subsurface saturation. It is important that all utility trenches be properly backfilled. If practicable, planters and/or landscaping should not be constructed adjacent to or near structures. If planters and/or landscaping are adjacent to or near the structures, we recommend the following:

- Planters should be sealed
- Grades should slope away from the pool and buildings
- Only shallow rooted landscaping should be used
- Watering should be kept to a minimum

It should be understood that these recommendations will help reduce the potential for soil movement and resulting distress, but may not eliminate this potential.

6.9 Corrosivity to Concrete

The chemical test results indicate that the soils at the site classify as Class S0 in accordance with Table 19.3.1.1 of ACI 318-19. However, in order to be consistent with standard local practice and for reasons of material availability, we recommend that Type II Portland cement be used for all concrete on and below grade.

7.0 EARTHWORK

7.1 General

The conclusions contained in this report for the proposed construction are contingent upon compliance with recommendations presented in this section. Any excavating, trenching, or disturbance that occurs after completion of the earthwork must be backfilled, compacted and tested in accordance with the recommendations contained herein. It is not reasonable to rely upon our conclusions and recommendations if any future unobserved and untested trenching, earthwork activities or backfilling occurs.

Although underground facilities such as septic tanks, cesspools, basements, utilities, and dry wells were not observed, such features might be encountered during construction. These features should be demolished in accordance with the recommendations of the geotechnical engineer. Any loose or disturbed soils resulting from demolition should be removed or recompacted as engineered fill and any excavations should be backfilled in accordance with recommendations presented herein.

7.2 Site Clearing

Strip and remove any existing fill material, vegetation, debris, and any other deleterious materials from the building and pool shell areas. The building area is defined as that area within the building footprint plus 5 feet beyond the perimeter of that footprint. All exposed surfaces should be free of mounds and depressions that could prevent uniform compaction.

7.3 Excavation

We anticipate that excavations for shallow foundations and utility trenches for the proposed construction can be accomplished with conventional equipment.

On-site soils will pump or become unworkable at high water contents. Workability may be improved by scarifying and drying. Over-excavation of wet zones and replacement with granular materials may be necessary. The use of lightweight excavation and compaction equipment may be required to minimize subgrade pumping.

The soils to be penetrated by the proposed excavations may vary significantly across the site. Our soil classifications are based solely on the materials encountered in widely spaced exploratory test borings. The contractor should verify that

similar conditions exist throughout the proposed area(s) of excavation. If different subsurface conditions are found at the time of construction, we should be contacted immediately to evaluate the conditions encountered.

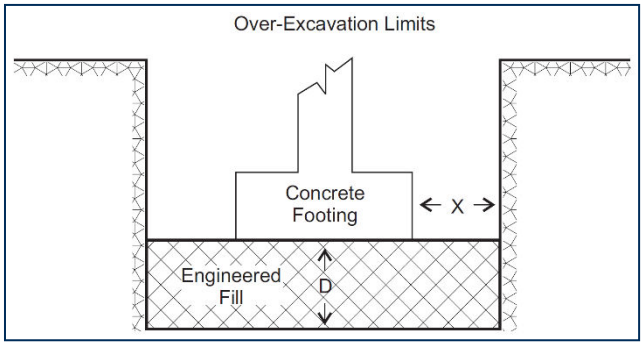
7.3.1 Temporary Excavations and Slopes

Temporary, non-surcharged construction excavations should be sloped or shored. The individual contractor should be made responsible for designing and constructing stable, temporary excavations as required to maintain stability of both the excavation sides and bottom. All excavations should be sloped or shored in the interest of safety following local and federal regulations, including current OSHA excavation and trench safety standards. OSHA recommends a maximum slope inclination of 0.75:1 (horizontal:vertical) for Type A soils, 1:1 for Type B soils, and 1.5:1 for Type C soils.

As a safety measure, it is recommended that all vehicles and soil piles be kept a minimum lateral distance back from the crest of the slope at least equal to the slope height. The exposed slope face should be protected against the elements.

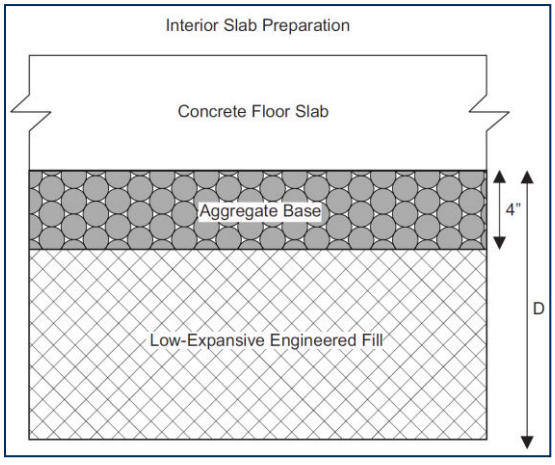
7.4 Spread Foundation Preparation

In footing areas, remove existing soils as required to a minimum depth of 3 feet below the bottom of the footing (depth D in the diagram below) or 3 feet below existing site grade, whichever is deeper. Removal should extend a minimum of 3 feet beyond the footing edges (length X in the diagram below). Replace with engineered fill material. Site soils may be re-used as engineered fill.



7.5 Conventional Interior Slab Preparation

Slabs-on-grade should be founded on engineered fill material. Remove existing soils to a minimum depth of 18 inches below the bottom of the slab (depth D in the diagram below). Replace with properly compacted, low- or non-expansive, fill material. The aggregate base course below the slab may be included as part of the low- or non-expansive engineered fill.



7.6 Pool Shell Preparation

The bottom of the pool should bear upon engineered fill extending to a depth of at least 36 inches below the pool bottom. Remove existing soils to a depth of 36 inches below the pool shell and recompact the removed soil as properly compacted, engineered fill.

7.7 Pool Deck/Exterior Slab Preparation

Scarify, moisten or dry as required, and compact all subgrade soils to a minimum depth of 12 inches. The subgrade preparation is to be accomplished in a manner that will result in uniform water contents and densities after compaction.

7.8 Materials

a. Clean on-site soils with low expansive potentials and maximum dimension of 6 inches or imported materials may be used as fill material for the following:

- Foundation areas
- Interior slab areas
- Pool shell areas
- Pool deck areas
- Backfill

b. Imported soils should conform to the following:

- Gradation (ASTM C136): percent finer by weight

  6" 100

  4" 85-100

  ¾" 70-100

  No. 4 Sieve 50-100

  No. 200 Sieve ..... 40 (max)

- Maximum expansive potential (%)[3] 1.5
- Maximum soluble sulfates (%) 0.10

c. Base course should conform to the PAG (Pima Association of Governments) Standard Specifications for Public Improvements or other local government specifications.

7.9 Placement and Compaction

a. Place and compact fill in horizontal lifts, using equipment and procedures that will produce recommended water contents and densities throughout the lift.
b. Uncompacted lift thickness should not exceed 12 inches.

[3] Measured on a sample compacted to approximately 95 percent of the ASTM D698 maximum dry density at about 3 percent below optimum water content. The sample is confined under a 100 psf surcharge and submerged.

c. Materials should be compacted to the following:

Material	Minimum Percent Compaction (ASTM D698)
• On-site or imported soil, reworked and fill:	
Below footings	95
Below slabs-on-grade	95
Below pool shell and deck areas	95
• Base course below slabs-on-grade and foundations	95
• Nonstructural backfill	90

d. On-site and imported soils and aggregate base course materials should be compacted within a water content range of 3 percent below to 3 percent above optimum.

7.10 Compliance

Recommendations for foundations, slabs-on-grade, and pool elements supported on compacted fills or prepared subgrade depend upon compliance with the **EARTHWORK** recommendations. To assess compliance, observation and testing should be performed under the direction of a Certerra geotechnical engineer. Please contact us to provide these observation and testing services.

8.0 ADDITIONAL SERVICES

The recommendations provided in this report are based on the assumption that a sufficient schedule of tests and observations will be performed during construction to verify compliance. At a minimum, these tests and observations should be comprised of the following:

- Observations and testing during site preparation and earthwork,
- Observation of foundation excavations, and
- Consultation as may be required during construction.

Retaining the geotechnical engineer who developed your report to provide construction observation is the best way to verify compliance and to help you manage the risks associated with unanticipated conditions.

9.0 LIMITATIONS

This report has been prepared assuming the project criteria described in **2.0 PROJECT DESCRIPTION**. If changes in the project criteria occur, or if different subsurface conditions are encountered or become known, the conclusions and recommendations presented herein shall become invalid. In any such event, Certerra should be contacted in order to assess the effect that such variations may have on our conclusions and recommendations. If Certerra is not retained for the construction observation and testing services to determine compliance with this report, our professional responsibility is accordingly limited.

The recommendations presented are based entirely upon data derived from a limited number of samples obtained from widely spaced explorations. The attached logs are indicators of subsurface conditions only at the specific locations and times noted. This report assumes the uniformity of the geology and soil structure between explorations, however variations

can and often do exist. Whenever any deviation, difference, or change is encountered or becomes known, Certerra should be contacted.

This report is for the exclusive benefit of our client alone. There are no intended third-party beneficiaries of our contract with the client or this report, and nothing contained in the contract or this report shall create any express or implied contractual or any other relationship with, or claim or cause of action for, any third party against Certerra.

This report is valid for the earlier of one year from the date of issuance, a change in circumstances, or discovered variations. After expiration, no person or entity shall rely on this report without the express written authorization of Certerra.

10.0 CLOSURE

We prepared this report as an aid to the designers of the proposed project. The comments, statements, recommendations and conclusions set forth in this report reflect the opinions of the authors. These opinions are based upon data obtained at the location of the explorations, and from laboratory tests. Work on your project was performed in accordance with generally accepted standards and practices utilized by professionals providing similar services in this locality. No other warranty, express or implied, is made.

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LEGEND

APPROXIMATE BORING LOCATION

NOT TO SCALE: FOR REFERENCE ONLY

NORTH

CERTERRA
WESTERN TECHNOLOGIES

PROJECT: ABREGO SOUTH POOL FACILITY
JOB NO.: 11-260856-0

BORING LOCATION DIAGRAM

PLATE
1

Allowable Soil Bearing Capacity	The recommended maximum contact stress developed at the interface of the foundation element and the supporting material.
Backfill	A specified material placed and compacted in a confined area.
Base Course	A layer of specified aggregate material placed on a subgrade or subbase.
Base Course Grade	Top of base course.
Bench	A horizontal surface in a sloped deposit.
Caisson/Drilled Shaft	A concrete foundation element cast in a circular excavation which may have an enlarged base (or belled caisson).
Concrete Slabs-On-Grade	A concrete surface layer cast directly upon base course, subbase or subgrade.
Crushed Rock Base Course	A base course composed of crushed rock of a specified gradation.
Differential Settlement	Unequal settlement between or within foundation elements of a structure.
Engineered Fill	Specified soil or aggregate material placed and compacted to specified density and/or moisture conditions under observations of a representative of a soil engine
Existing Fill	Materials deposited through the action of man prior to exploration of the site.
Existing Grade	The ground surface at the time of field exploration.
Expansive Potential	The potential of a soil to expand (increase in volume) due to absorption of moisture
Fill	Materials deposited by the actions of man.
Finished Grade	The final grade created as a part of the project.
Gravel Base Course	A base course composed of naturally occurring gravel with a specified gradation.
Heave	Upward movement.
Native Grade	The naturally occurring ground surface.
Native Soil	Naturally occurring on-site soil.
Rock	A natural aggregate of mineral grains connected by strong and permanent cohesive forces. Usually requires drilling, wedging, blasting or other methods of extraordinary force for excavation.
Sand and Gravel Base Course	A base course of sand and gravel of a specified gradation.
Sand Base Course	A base course composed primarily of sand of a specified gradation.
Scarify	To mechanically loosen soil or break down existing soil structure.
Settlement	Downward movement.
Soil	Any unconsolidated material composed of discrete solid particles, derived from the physical and/or chemical disintegration of vegetable or mineral matter, which can be separated by gentle mechanical means such as agitation in water.
Strip	To remove from present location.
Subbase	A layer of specified material placed to form a layer between the subgrade and base course.
Subbase Grade	Top of subbase.
Subgrade	Prepared native soil surface

COARSE-GRAINED SOILS
LESS THAN 50% FINES

GROUP SYMBOLS	DESCRIPTION	MAJOR DIVISIONS
GW	WELL-GRADED GRAVEL OR WELL-GRADED GRAVEL WITH SAND, LESS THAN 5% FINES	GRAVELS MORE THAN HALF OF COARSE FRACTION IS LARGER THAN NO. 4 SIEVE SIZE
GP	POORLY-GRADED GRAVEL OR POORLY-GRADED GRAVEL WITH SAND, LESS THAN 5% FINES	
GM	SILTY GRAVEL OR SILTY GRAVEL WITH SAND, MORE THAN 12% FINES	
GC	CLAYEY GRAVEL OR CLAYEY GRAVEL WITH SAND, MORE THAN 12% FINES	
SW	WELL-GRADED SAND OR WELL-GRADED SAND WITH GRAVEL, LESS THAN 5% FINES	SANDS MORE THAN HALF OF COARSE FRACTION IS SMALLER THAN NO. 4 SIEVE SIZE
SP	POORLY-GRADED SAND OR POORLY-GRADED SAND WITH GRAVEL, LESS THAN 5% FINES	
SM	SILTY SAND OR SILTY SAND WITH GRAVEL, MORE THAN 12% FINES	
SC	CLAYEY SAND OR CLAYEY SAND WITH GRAVEL, MORE THAN 12% FINES	

NOTE: Coarse-grained soils receive dual symbols if they contain 5% to 12% fines (e.g., SW-SM, GP-GC).

FINE-GRAINED SOILS
MORE THAN 50% FINES

GROUP SYMBOLS	DESCRIPTION	MAJOR DIVISIONS
ML	SILT, SILT WITH SAND OR GRAVEL, SANDY SILT, OR GRAVELLY SILT	SILTS AND CLAYS LIQUID LIMIT LESS THAN 50
CL	LEAN CLAY OF LOW TO MEDIUM PLASTICITY, SANDY CLAY, OR GRAVELLY CLAY	
OL	ORGANIC SILT OR ORGANIC CLAY OF LOW TO MEDIUM PLASTICITY	
MH	ELASTIC SILT, SANDY ELASTIC SILT, OR GRAVELLY ELASTIC SILT	SILTS AND CLAYS LIQUID LIMIT MORE THAN 50
CH	FAT CLAY OF HIGH PLASTICITY, SANDY FAT CLAY, OR GRAVELLY FAT CLAY	
OH	ORGANIC SILT OR ORGANIC CLAY OF HIGH PLASTICITY	
PT	PEAT AND OTHER HIGHLY ORGANIC SOILS	HIGHLY ORGANIC SOILS

NOTE: Fine-grained soils may receive dual classification based upon plasticity characteristics (e.g. CL-ML).

SOIL SIZES

COMPONENT	SIZE RANGE
BOULDERS	Above 12 in.
COBBLES	3 in. – 12 in.
GRAVEL	No. 4 – 3 in.
Coarse	¾ in. – 3 in.
Fine	No. 4 – ¾ in.
SAND	No. 200 – No. 4
Coarse	No. 10 – No. 4
Medium	No. 40 – No. 10
Fine	No. 200 – No. 40
Fines (Silt or Clay)	Below No. 200

NOTE: Only sizes smaller than three inches are used to classify soils

CONSISTENCY

CLAYS & SILTS	BLOWS PER FOOT
VERY SOFT	0 – 2
SOFT	3 – 4
FIRM	5 – 8
STIFF	9 – 15
VERY STIFF	16 – 30
HARD	OVER 30

RELATIVE DENSITY

SANDS & GRAVELS	BLOWS PER FOOT
VERY LOOSE	0 – 4
LOOSE	5 – 10
MEDIUM DENSE	11 – 30
DENSE	31 – 50
VERY DENSE	OVER 50

NOTE: Number of blows using 140-pound hammer falling 30 inches to drive a 2-inch-OD (1⅜-inch ID) split-barrel sampler (ASTM D1586).

PLASTICITY OF FINE GRAINED SOILS

PLASTICITY INDEX	TERM
0	NON-PLASTIC
1 – 7	LOW
8 – 20	MEDIUM
Over 20	HIGH

DEFINITION OF WATER CONTENT

DRY
SLIGHTLY DAMP
DAMP
MOIST
WET
SATURATED

The number shown in "BORING NO." refers to the approximate location of the same number indicated on the "Boring Location Diagram" as positioned in the field by pacing or measurement from property lines and/or existing features.

"ELEVATION" refers to ground surface elevation at the boring location established by estimation from spot elevations on the "Boring Location Diagram".

"DRILLING TYPE" refers to the exploratory equipment used in the boring wherein **HSA = hollow stem auger**, and the dimension presented is the outside diameter of the HSA used.

"N" in "BLOW COUNTS" refers to a 2-inch outside diameter split-barrel sampler driven into the ground with a 140 pound drop-hammer dropped 30 inches repeatedly until a penetration of 18 inches is achieved or until refusal. The number of blows, or "blow count", of the hammer is recorded for each of three 6-inch increments totaling 18 inches. The number of blows required for advancing the sampler for the last 12 inches (2nd and 3rd increments) is defined as the Standard Penetration Test (SPT) **"N"**-Value. Refusal to penetration is considered more than 50 blows per 6 inches. (Ref. ASTM D1586). A double vertical line within the symbol indicates no sample recovery.

"R" in "BLOW COUNTS" refers to a 3-inch outside diameter ring-lined split barrel sampler driven into the ground with a 140 pound drop-hammer dropped 30 inches repeatedly until a penetration of 12 inches is achieved or until refusal. The number of blows required to advance the sampler 12 inches is defined as the **"R"** blow count. The **"R"** blow count requires an engineered conversion to an equivalent SPT N-Value. Refusal to penetration is considered more than 50 blows per foot. A double vertical line within the symbol indicates no sample recovery. A circle within the symbol indicates sample disturbance.

"SAMPLE TYPE" refers to the form of sample recovery, in which **N** = Split-barrel sample, **R** = Ring-lined sample, **G** = Grab sample.

"DRY DENSITY (LBS/CU FT)" refers to the laboratory-determined dry density in pounds per cubic foot.

"WATER (MOISTURE) CONTENT" (% of Dry Wt.) refers to the laboratory-determined water content in percent using the standard test method ASTM D2216.

"USCS" refers to the "Unified Soil Classification System" Group Symbol for the soil type as defined by ASTM D2487 and D2488. The soils were classified visually in the field, and where appropriate, classifications were modified by visual examination of samples in the laboratory and/or by appropriate tests.

These notes and boring logs are intended for use in conjunction with the purposes of our services defined in the text. Boring log data should not be construed as part of the construction plans nor as defining construction conditions.

Boring logs depict our interpretations of subsurface conditions at the locations and on the date(s) noted. Variations in subsurface conditions and characteristics may occur between borings. Groundwater levels may fluctuate due to seasonal variations and other factors.

The stratification lines shown on the boring logs represent our interpretation of the approximate boundary between soil or rock types based upon visual field classification at the boring location. The transition between materials is approximate and may be more or less gradual than indicated.

Project: ABREGO SOUTH POOL FACILITY Project Number: 11-260856-0	**BORING NO. 1**	CERTERRA WESTERN TECHNOLOGIES

Date(s) Drilled **3/20/2026**	Logged By **T. DOMINGUEZ**	Checked By **J. HEINECKE**
Drilling Method **HSA**	Drill Bit Size/Type **7"**	Total Depth of Borehole **31.5 FEET**
Drill Rig Type **CME-75**	Drilling Contractor **GSI**	Approximate Surface Elevation **NOT DETERMINED**
Groundwater Level and Date Measured **NOT ENCOUNTERED**	Sampling Method(s) **Bulk, Ring, SPT**	Hammer Data **140-LB AUTO HAMMER**
Borehole Backfill **AUGER CUTTINGS**	Location **SEE LOCATION DIAGRAM**	

DEPTH (FEET)	MOISTURE CONTENT	DRY DENSITY (LBS/CU FT)	SAMPLE TYPE	BLOW COUNTS	USCS	SOIL DESCRIPTION	REMARKS AND OTHER TESTS
0			G		SC	Clayey SAND, brown, loose, moist	
	6.1	102	R	9			
5	6.3	105	R	15			
	22	92	R	9	CL	Sandy CLAY, dark brown, firm, moist	
10			N	2 3 5		becomes wet	
			G				
15			N	3 3 6	SC	Clayey SAND, brown, loose, moist	
20			N	3 5 7	SM	Silty SAND, brown, medium dense, moist	
25			N	11 16 9		with gravel	
30			N	8 19 27			
						STOPPED AT 31.5 FEET	
35							

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Project: ABREGO SOUTH POOL FACILITY Project Number: 11-260856-0	**BORING NO. 2**	CERTERRA WESTERN TECHNOLOGIES

Date(s) Drilled **3/20/2026**	Logged By **T. DOMINGUEZ**	Checked By **J. HEINECKE**
Drilling Method **HSA**	Drill Bit Size/Type **7"**	Total Depth of Borehole **31.5 FEET**
Drill Rig Type **CME-75**	Drilling Contractor **GSI**	Approximate Surface Elevation **NOT DETERMINED**
Groundwater Level and Date Measured **NOT ENCOUNTERED**	Sampling Method(s) **Bulk, Ring, SPT**	Hammer Data **140-LB AUTO HAMMER**
Borehole Backfill **AUGER CUTTINGS**	Location **SEE LOCATION DIAGRAM**	

DEPTH (FEET)	MOISTURE CONTENT	DRY DENSITY (LBS/CU FT)	SAMPLE TYPE	SAMPLE	BLOW COUNTS	USCS	GRAPHIC	SOIL DESCRIPTION	REMARKS AND OTHER TESTS
0			G			SC		Clayey SAND, brown, loose, moist	
	13.5	101	R		5				
5	11.4	110	R		5				
	19.6	96	R		6			becomes wet	
10	30.1	90	R		4	CL		Sandy Clay, brown, soft, wet	
			G						
15	21.1	102	R		5 4				
20	15.9	100	R		2 10				
25			N		11 16 9				
30			N		8 19 27				
								STOPPED AT 31.5 FEET	
35									

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PLATE NO. A-5

Project: ABREGO SOUTH POOL FACILITY Project Number: 11-260856-0	**BORING NO. 3**	CERTERRA WESTERN TECHNOLOGIES

Date(s) Drilled **3/20/2026**	Logged By **T. DOMINGUEZ**	Checked By **J. HEINECKE**
Drilling Method **HSA**	Drill Bit Size/Type **7"**	Total Depth of Borehole **31.5 FEET**
Drill Rig Type **CME-75**	Drilling Contractor **GSI**	Approximate Surface Elevation **NOT DETERMINED**
Groundwater Level and Date Measured **NOT ENCOUNTERED**	Sampling Method(s) **Bulk, Ring, SPT**	Hammer Data **140-LB AUTO HAMMER**
Borehole Backfill **AUGER CUTTINGS**	Location **SEE LOCATION DIAGRAM**	

DEPTH (FEET)	MOISTURE CONTENT	DRY DENSITY (LBS/CU FT)	SAMPLE TYPE	SAMPLE	BLOW COUNTS	USCS	GRAPHIC	SOIL DESCRIPTION	REMARKS AND OTHER TESTS
0			G			SC		Clayey SAND, brown, loose, damp	
	8.7	116	R		14				
5	9.6	103	R		12			becomes moist	
	10.1	95	R		19			becomes medium dense	
10	29.5	89	R		10				
			G						
15	22.9	94	R		13				
20			N		5 5 6				
25			N		8 5				
30			N		4 3 3	SM		Silty SAND, brown, loose, moist	
								STOPPED AT 31.5 FEET	
35									

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PLATE NO. A-6

Project: ABREGO SOUTH POOL FACILITY Project Number: 11-260856-0	**BORING NO. 4**	CERTERRA WESTERN TECHNOLOGIES

Date(s) Drilled **3/20/2026**	Logged By **T. DOMINGUEZ**	Checked By **J. HEINECKE**
Drilling Method **HSA**	Drill Bit Size/Type **7"**	Total Depth of Borehole **21.5 FEET**
Drill Rig Type **CME-75**	Drilling Contractor **GSI**	Approximate Surface Elevation **NOT DETERMINED**
Groundwater Level and Date Measured **NOT ENCOUNTERED**	Sampling Method(s) **Bulk, Ring, SPT**	Hammer Data **140-LB AUTO HAMMER**
Borehole Backfill **AUGER CUTTINGS**	Location **SEE LOCATION DIAGRAM**	

DEPTH (FEET)	MOISTURE CONTENT	DRY DENSITY (LBS/CU FT)	SAMPLE TYPE	SAMPLE	BLOW COUNTS	USCS	GRAPHIC	SOIL DESCRIPTION	REMARKS AND OTHER TESTS
0			G			SC		Clayey SAND, brown, medium dense, damp	
	109	7.3	R		26				
5	5.1	96	R		20				
	13.4	95	R		29	CL		Sandy CLAY, brown, very stiff, moist	
10			N		4 4 4				
			G						
15			N		2 4 5				
20			N		2 3 5				
								STOPPED AT 21.5 FEET	
25									
30									
35									

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PLATE NO. A-7

Boring No.	Sample Depth (ft)	USCS Class.	Percent Passing #200	Atterberg Limits		Initial Dry Density (pcf)	Initial Water Content (%)	Compression Properties			Moisture-Density Relationship			Expansion Properties			Soluble Sulfates (ppm)	Soluble Chlorides (ppm)	Remarks
				LL	PI			Surcharge (ksf)	Total Compression (%)		Maximum Dry Density (pcf)	Optimum Moisture Content (%)	Method	Surcharge (ksf)	Expansion (%)	Expansion Index (EI)			
									In-Situ	After Saturation									
1	0-5	SC-SM	28	22	7														
1	2-3	SC-SM				102	6.1												
1	5-6	SC-SM				105	6.3												
1	8-9	CL				92	22.0												
2	0-5	SC-SM	32	23	7												28	57	6,7
2	2-3	SC-SM				101	13.5												
2	5-6	SC-SM				110	11.4												
2	8-9	SC-SM				96	19.6												
2	10-11	CL				90	30.1	1.0	3.3										
								1.5	4.9	4.7									2
								2.0		4.9									2
2	10-15	CL	69	38	19														
2	15-16	CL				102	21.1												
2	20-21	CL				100	15.9	1.0	1.9										
								2.0	3.0	3.8									2
								3.0		4.6									2
3	2-3	SC				116	8.7												
3	5-6	SC				103	9.6												
3	8-9	SC				95	10.1												
3	10-11	SC				89	29.5												
3	10-15	SC	49	34	17	*110*	*11.0*				115.4	14.4	A	0.1	0.1				1,2,10
3	15-16	SC				94	22.9												

Remarks

1. Compacted density is approximately 95% of ASTM D698 maximum density at a moisture content slightly below optimum.
2. Submerged to approximate saturation.
3. Slight rebound after saturation.
4. Sample disturbance observed.
5. Expansion Index (EI) test in accordance with ASTM D4829.
6. Chloride (ARIZ 736a) by Motzz Laboratory Inc.
7. Sulfate (ARIZ 733a) by Motzz Laboratory Inc.
8. pH (ARIZ 237b).
9. Minimum Resistivity (ARIZ 236c).
10. Test Method ASTM D698 / AASHTO T99.
11. Field Visual Classification (ASTM D 2488).
12. Laboratory Soil Classification (ASTM D 2487).
13. Test Method ASTM D1557 / AASHTO T180.
14. From the ADOT Family of Curves for Maricopa County.
15. See Corrosion Plate.
16. Initial Dry Density and Initial Water Content from Remolded Swell.

Notes: Initial Dry Density and Initial Water Content are in-situ values unless otherwise noted.
NP = Non-Plastic **NV** = No Value

CERTERRA WESTERN TECHNOLOGIES

PROJECT: **ABREGO SOUTH POOL FACILITY**

JOB NO.: **11-260856-0**

SOIL PROPERTIES

PLATE

B-1

Boring No.	Sample Depth (ft)	USCS Class.	Percent Passing #200	Atterberg Limits		Initial Dry Density (pcf)	Initial Water Content (%)	Compression Properties			Moisture-Density Relationship			Expansion Properties			Soluble Sulfates (ppm)	Soluble Chlorides (ppm)	Remarks
				LL	PI			Surcharge (ksf)	Total Compression (%)		Maximum Dry Density (pcf)	Optimum Moisture Content (%)	Method	Surcharge (ksf)	Expansion (%)	Expansion Index (EI)			
									In-Situ	After Saturation									
4	0-5	SC	28	23	8														
4	2-3	SC				109	7.3												
4	5-6	SC				96	5.1	1.0	1.1										
								2.0	2.4	13.6									2
								4.0		16.1									2
4	8-9	CL				95	13.4												

Remarks

1. Compacted density is approximately 95% of ASTM D698 maximum density at a moisture content slightly below optimum.
2. **2.** Submerged to approximate saturation.
3. **3.** Slight rebound after saturation.
4. **4.** Sample disturbance observed.
5. **5.** Expansion Index (EI) test in accordance with ASTM D4829.
6. **6.** Chloride (ARIZ 736a) by Motzz Laboratory Inc.
7. **7.** Sulfate (ARIZ 733a) by Motzz Laboratory Inc.
8. **8.** pH (ARIZ 237b).
9. **9.** Minimum Resistivity (ARIZ 236c).
10. **10.** Test Method ASTM D698 / AASHTO T99.
11. **11.** Field Visual Classification (ASTM D 2488).
12. **12.** Laboratory Soil Classification (ASTM D 2487).
13. **13.** Test Method ASTM D1557 / AASHTO T180.
14. **14.** From the ADOT Family of Curves for Maricopa County.
15. **15.** See Corrosion Plate.
16. **16.** Initial Dry Density and Initial Water Content from Remolded Swell.

Notes: Initial Dry Density and Initial Water Content are in-situ values unless otherwise noted.
NP = Non-Plastic **NV =** No Value

CERTERRA WESTERN TECHNOLOGIES

PROJECT: **ABREGO SOUTH POOL FACILITY**

JOB NO.: **11-260856-0**

SOIL PROPERTIES

PLATE

B-2

2024													
Reader	**24-Jan**	**24-Feb**	**24-Mar**	**24-Apr**	**24-May**	**24-Jun**	**24-Jul**	**24-Aug**	**24-Sep**	**24-Oct**	**24-Nov**	**24-Dec**	**Totals**
Canoa Hills	5893	5624	5514	4949	4104	3905	3871	3770	3616	3559	3052	3499	51356
Las Campanas	2448	3057	3823	4430	3571	3973	4120	3751	3127	2824	2014	2090	39228
East Center	1726	1946	2228	2289	2847	2485	2248	2260	2223	2519	1910	2509	27190
Santa Rita Springs	1559	1936	2313	2374	1866	1390	1546	1536	1501	1702	1572	1839	21134
Canoa Ranch	2416	1974	2104	133	1192	1231	1129	1288	1490	1675	1778	1833	18243
Desert Hills	1485	1570	1701	1873	1711	1346	1379	1298	1431	1445	1155	1367	17761
Casa Paloma 2	774	891	1196	1272	1400	1089	1193	1232	1131	1280	887	865	13210
Madera Vista	766	950	1003	1157	1123	1127	1184	1060	1059	1185	856	981	12451
Casa Paloma 1	715	898	1045	1195	880	782	821	705	754	797	719	712	10023
West Center	737	793	787	913	841	833	1065	781	657	729	564	614	9314
Continental Vistas	597	688	709	839	887	838	885	588	696	691	524	492	8434
Abrego South	317	337	460	660	738	685	914	808	829	744	505	382	7379
Abrego North	462	541	733	790	739	629	663	543	611	671	436	425	7243

GVR
GREEN VALLEY RECREATION
P.O. Box 586 Green Valley AZ 85622
520.625.3440

MEMO

TO: Scott Somers, CEO
FROM: David Webster, CFO
DATE January 26, 2026
RE: Maintenance Repair & Replacement Fund for Pools & Spas (MRR-B)

In 2021, Green Valley Recreation (GVR) replaced the East Center pool. At that time, the Fiscal Affairs Committee and the Board of Directors considered the need to establish a board designated fund to provide for all future pool and spa replacements. The resulting board approved MRR-B fund is identified in Section 5.3.4 of the Corporate Policy Manual (CPM). The CPM states the purpose of the MRR-B fund is to fund the replacement of pools and spas. The CPM also states that the target balance is to be of sufficient size as determined by the Board to fund replacements of GVR pools and spas. The target balance shall be based on GVR's staff estimate of the useful life of the pools and spas and a reasonable timetable for replacement of such items (CPM 5.3.4 B).

Unlike the MRR-A fund that is guided by an Annual Reserve study that is prepared by GVR's reserve consultant, Browning Reserve Group, the pool and spa annual contribution and target balance is determined by GVR staff. This calculation of MRR-B annual funding contributions are part of the annual GVR budget. Documentation of the MRR-B annual contributions is included with the Fund Projection and Pool and Spa Asset List that are enclosed. Key components of the calculation are a projected cost inflation factor of 3.0% and an earnings estimate of 6.0% per year. Also, the projected annual increase of funding to this MRRB Fund is 7% through 2033 and reverts to 3% annually after 2033. The Investment Policy Statement (IPS) for the MRR-B fund is included in the CPM, Appendix 1, Section 3. Additionally, it should be noted that the standard for useful life of pools is 35 years. GVR's experience is that our pools last over 50 years and have included this as the extended life in the Fund Projection.

The cash balance of the MRR-B Fund as of December 31, 2025 was $1,697,677 and after the January budgeted funding of $342,783, the current balance in the MRRB fund is now $2,040,460.

Now, for illustrative purposes and additional analysis, I am providing multiple scenarios below. They all include the annual Contributions to the fund that are increased by 7% through 2033 as mentioned previously. The projected earning of the fund is set at 6% with the exception of 2026 which is projected to be 4.0% based on the recent revision to the IPS approved by the Investment committee.

All projections are based on approving and replacing the Abrego South pool in 2026 (if approved, construction will continue through 2027 but for conservative simplification, we are using 2026). This is followed, in order, by Casa Paloma 1, West Center, Casa Paloma 2, and then Canoa Vista. These pools are selected, in order, due to the respective age of the pools. We will refer to these pools as the "Oldest 5 pools"

Projection A

Assumptions:

Abrego South replaced in 2026 at original "budgeted" MRR B component cost of $1,651,539

Replacing the Oldest 5 pools in order every **4** years

Balance after ABS (2026) $511,349

Balance after CP1 (2030) $1,344,107

Balance after WC (2034) $2,324,415

Balance after CP2 (2038) $4,476,221

Balance after CV (2042) $7,389,472

MRRB remains at healthy levels after 2042.

Projection B

Assumptions:

Abrego South replaced in 2026 at a more realistic component cost of $1,100,000 rather than $1,651,539

Replacing the Oldest 5 pools in order every **4** years

Balance after ABS (2026) $1,062,888

Balance after CP1 (2030) $2,040,413

Balance after WC (2034) $3,203,484

Balance after CP2 (2038) $5,586,026

Balance after CV (2042) $8,790,575

MRRB Fund remains at healthy levels after 2042.

Projection C

Assumptions:

Abrego South replaced in 2026 at a more realistic component cost of $1,100,000

Replacing the Oldest 5 Pools every **3** years rather than 4

Balance after ABS (2026) $1,062,888

Balance after CP1 (2029) $1,408,805

Balance after WC (2032) $1,532,553

Balance after CP2 (2035) $2,486,695

Balance after CV (2038) $3,648,930

MRRB Fund remains at healthy levels after 2038 with continued replacements every 3 years.

Projection D

Assumptions:

Replacing the Oldest 5 pools in order every **2** years rather than every 4 years

Balance after ABS (2026) $1,062,888

Balance after CP1 (2028) $842,344

Balance after WC (2030) $128,574

Balance after CP2 (2032) $51,220

Balance after CV (2034) $(92,127)

In the scenario where GVR replaces 5 pools in 8 years, the MRRB Fund reaches a deficit in 2034 and is not able to address adequate pool replacements afterwards.

So, after reviewing these projections. It appears that the GVR MRR B Pool Fund should remain reasonably healthy with the planned annual contributions and forecasted returns as long as pool replacements don't occur more often than every 3 years. Obviously, this is a general observation that is subject to several variables. Hopefully, this analysis helps with strategic thinking regarding how often GVR can afford to replace pools and identifying which pools should be replaced.

MRR-B Pool & Spa Replacement Fund A

Interest	6.00%
Contributions	
Annual Inc. Contr.	7.0%

Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance	Location
2021	-	1,300,207	-	1,300,207	(216,502)	**1,083,705**	
2022	1,083,705	270,472	6,662	1,360,839	(783,876)	**576,963**	
2023	576,963	289,405	56,184	922,552	(107,787)	**814,765**	
2024	814,765	299,400	88,118	1,202,283	(1,640)	**1,200,643**	
2025	1,200,643	320,358	176,676	1,697,677	-	**1,697,677**	
2026	1,697,677	342,783	122,428	2,162,888	(1,651,539)	511,349	ABS
2027	511,349	366,778	52,688	930,814	-	930,814	
2028	930,814	392,452	79,396	1,402,662	-	1,402,662	
2029	1,402,662	419,924	109,355	1,931,941	-	1,931,941	
2030	1,931,941	449,319	142,876	2,524,136	(1,180,028)	1,344,107	CP1
2031	1,344,107	480,771	109,493	1,934,371	-	1,934,371	
2032	1,934,371	514,425	146,928	2,595,723	-	2,595,723	
2033	2,595,723	**529,858**	187,535	3,313,116	-	3,313,116	
2034	3,313,116	545,753	231,532	4,090,401	(1,765,987)	2,324,415	WC
2035	2,324,415	562,126	173,192	3,059,733	-	3,059,733	
2036	3,059,733	578,990	218,323	3,857,046	-	3,857,046	
2037	3,857,046	596,359	267,204	4,720,610	-	4,720,610	
2038	4,720,610	614,250	320,092	5,654,952	(1,178,731)	4,476,221	CP2
2039	4,476,221	632,678	306,534	5,415,432	-	5,415,432	
2040	5,415,432	651,658	364,025	6,431,116	-	6,431,116	
2041	6,431,116	671,208	426,139	7,528,463	-	7,528,463	
2042	7,528,463	691,344	493,188	8,712,995	(1,323,524)	7,389,472	CV
2043	7,389,472	712,084	486,093	8,587,649	-	8,587,649	
2044	8,587,649	733,447	559,266	9,880,362	-	9,880,362	
2045	9,880,362	755,450	638,149	11,273,961	-	11,273,961	
2046	11,273,961	778,114	723,124	12,775,199	(2,598,187)	10,177,012	DH
2047	10,177,012	801,457	658,708	11,637,177	-	11,637,177	
2048	11,637,177	825,501	747,761	13,210,439	-	13,210,439	
2049	13,210,439	850,266	843,642	14,904,347	-	14,904,347	
2050	14,904,347	875,774	946,807	16,726,928	(896,643)	15,830,284	MV
2051	15,830,284	902,047	1,003,940	17,736,271	-	17,736,271	
2052	17,736,271	929,109	1,119,923	19,785,303	-	19,785,303	
2053	19,785,303	956,982	1,244,537	21,986,822	-	21,986,822	
2054	21,986,822	985,691	1,378,351	24,350,864	(2,344,459)	22,006,405	SRS
2055	22,006,405	1,015,262	1,381,300	24,402,967	-	24,402,967	
2056	24,402,967	1,045,720	1,526,921	26,975,608	-	26,975,608	

MRR-B Pool & Spa Replacement Fund

B

Interest 6.00%

Contributions

Annual Inc. Contr. 7.0%

Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance	Location
2021	-	1,300,207	-	1,300,207	(216,502)	**1,083,705**	
2022	1,083,705	270,472	6,662	1,360,839	(783,876)	**576,963**	
2023	576,963	289,405	56,184	922,552	(107,787)	**814,765**	
2024	814,765	299,400	88,118	1,202,283	(1,640)	**1,200,643**	
2025	1,200,643	320,358	176,676	1,697,677	-	**1,697,677**	
2026	1,697,677	342,783	122,428	2,162,888	(1,100,000)	1,062,888	ABS
2027	1,062,888	366,778	85,780	1,515,445	-	1,515,445	
2028	1,515,445	392,452	114,474	2,022,372	-	2,022,372	
2029	2,022,372	419,924	146,538	2,588,833	-	2,588,833	
2030	2,588,833	449,319	182,289	3,220,441	(1,180,028)	2,040,413	CP1
2031	2,040,413	480,771	151,271	2,672,454	-	2,672,454	
2032	2,672,454	514,425	191,213	3,378,092	-	3,378,092	
2033	3,378,092	**529,858**	234,477	4,142,427	-	4,142,427	
2034	4,142,427	545,753	281,291	4,969,471	(1,765,987)	3,203,484	WC
2035	3,203,484	562,126	225,937	3,991,547	-	3,991,547	
2036	3,991,547	578,990	274,232	4,844,769	-	4,844,769	
2037	4,844,769	596,359	326,468	5,767,596	-	5,767,596	
2038	5,767,596	614,250	382,911	6,764,757	(1,178,731)	5,586,026	CP2
2039	5,586,026	632,678	373,122	6,591,825	-	6,591,825	
2040	6,591,825	651,658	434,609	7,678,093	-	7,678,093	
2041	7,678,093	671,208	500,958	8,850,258	-	8,850,258	
2042	8,850,258	691,344	572,496	10,114,098	(1,323,524)	8,790,575	CV
2043	8,790,575	712,084	570,160	10,072,819	-	10,072,819	
2044	10,072,819	733,447	648,376	11,454,641	-	11,454,641	
2045	11,454,641	755,450	732,605	12,942,697	-	12,942,697	
2046	12,942,697	778,114	823,249	14,544,059	(2,598,187)	11,945,872	DH
2047	11,945,872	801,457	764,840	13,512,169	-	13,512,169	
2048	13,512,169	825,501	860,260	15,197,930	-	15,197,930	
2049	15,197,930	850,266	962,892	17,011,088	-	17,011,088	
2050	17,011,088	875,774	1,073,212	18,960,073	(896,643)	18,063,430	MV
2051	18,063,430	902,047	1,137,929	20,103,406	-	20,103,406	
2052	20,103,406	929,109	1,261,951	22,294,465	-	22,294,465	
2053	22,294,465	956,982	1,395,087	24,646,533	-	24,646,533	
2054	24,646,533	985,691	1,537,933	27,170,158	(2,344,459)	24,825,699	SRS
2055	24,825,699	1,015,262	1,550,458	27,391,419	-	27,391,419	
2056	27,391,419	1,045,720	1,706,228	30,143,367	-	30,143,367	

MRR-B Pool & Spa Replacement Fund C

Interest	6.00%
Contributions	
Annual Inc. Contr.	7.0%

Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance	Location
2021	-	1,300,207	-	1,300,207	(216,502)	**1,083,705**	
2022	1,083,705	270,472	6,662	1,360,839	(783,876)	**576,963**	
2023	576,963	289,405	56,184	922,552	(107,787)	**814,765**	
2024	814,765	299,400	88,118	1,202,283	(1,640)	**1,200,643**	
2025	1,200,643	320,358	176,676	1,697,677	-	**1,697,677**	
2026	1,697,677	342,783	122,428	2,162,888	(1,100,000)	1,062,888	ABS
2027	1,062,888	366,778	85,780	1,515,445	-	1,515,445	
2028	1,515,445	392,452	114,474	2,022,372	-	2,022,372	
2029	2,022,372	419,924	146,538	2,588,833	(1,180,028)	1,408,805	CP1
2030	1,408,805	449,319	111,487	1,969,611	-	1,969,611	
2031	1,969,611	480,771	147,023	2,597,405	-	2,597,405	
2032	2,597,405	514,425	186,710	3,298,540	(1,765,987)	1,532,553	WC
2033	1,532,553	**529,858**	123,745	2,186,155	-	2,186,155	
2034	2,186,155	545,753	163,914	2,895,823	-	2,895,823	
2035	2,895,823	562,126	207,477	3,665,426	(1,178,731)	2,486,695	CP2
2036	2,486,695	578,990	183,941	3,249,625	-	3,249,625	
2037	3,249,625	596,359	230,759	4,076,744	-	4,076,744	
2038	4,076,744	614,250	281,460	4,972,454	(1,323,524)	3,648,930	CV
2039	3,648,930	632,678	256,896	4,538,504	-	4,538,504	
2040	4,538,504	651,658	311,410	5,501,571	-	5,501,571	
2041	5,501,571	671,208	370,367	6,543,146	(2,598,187)	3,944,959	DH
2042	3,944,959	691,344	278,178	4,914,481	-	4,914,481	
2043	4,914,481	712,084	337,594	5,964,159	-	5,964,159	
2044	5,964,159	733,447	401,856	7,099,463	(896,643)	6,202,820	MV
2045	6,202,820	755,450	417,496	7,375,766	-	7,375,766	
2046	7,375,766	778,114	489,233	8,643,113	-	8,643,113	
2047	8,643,113	801,457	566,674	10,011,244	(2,344,459)	7,666,785	SRS
2048	7,666,785	825,501	509,537	9,001,823	-	9,001,823	
2049	9,001,823	850,266	591,125	10,443,214	-	10,443,214	
2050	10,443,214	875,774	679,139	11,998,127	(3,872,357)	8,125,770	CH
2051	8,125,770	902,047	541,669	9,569,486	-	9,569,486	
2052	9,569,486	929,109	629,916	11,128,511	-	11,128,511	
2053	11,128,511	956,982	725,130	12,810,622	(4,778,376)	8,032,246	LC
2054	8,032,246	985,691	541,076	9,559,013	-	9,559,013	
2055	9,559,013	1,015,262	634,457	11,208,732	-	11,208,732	
2056	11,208,732	1,045,720	735,267	12,989,719	(5,021,184)	7,968,535	

MRR-B Pool & Spa Replacement Fund D

Interest	6.00%
Contributions	
Annual Inc. Contr.	7.0%

Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance	Location
2021	-	1,300,207	-	1,300,207	(216,502)	**1,083,705**	
2022	1,083,705	270,472	6,662	1,360,839	(783,876)	**576,963**	
2023	576,963	289,405	56,184	922,552	(107,787)	**814,765**	
2024	814,765	299,400	88,118	1,202,283	(1,640)	**1,200,643**	
2025	1,200,643	320,358	176,676	1,697,677	-	**1,697,677**	
2026	1,697,677	342,783	122,428	2,162,888	(1,100,000)	1,062,888	ABS
2027	1,062,888	366,778	85,780	1,515,445	-	1,515,445	
2028	1,515,445	392,452	114,474	2,022,372	(1,180,028)	842,344	CP1
2029	842,344	419,924	75,736	1,338,004	-	1,338,004	
2030	1,338,004	449,319	107,239	1,894,561	(1,765,987)	128,574	WC
2031	128,574	480,771	36,561	645,906	-	645,906	
2032	645,906	514,425	69,620	1,229,951	(1,178,731)	51,220	CP2
2033	51,220	**529,858**	34,865	615,942	-	615,942	
2034	615,942	545,753	69,702	1,231,397	(1,323,524)	(92,127)	CV
2035	(92,127)	562,126	28,200	498,199	-	498,199	
2036	498,199	578,990	64,631	1,141,820	(2,598,187)	(1,456,367)	DH
2037	(1,456,367)	596,359	-	(860,008)	-	(860,008)	
2038	(860,008)	614,250	-	(245,757)	(896,643)	(1,142,400)	MV
2039	(1,142,400)	632,678	-	(509,723)	-	(509,723)	
2040	(509,723)	651,658	8,516	150,451	(2,344,459)	(2,194,008)	SRS

GVR

MRR-B Pools and Spas

Asset List

Inflation	3.00%
Life Expect.	35

Center	Pool	Gallons (Pool & Spa)	Cost (2026)	Year Built	Life Expec.	Replac. Year	Useful Life	Plan Year to Rebuilt	Number Years to Rebuilt
6	Casa Paloma I	89,242	$ 1,048,440	1973	35	2008	-19	2030	4
5	West Center	118,663	$ 1,394,086	1976	35	2011	-16	2034	8
7	Casa Paloma II	70,371	$ 826,738	1976	35	2011	-16	2038	12
10	Continental Vistas	70,204	$ 824,776	1979	35	2014	-13	2042	16
8	Desert Hills	122,448	$ 1,438,553	1981	35	2016	-11	2046	20
9	Madera Vistas	37,545	$ 441,089	1984	35	2019	-8	2050	24
13	Santa Rita Springs	87,222	$ 1,024,708	1986	35	2021	-6	2054	28
11	Canoa Hills	128,000	$ 1,503,780	1990	35	2025	-2	2058	32
12	Las Campanas	140,335	$ 1,648,695	1997	35	2032	5	2062	36
4	Abrego South	45,962	$ 539,974	1976	35	2026	-1	2026	40
14	Canoa Ranch	116,411	$ 1,367,629	2008	35	2043	16	2070	44
3	Abrego North	59,950	$ 704,309	2012	35	2047	20	2074	48
2	East Center	97,850	$ 1,130,654	2022	35	2057	30	2078	52

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Award Contract for WC Lobby Improvements

Prepared By: Scott Somers, CEO

Meeting Date: April 22, 2026

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:
Administration and Facilities

Action Requested:
Award a contract for West Center Lobby Improvement Project to Rio West Development & Construction, Inc. in an amount not to exceed $123,392 and authorize staff to 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

Background Justification:
The West Center Lobby Improvement Project is intended to consolidate Member Services staff and Customer Service staff to improve timely completion of member business and reduce member confusion about where they need to go to conduct various types of business. A consolidated location will serve members looking to buy an event ticket or replace a lost guest card, as well as those making changes to deeds or adding additional card holders to their accounts. This consolidated location at West Center also improves access to parking and provides a better first impression for new and prospective members.

This project was originally budgeted and scheduled for completion in 2025. However, due to unanticipated higher costs of other projects, this project was delayed to 2026. The 2026 Budget includes $190,000 for this project, which includes soft costs, construction, mill work, moving costs, contingency, etc.

Per the Procurement Policy, staff has invited multiple local contractors to submit bids as well as posting a request for bids on the GVR website. Two contractors submitted bids as follows:

Building Excellence: $179,439
Rio West Development and Construction: $123,392

Rio West met the proposal criteria and was the apparent low bidder. Since Rio West is the contractor expanding the Lapidary Club space across the court yard at West Center, they said they were able to keep their costs down since they would not need to remobilize for this project. Staff and the Lapidary Club have been satisfied with the work performed by Rio West. Staff therefore recommends awarding the contract to Rio West.

Fiscal Impact:

The 2026 Budget includes $190,000 for the West Center Lobby Improvement Project. The contact amount of $123,392 does not include soft costs, contingency or permitting, etc. but is significantly under what was budgeted.

Board Options:

1) Award a contract to Rio West Development & Construction, Inc. for the West Center Lobby Improvement Project in an amount not to exceed $123,392 and authorize staff to expend up to an additional 10% in change orders, if necessary.
2) Direct staff to rebid the project.
3) Table a decision until a later time.

Staff Recommendation:

Option 1

Recommended Motion:

I move to Award a contract to Rio West Development & Construction, Inc. for the West Center Lobby Improvement Project in an amount not to exceed $123,392 and authorize staff to expend up to an additional 10% in change orders, if necessary.

Attachments:

1) Contract with Rio West
2) West Center Lobby Renovation for Members Service presentation

GREEN VALLEY RECREATION, INC

GREEN VALLEY RECREATION, INC.

SHORT-FORM SERVICES CONTRACT

March 25th, 2026

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:
Rio West Development & Construction Inc. ROC: 105-077
2440 S. 34th Place, Tucson, AZ 85713
Contact: Brad Hoge, owner. Phone (520) 318-4233 or (520) 977-8336, Email: bhoge@riowestinc.com

WORKSITE:
GVR West Center Auditorium Lobby, 1111 GVR Drive, Green Valley, AZ 85614

DESCRIPTION OF WORK

Project Name: West Center Membership Services Expansion

Scope of Work: Expand the GVR Membership Services offices in the West Center lobby per the permitted plans and invitation to bid. See attached contractor proposal dated 3/20/2026 for bid information.

Final payment made after acceptance by owner and presentation of final invoice with applicable lien releases. Contractor agrees to abide by the Standard Terms and Conditions (page 2). Price includes sales tax.

Start Date: week of May 4th, 2026 Completion Date: 90 calendar days from start date

Labor/Materials	Hours	Rate	Amount	Total
Attached contractor proposal based on GVR scope of work				$123,392
Taxes, bond, insurance included				
Balance owed on project completion. Net 30 days.				
			Contract Total	**$123,392**

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

CONTRACTOR: Rio West Development & Construction Inc.

BY (Sign & Print Name) _____ Brad Hoge DATE: 4/7/2026

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 _BH_ Contractor

West Center Lobby Renovation for Member Services

GOALS:

- Consolidate Member Services staff (currently at the Administrative Offices) and Customer Service staff (currently in the box office at West Center) to improve timely completion of member business and reduce member confusion about where they need to go to conduct various types of business. A consolidated location will serve members looking to buy an event ticket or replace a lost guest card, as well as those making changes to deeds or adding additional card holders to their accounts.

- Improve access with expanded parking and an easier-to-find location.

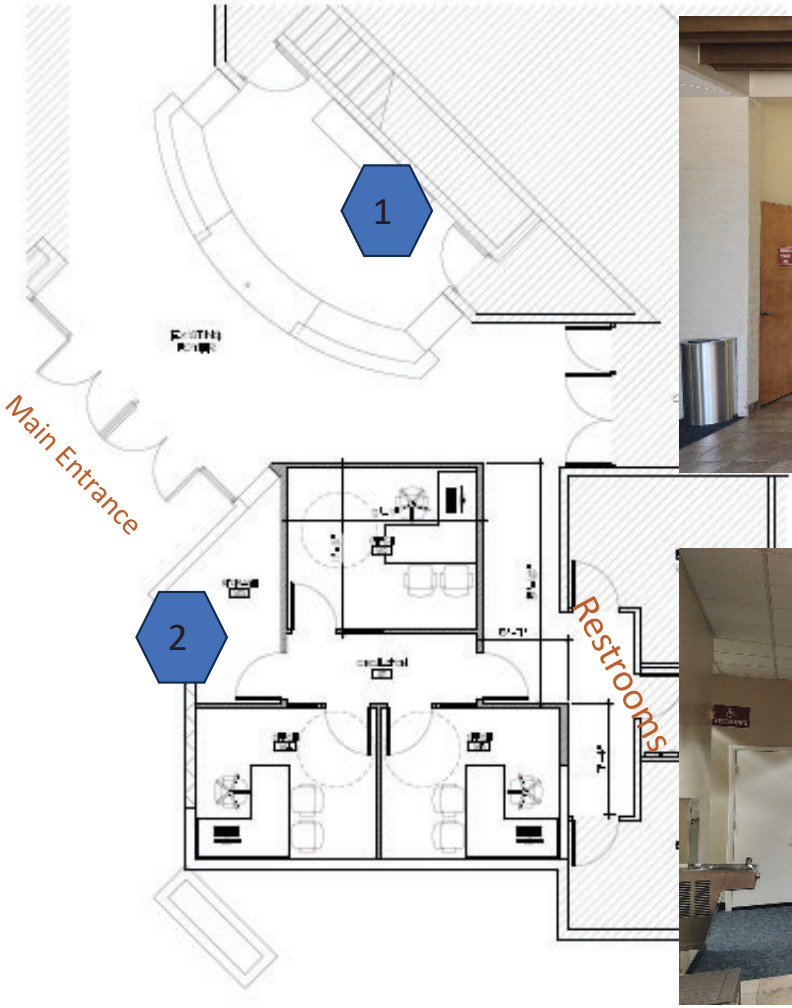
- Improve the first impression for new and prospective members.

What the work would entail:

- The west side of the lobby that currently houses pool tables would remain unaltered, providing gallery space and lobby seating.

- The central area would become a reception counter with work stations for customer service staff during the day. On event evenings it would become a bar for serving beer and wine.

- The box office would be expanded into the existing lobby space to create offices for membership services staff to meet with members over confidential financial and legal matters.



1. Reception counter across from the lobby entrance doors. The central part of the counter would be lower for seated access. This counter would moonlight as a beer and wine bar during events.

2. The box office would be expanded into what is currently unused open space and be redesigned to include three offices and a small storage closet. The exterior entrance to the box office would be closed up, improving temperature control in the area.

1 CONCEPTUAL FLOOR PLAN

4

Green Valley Recreation, Inc.

Board of Directors Executive Session

Appointment of Committee Members for 2026-27

Prepared By: Nanci Moyo, Board Admin. **Meeting Date:** April 22, 2026

Presented By: Candy English, President **Consent Agenda:** No

Originating Committee / Department:
Board President

Action Requested:
Discussion on the appointment of Committee Members to the Board Affairs, Fiscal Affairs, Investments, and Audit Committees.

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

Background Justification:
The Bylaw Amendment for Committee Appointments in Article VIII, Section 3 Composition of Committees was amended and approved by the Membership on March 20, 2026. The change states: Committee members shall be appointed by the Board of Directors as determined by the process outlined in the Corporate Policy Manual. Due to the changes in the Bylaws, the Corporate Policy Manual Part 3: Committees, Section 1 General, 3.1.1.G will be updated by the Board Affairs Committee.

Those interested in being 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 and bring the proposed list of appointees to the Board for approval 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.

Board Options:
1) Approve the appointment of the Committee Members as presented.
2) Amend the appointment of the Committee Members as presented.
3) Postpone the appointment of Committee Members.

Staff Recommendation:
Option #1

Recommended Motion:
Move to approve these Committee Members for the Board Affairs Committee: Beth Dingman, Bill Gross, Orji Isiogu, Pat Reynolds, Jodie Walker, and Betsy Walton; Fiscal Affairs Committee: Bob Fillion, Dale Howard, Bob Quast, Pat Reynolds, Priscilla Spurgeon, and Barry Stock; Investments Committee: Dave Dixon and Steve Wilhelm; Audit Committee: Connie Johnson, Bert Olson, Lanny Smith, and Wayne Utterback.

Attachments:
1) Proposed Committee List 2) Committee Applications

Proposed Committee List

Board Affairs Committee – Chair Steve Reynolds

Beth Dingman
Bill Gross
Orji Isiogu
Pat Reynolds
Jodie Walker, Director
Betsy Walton

Fiscal Affairs Committee – Chair Lanny Smith

Bob Fillion
Dale Howard
Bob Quast
Pat Reynolds
Priscilla Spurgeon
Barry Stock, Director

Investments Committee – Chair Bart Hillyer

Dave Dixon
Steve Wilhelm

Audit Committee – Chair Dave Barker

Connie Johnson
Bert Olson
Lanny Smith, Director
Wayne Utterback

Green Valley Recreation, Inc.

Board of Directors Meeting

2025 Audited Financial Statements

Prepared By: Dave Dixon, CFO

Meeting Date: April 22, 2026

Presented By: Dave Dixon, CFO

Consent Agenda: No

Originating Committee / Department:
Audit Committee

Action Requested:
Accept the 2025 Audited Financial Statements of Green Valley Recreation, Inc (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 & A CPAs, who was chosen by the GVR Audit committee, has conducted an audit of GVR's 2025 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, 2025.

Board Options:

1) Accept the 2025 Audit Report as presented and recommended by the GVR Audit Committee.
2) Do not accept the 2025 Audit Report.
3) Reject the 2025 Audit Report.
4) Table this decision at this time.

Staff Recommendation:
Option 1

Recommended Motion:
Move to accept the draft 2025 Audit as presented by R & A CPAs.

Attachments:

1) Draft Audit from R & A CPAs.

Green Valley Recreation, Inc.

(A Not-for-Profit Corporation)

Financial Statements and Independent Auditors' Report

Years Ended December 31, 2025 and 2024

R&A CPAs

CONTENTS

R&A CPAs

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, 2025 and 2024, 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, 2025 and 2024, 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
March 20, 2026

Statements of Financial Position as of December 31, 2025 and 2024

Assets	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents:		
Held in deposit accounts	$ 1,521,840	$ 2,582,296
Held in investment brokerage accounts	219,590	610,768
Total cash and cash equivalents	1,741,430	3,193,064
Investment in marketable securities	14,991,333	11,822,885
Accounts receivable, net	351,767	245,850
Interest receivable	58,793	47,510
Supply and maintenance inventory	61,927	-
Prepaid expenses	276,484	380,428
Total current assets	17,481,734	15,689,737
LONG-TERM ASSETS:		
Property and equipment, net	23,334,571	22,470,374
Operating lease right-of-use assets, net of accumulated amortization of $13,135 and $0, respectively	13,679	-
Finance lease right-of-use assets, net of accumulated amortization of $81,210 and $136,430, respectively	8,470	36,447
Total long-term assets	23,356,720	22,506,821
TOTAL ASSETS	$ 40,838,454	$ 38,196,558
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 258,604	$ 270,189
Accrued payroll and related liabilities	177,938	360,403
Refundable membership change fee liability	145,174	199,013
Other liabilities	19,190	79,651
Deferred membership dues	4,349,578	3,250,056
Deferred program and rental revenue	175,035	142,811
Deferred lease revenue - current portion	2,250	4,000
Note payable - current portion	11,000	11,000
Operating lease liabilities, current portion	5,510	-
Finance lease liabilities, current portion	10,321	33,633
Total current liabilities	5,154,600	4,350,756
Long-term liabilities:		
Deferred lease revenue, net of current portion	41,149	42,667
Note payable, net of current portion	44,000	55,000
Operating lease liabilities, net of current portion	8,515	-
Finance lease liabilities, net of current portion	-	10,321
Total long-term liabilities	93,664	107,988
TOTAL LIABILITIES	5,248,264	4,458,744
NET ASSETS:		
Net assets without donor restrictions:		
Undesignated available for operations	24,535,845	23,275,238
Board-designated reserves for emergency operations	574,790	636,832
Board-designated reserves for initiatives	1,348,199	998,549
Board-designated reserves for repairs and replacements	9,131,356	8,827,195
Total net assets without donor restrictions	35,590,190	33,737,814
TOTAL NET ASSETS	35,590,190	33,737,814
TOTAL LIABILITIES AND NET ASSETS	$ 40,838,454	$ 38,196,558

Statement of Activities for the Year Ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Statement of Activities, 2025			
PUBLIC SUPPORT AND REVENUES:			
Membership dues	$ 7,366,506	$ -	$ 7,366,506
New member capital and initial fees	3,323,971	-	3,323,971
Member, tenant, and guest fees	271,261	-	271,261
Program revenue	868,793	-	868,793
Lease income	53,851	-	53,851
Late fees	107,597	-	107,597
Facility rent revenue	17,028	-	17,028
Total public support and revenues	12,009,007	-	12,009,007
EXPENSES:			
Program services	8,924,819	-	8,924,819
General and administrative	2,445,309	-	2,445,309
Total expenses	11,370,128	-	11,370,128
OTHER INCOME (EXPENSE):			
Investment income (loss)	1,194,012	-	1,194,012
Loss on sale of property and equipment	(12,375)	-	(12,375)
Other income	31,860	-	31,860
Total other income (expense)	1,213,497	-	1,213,497
CHANGE IN NET ASSETS	1,852,376	-	1,852,376
Net assets, beginning of year	33,737,814	-	33,737,814
NET ASSETS, END OF YEAR	$ 35,590,190	$ -	$ 35,590,190

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 revenue	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 Functional Expenses for the Year Ended December 31, 2025

	Program services	General and administrative	Totals
Functional Expenses, 2025			
Salaries and wages	$ 3,530,962	$ 915,387	$ 4,446,349
Employee related expenses	930,715	330,589	1,261,304
Total employee-related expenses	4,461,677	1,245,976	5,707,653
Depreciation	1,232,588	132,438	1,365,026
Utilities	980,539	-	980,539
Recreation contracts	627,458	-	627,458
Supplies	456,763	31,392	488,155
Insurance	-	431,503	431,503
Facility maintenance	409,693	4,313	414,006
Uncapitalized equipment	118,137	131,468	249,605
Professional services	116,972	96,092	213,064
Repairs and maintenance	205,950	595	206,545
Computer expense	-	119,516	119,516
Postage and printing	100,518	18,251	118,769
Communication	8,012	98,670	106,682
Vehicles	95,678	-	95,678
Investment fees	-	80,549	80,549
Bank and credit card fees	-	49,991	49,991
Fees and taxes	395	45,013	45,408
Catering	30,352	529	30,881
Amortization	27,977	-	27,977
Dues and subscriptions	-	27,363	27,363
Signage	19,022	115	19,137
Advertising	13,512	-	13,512
Travel	1,322	8,512	9,834
Rental expense	9,145	-	9,145
Employee training	5,229	3,284	8,513
Interest	3,880	-	3,880
Miscellaneous	-	288	288
Total expenses	8,924,819	2,525,858	11,450,677
Less investment fees netted against revenues	-	(80,549)	(80,549)
TOTAL EXPENSES, NET	$ 8,924,819	$ 2,445,309	$ 11,370,128

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
Supplies	516,714	-	516,714
Repairs and maintenance	440,574	35,204	475,778
Facility maintenance	381,552	57	381,609
Recreation contracts	-	380,115	380,115
Insurance	319,690	2,443	322,133
Professional services	175,082	69,294	244,376
Uncapitalized equipment	31,150	158,871	190,021
Computer expense	15,079	99,782	114,861
Communication	94,475	16,962	111,437
Postage and printing	10,385	95,978	106,363
Vehicles	90,343	-	90,343
Fees and taxes	-	77,903	77,903
Investment fees	-	75,554	75,554
Bank and credit card fees	175	47,897	48,072
Amortization	47,818	-	47,818
Catering	36,036	-	36,036
Advertising	29,031	-	29,031
Interest	9,083	7,535	16,618
Employee training	13,798	-	13,798
Rental expense	8,185	3,053	11,238
Dues and subscriptions	8,876	-	8,876
Travel	7,601	-	7,601
Signage	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

Statements of Cash Flows for the Years Ended December 31, 2025 and 2024

Cash Flows from Operating Activities	2025	2024
CHANGE IN NET ASSETS	$ 1,852,376	$ 1,055,673
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES:		
Depreciation	1,365,026	1,291,606
Realized and unrealized (gains) losses on investments in marketable securities	(705,261)	(712,022)
Loss on disposal of property and equipment	12,375	-
Amortization of finance lease right-of-use assets	27,977	36,036
In-kind lease income	(3,268)	(4,000)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable, net	(105,917)	55,755
Interest receivable	(11,283)	12,111
Supply and maintenance inventory	(61,927)	22,003
Prepaid expenses	103,944	(101,294)
Operating lease right-of-use assets, net	(13,679)	-
Accounts payable	(11,585)	(215,948)
Accrued payroll and related liabilities	(182,465)	112,450
Refundable membership change fee liability	(53,839)	(13,813)
Other liabilities	(60,461)	(24,416)
Deferred membership dues	1,099,522	(1,107,201)
Deferred program and rental revenue	32,224	(33,688)
Operating lease liabilities	14,025	-
Net cash flows provided by (used in) operating activities	3,297,784	373,252
Cash Flows from Investing Activities		
Purchases of property and equipment	(2,278,598)	(2,318,469)
Proceeds from sale of property and equipment	37,000	-
Proceeds from sale of investment in marketable securities	9,311,062	9,207,849
Purchases of investment in marketable securities	(11,774,249)	(6,862,183)
Net cash flows provided by (used in) provided by investing activities	(4,704,785)	27,197
Cash Flows from Financing Activities		
Principal payments on note payable	(11,000)	(11,000)
Payments on finance leases	(33,633)	(40,307)
Net cash flows provided by (used in) financing activities	(44,633)	(51,307)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,451,634)	349,142
Cash and cash equivalents, beginning of year	3,193,064	2,843,922
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,741,430	$ 3,193,064

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 13,902 and 13,872 members as of December 31, 2025 and 2024, 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, 2025 and 2024 was $1,269,015 and $2,691,114, 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. Inventory costs totaled $61,927 and $0 for the year ended December 31, 2025 and 2024, respectively.

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 assets, to not recognize ROU assets and lease liabilities for short-term leases that a 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, 2025 and 2024, 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, 2025 or 2024 for prior year membership dues. Outstanding performance obligations at December 31, 2025 and 2024 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 $13,512 and $29,031 for the years ended December 31, 2025 and 2024, 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.

NOTE B. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	2025	2024
Accounts receivable	$ 470,094	$ 393,464
Less allowances	(118,327)	(147,614)
Net accounts receivable	$ 351,767	$ 245,850

Changes in allowance for credit losses consisted of the following during the year ended December 31, 2025:

Allowance for credit losses, beginning of year	$ 147,614
Less write offs charged against allowance	(29,287)
Allowance for credit losses, end of year	$ 118,327

NOTE C. INVESTMENT IN MARKETABLE SECURITIES

GVR records its investments in marketable securities at December 31, 2025 and 2024 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, 2025 were as follows:

	Fair value	Cost	Unrealized gains	Unrealized losses
Corporate bonds	$ 6,057,337	$ 6,007,194	$ 50,143	$ -
Mutual funds	2,605,102	2,605,100	2	-
Common stock	3,115,675	2,090,112	1,025,563	-
Government bonds	925,393	921,323	4,070	-
Exchange traded funds	2,287,826	1,930,209	357,617	-
Totals	$ 14,991,333	$ 13,553,938	$ 1,437,395	$ -

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)

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

	2025	2024
Interest and dividends	$ 457,320	$ 426,501
Realized and unrealized gain (loss)	817,241	712,022
Less investment fees	(80,549)	(75,554)
Net investment income (loss)	$ 1,194,012	$ 1,062,969

Assets held in the brokerage accounts, by type of asset and board designation, were as follows at December 31, 2025:

	Cash and cash equivalents	Investments	Accrued interest	Brokerage account total
Board designated net assets:				
Emergency	$ 8,719	$ 564,525	$ 1,546	$ 574,790
Initiatives	58,893	1,280,968	8,337	1,348,198
Repairs and replacements	151,978	8,930,886	48,492	9,131,356
Total board designated assets	219,590	10,776,379	58,375	11,054,344
Undesignated - operations	-	4,214,954	418	4,215,372
Total assets held	$ 219,590	$ 14,991,333	$ 58,793	$ 15,269,716

Assets held in the brokerage accounts, by type of assets 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	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	$ 610,768	$ 11,822,885	$ 47,510	$ 12,481,163

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, 2025 and 2024, available for use for general expenditures within one year of the date of the statement of financial position:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 1,741,430	$ 3,193,064
Accounts receivable, net	351,767	245,850
Interest receivable	58,793	47,510
Investment in marketable securities	14,991,333	11,822,885
Total financial assets	17,143,323	15,309,309
Less board designated amounts:		
Emergency operations	574,790	636,832
Initiatives	1,348,199	998,549
Repairs and replacements	9,131,356	8,827,195
Total board designated amounts	11,054,345	10,462,576
Net financial assets available to meet cash needs for general expenditures within one year	$ 6,088,978	$ 4,846,733

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. During the year ended December 31, 2025, the lease was terminated.

OPERATING LEASES

GVR leased a postage meter and a folder machine under agreements that required monthly payments of $189 and $309, respectively. Both operating leases will expire in 2029 and 2028, respectively. For the years ended December 31, 2025 and 2024, total operating lease costs were $5,702 and $5,683, respectively.

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

2026	$ 5,976
2027	5,976
2028	2,268
2029	567
Total undiscounted lease payments	14,787
Less imputed interest	(762)
Total operating lease liabilities	14,025
Less current portion	(5,510)
Operating lease liabilities, long-term portion	$ 8,515

As of December 31, 2025, the weighted average remaining lease term is 2.65 years for operating leases and the weighted average discount rate is 4.16%.

FINANCE LEASES

GVR leases office equipment under a non-cancelable lease expiring in 2026 and requiring monthly payments cumulatively totaling $2,147. The economic substance of this lease is financing the acquisition of the asset through the lease and, accordingly, it has been recorded as finance lease obligation in the accompanying financial statements.

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

2026	$ 10,735
Total undiscounted lease payments	10,735
Less interest	(414)
Total finance lease liabilities	10,321
Less current portion	(10,321)
Finance lease liabilities, long-term portion	$ -

As of December 31, 2025, the weighted average remaining lease term is 0.47 years for finance leases and the weighted average discount rate is 15.89%.

NOTE F. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 consisted of the following:

	Contributed	Purchased	Total
Land and improvements	$ 4,166,276	$ 2,410,981	$ 6,577,257
Buildings and improvement	12,852,422	20,679,422	33,531,844
Tennis, shuffleboard, and sports courts	324,958	2,068,593	2,393,551
Pools, spas, and equipment	412,588	3,240,302	3,652,890
Recreational equipment	230,841	1,529,432	1,760,273
Vehicles	-	1,011,253	1,011,253
Furniture	30,000	3,170,640	3,200,640
Total property and equipment	18,017,085	34,110,623	52,127,708
Less accumulated depreciation	(11,617,157)	(18,468,392)	(30,085,549)
Construction-in-progress	-	1,292,412	1,292,412
Property and equipment, net	$ 6,399,928	$ 16,934,643	$ 23,334,571

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

NOTE G. REFUNDABLE MEMBERSHIP CHANGE FEE LIABILITY

For the years ended December 31, 2025 and 2024, 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:

	2025	2024
Membership change fees collected	$ 2,722,306	$ 2,375,776
Change in estimated obligation for refundable fees	54,000	16,700
MCF revenue recognized, included in new member capital and initial fees on the statement of activities	$ 2,776,306	$ 2,392,476
Actual MCF refunds	$ 261,100	$ 294,000

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. In August of 2025 the lease was amended to reduce the square footage of the office space provided, which reduced the value to $2,250 per year and extended the lease till 2045. During the years ended December 31, 2025 and 2024, GVR recognized $3,268 and $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, 2025:

	Note payable	Deferred lease revenue	Total
Payable to GVR Foundation	$ 55,000	$ 43,399	$ 98,399
Less current portion	(11,000)	(2,250)	(13,250)
Long-term portion	$ 44,000	$ 41,149	$ 85,149

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	$ 55,000	$ 42,667	$ 97,667

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, 2025:

	Note payable	Deferred lease revenue	Total
2026	$ 11,000	$ 2,250	$ 13,250
2027	11,000	2,250	13,250
2028	11,000	2,250	13,250
2029	11,000	2,250	13,250
2030	11,000	2,250	13,250
Thereafter	-	32,149	32,149
Total minimum future payments	$ 55,000	$ 43,399	$ 98,399

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, 2025:

	Emergency	Initiatives	Repairs and replacements	Total
Beginning balance	$ 636,832	$ 998,549	$ 8,827,195	$ 10,462,576
Board designations:				
Capital fees	-	509,186	-	509,186
Other designations	(135,469)	135,469	1,620,460	1,620,460
Expended for projects	-	(355,098)	(2,170,341)	(2,525,439)
Investment income	73,244	56,599	847,861	977,704
Change in accrued interest	183	3,494	6,181	9,858
Total board designated net assets	$ 574,790	$ 1,348,199	$ 9,131,356	$ 11,054,345

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	$ 636,832	$ 998,549	$ 8,827,195	$ 10,462,576

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, 2025 and 2024.

NOTE K. REVENUE FROM CONTRACTS WITH CUSTOMERS

During the years ended December 31, 2025 and 2024, GVR recognized $3,392,867 and $4,533,756, respectively, in previously deferred revenue for member dues, program revenue, and access card fees.

GVR had no contract assets at either December 31, 2025 or 2024. 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 $145,174 and $199,013 at December 31, 2025 and 2024, respectively.

Disaggregated revenue from contracts with customers and allocated performance obligations as of and for the year ended December 31, 2025 was as follows:

Revenue recognition method	Revenue recognized	Outstanding performance obligation
Point in time:		
New member capital and initial fees	$ 3,323,971	$ -
Late fees	107,597	-
Over time:		
Membership dues	7,366,506	4,349,578
Member, tenant and guest fees	271,261	-
Facility rental	17,028	-
Lease income	53,851	-
Performance activity:		
Program revenue	868,793	175,035
Total revenue	$ 12,009,007	$ 4,524,613

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

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 $7,427,911 and $7,622,605 as of December 31, 2025 and 2024. 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 September 2024 and was updated in January 2026. 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 $12,838,681. The study estimates that GVR will have funded as of the fiscal year ending December 31, 2025 $6,469,879, or 50.4% of the fully funded amount. The reserve study is based on a recommended annual contribution of $1,400,102 for 2026 to the replacement reserve, to be increased annually at a rate of 7.7% for 2026 through 2028 and is reduced down to 3.1% by 2032, inclusive of an assumed inflation factor of 2.5% on the costs of replacement items.

The pools and spas replacement reserves aggregated $1,703,445 and $1,204,590 as of December 31, 2025 and 2024. 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 $135,829 and $126,592 for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, GVR received no in-kind revenue subject to recognition.

During the years ended December 31, 2025 and 2024, the Foundation's Member Assistance Program provided $25,000 and $25,000, 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 April 24, 2025, which represents the date the accompanying financial statements were available to be issued.

Memorandum

To: Board of Directors

From: Scott Somers, CEO

CC: GVR Senior Staff

Date: April 22, 2026

RE: 2026 First Quarter Updates of the Annual Workplan

Administration/CEO

2.2.3 Develop relationships with similar organizations to share trends, best practices, and steps to overcome customer service challenges (Ongoing)

- Survey similar organizations and share results with the Board of Directors, as appropriate.

5.1.1 Provide staff support to the Board of Directors to enable proactive, complete communications about Board decisions

- With Communications, synthesize Board actions/decisions to communicate with the Members. (Ongoing) ***Eblast and GVRNow***

5.2.1 Review the Strategic Plan regularly to ensure progress on action items and continuity year-over-year with the plan

- Complete and present an Annual Workplan to the Board for approval. (February, 2027)
- Continue providing a quarterly report in the Meeting Book to the Board and post the Final Annual Work Plan report on the Governing Documents and Reports section of the website. ***First Informational Quarterly Report for 2026-2027 is in April Meeting Book.***
- Provide an update to the Board on the Final Annual Workplan as part of the CEO performance evaluation. (December)
- Process for completion regarding Strategic Plan and preparation of the 2027-2031 strategic plan.
  Board held a Work Session in January 2026 for Strategic Planning.
  Board held an Executive Session (Consultant Presentations) and Special Meeting to approve the Consultant for the Strategic Planning for 2026 on April 8.

5.6.1 Participate/partner with outside organizations such as Rotary, Chambers, GVC, GGVCF, etc. (Ongoing) ***Regular attendance at the following:***

- Rotary Club of Green Valley membership.
- GVR Foundation Board meeting.
- GVC Executive Committee.
- GVC Representative Meeting.
- University of Arizona Community Advisory Board member.

Board and Committees

4.3.3 Employ sound investment strategies to maximize passive income

- Investment Committee and Finance. (Ongoing)

5.2.2 Develop and adopt operating commitments for the Board that demonstrate courtesy, consideration, mutual respect, and willingness to listen to one another and staff

- Board credo was developed and adopted. (Ongoing)
- Conduct a follow up of the facilitated 2025 fall workshops with the Board to develop agreements and understandings on roles and responsibilities, particularly with Board advisory committees, committee chairs, and officer positions. (April) ***Strategic Planning will be the Board focus this Spring/Summer which provides understanding of roles and responsibilities.***

5.2.3 Utilize staff liaisons and the Strategic Plan to support continuity of direction.

- Staff liaison functions to be facilitated by Administration to ensure committee continuity. (Ongoing)
- Implement revised committee structure if passed per the Bylaws. (June) ***BAC will begin review of the CPM regarding Committee changes due to the Bylaw amendments approved by the membership.***
- Develop a process for recruiting committee members. (June)

5.4.1. Encourage staff and Board to attend training conferences and participate in professional associations

- Research and identify Board training opportunities. (April) ***Staff will review Brown Dog online training in April.***
- Survey Board of Directors for what they would like for training, including training to support and encourage teamwork. (April)

Communications

1.3.3 Improve interior and exterior signage: complete, consistent, accessible, concise, attractive

- Continue reviewing and updating as necessary.

1.3.4 Implement standard and electronic signage to heighten communications of activities and events.

- Review and assess benefits of installing big screen TVs in all centers to highlight activities and events. (July)

3.3.2 Improve ease of access to GVR activity schedule and opportunities

- With Recreation, develop a "getting started" program to provide instruction and supplies for drop-in activities. (September)

3.4.2 Continue to seek member feedback on a wide variety of matters via polls, surveys, in-person forums and virtual forums

- Survey members on topics as needed and share results with Board and members, and if significant, post on the website. (Ongoing) ***Solicited member feedback on the ABS aquatics facilities concept drawing.***

Facilities Department

1.1.5 Introduce newer technology to improve energy efficiency when there are opportunities

- Convert lighting in Clay and Ceramics studios to LED ***Clay studio lighting upgrade complete***
- Identify and begin installing thermostats to improve consistent temp controls
- Continue reviewing and implementing campus wide energy efficiency and dark skies strategies where appropriate.

1.2.3 Research and develop recommendations for providing food and beverage in certain centers (Includes Recreation Department)

- Research vending machine options. Research for café at DSC has occurred but more research is needed to install vending machines in other centers. (August)
- As budget allows, modify the LC lobby to improve seating and provide a refreshments counter (December)
- Consider food and beverage services at the DSC. (February) ***Underway now***

1.3.2 Update interior and exterior furnishings, door hardware, landscaping, and amenities campus wide

- This work will continue indefinitely.

1.4.2 Design peripheral grounds to provide outdoor recreation opportunities: park-like settings, walking trails, outdoor games, and activities

- Per results of member poll, install rudimentary cornhole courts at EC and CR to test interest. Design a park-like setting for casual social gathering at Las Campanas, west of the pool. ***Cornhole courts are nearly complete at CR***

Finance Department

4.2.1 Evaluate Maintenance Repair and Replacement (MR&R) to confirm need. (Ongoing)

- Confirm all numbers and data for both MRR-A and B are accurate prior to distribution. (Ongoing)

4.3.4 Provide continuous education for Board, committees, and staff about GVR financial management and positions so that they can make decisions to monitor effectively.

- Continue providing quarterly financial updates to Board and detailed financial statements to the FAC. (Ongoing)
- Provide annual primer on reading financial statements. (Ongoing)
- Review Fund EZ Purchase Order System, and other third-party PO systems and implement as necessary. ***The Fund EZ PO system was found to not be adequate for GVR's needs. Other systems are currently being reviewed. A budgeting and project costing system has not been identified but research is ongoing into 2026***

4.4.1 Review the 3-year annual financial forecast with the Board

- Present 3=year annual financial forecast as part of the annual budget document. (Annually)

4.4.3 Maintain and continue to utilize the reserve study (MRR) (Ongoing)

Human Resources

2.2.2 Implement standardized customer service training for all staff, based on clarified policies and expectations, to ensure consistency in service. (Ongoing)

3.2.1 Develop a sustainable volunteer program, including recruiting and training of volunteers, to support GVR activities (Ongoing)

- Volunteers are currently utilized. If the Board want to expand, then we should schedule a W Work Session on this matter.

5.3.3 Provide training and team activities to help people demonstrate these GVR values (Ongoing)

IT Department

1.2.5 Employ newer technologies to benefit members' abilities to fully utilize faculties

- Simplify members experience while using GVR rooms and a/v equipment. Providing GVR laptops to each major center to create consistency and ensure compatible connections. (Ongoing)

5.5.1 Develop a continuity of operations plan that includes evacuation locations, IT operations, personnel emergency succession, document preservation, etc.

- Desert Hills has been designated by IT as the primary server, database, and file failover location. Nightly backups are generated at AO and replicated to DH to ensure continuity in the event of a disaster. DH also maintains continuously synchronized copies of all major operating systems, enabling near-real-time system duplication with an estimated 10-second latency.

Member Services Department

2.2.1 Implement a quality assurance system to ensure that exceptional customer service is happening, such as secret shopper, a review schedule to see how systems and processes are operating.

- Work with attorney to gain additional knowledge with regard to GVR's boundary, master development agreements, deed restrictions, title agreements, and collections. Better define/understand GVR's boundaries. (Ongoing)
- Continue to explore and find solutions to identify and decrease membership and guest card misuse. (Ongoing)
- Partner with Communications to create a new, comprehensive New Member Welcome Packet. (July)
- Partner with Communications to create and distribute a realtor information sheet. (October)

3.3.1 Conduct a policy and process review.

- Investigate possible alternatives to our current membership database to combine databases, add capabilities, and improve overall experience (occurring in 2026)

Recreation Department

1.1.2 Assess and improve fitness center functionality

- Work with facilities on plans to expand the Las Campanas Fitness Center. (August)

1.2.2 Assess spaces for specific activities and equip those spaces properly, such as art class space with washable floors

- Work with Facilities and Field Services to identify and equip specific rooms suited for activities that can be restricted to these rooms; i.e. poker, yoga, etc. (Ongoing).

1.2.5 Employ newer technologies to benefit members' abilities to fully utilize faculties (See Facilities).

- Investigation options to implement an online reservation system as part of an updated system/systems for Membership and Recreation (Ongoing). ***Worked with other Stakeholders to develop RFP for new membership/reservation system.***

3.1.1 Work with Communications to promote and highlight activities and events that are accessible to members with mobility challenges and other age-related limitations.

- Identify specific, on-going activities and events which meet these criteria and furnish a list to Communications for follow up (August)

3.1.3 Continue to identify programming and events that members want.

- Gradually expand food and beverage offerings at West Center (large events such as concerts and dances) and Del Sol Clubhouse (smaller, typically free events) in a disciplined manner which continually retains popular food/beverage choices and regularly offers new options. (Ongoing) ***Temporary permit for limited offerings at Del Sol Clubhouse obtained, coffee/espresso/pastry service starts in April; additional permit for more expansive food offerings has been filed with the County and process is underway.***

3.3.1 Conduct a policy and process review

- Complete SOP documentation for all Recreation functions (August)