

Stonegate Community Association

2018 Homeowners' Annual Meeting
And **2017** Annual Report



Annual Meeting
Thursday, March 22nd, 2018
at 6:00 p.m.
Stonegate Community Center

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AGENDA

- **Welcome and Introduction**
- **Approval of 2017 Annual Meeting Minutes**
- **Introduction of Candidates**
- **President's Report**
- **Treasurer's Report**
- **2017 Audit Results And 2017 Budget**
- **Retiring Board Recognition Presentation**
- **Election Results**
- **Adjournment**

President's Report

By Cary Weissman

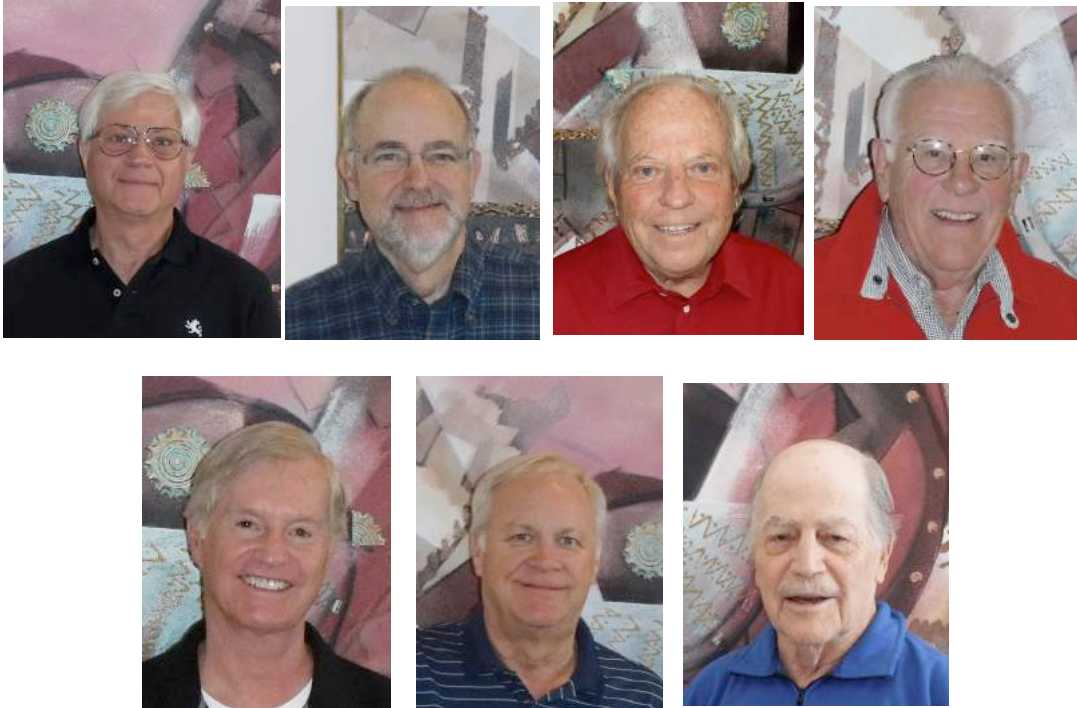
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It has been my pleasure to serve as your President on Stonegate's Board of Directors. I am retiring from the Board as I am completing my second two-year term, which is the maximum limit a director can serve at one time. I will continue to serve Stonegate as a member of the finance committee as I have in the past.

My President's Report will be addressing two issues. The first is the upcoming Board Election. In the recent past, the number of candidates filled the number of positions that were open so there was an appointment, not an election. I was happy to see our community members will have choices in this upcoming March election. There are six candidates seeking the 3 open Board positions for a two-year term and two candidates seeking the 2 open Board positions for a one-year term. The outcome of the one-year term is known, former Board member and past President Nancy Ford and newcomer Carolyn Norris. Congratulations Nancy and Carolyn and welcome to the 2018 Board. The remaining election results will be announced at the Annual Homeowners meeting scheduled for Thursday, March 22nd at 6 p.m.

The second issue was addressing and resolving the declining appearance in the neighborhoods on properties where residents (full time and part time) needed to paint their homes. SCA contacted the property owners and sent photographs so there would be no misunderstanding on what was being addressed. Based on these actions, the property owners began to paint their homes improving the neighborhood aesthetics. A well maintained community and its neighborhoods show pride in ownership and is a desirable place to live.

Lastly, I want to acknowledge the Board members, committee members and our association staff's commitment in maintaining Stonegate's standing within Scottsdale.



2017 Board of Directors

Top row, Left to right:
Cary Weissman, President
David Allen, Vice President
Tom Schaefer, Treasurer
Gene Evans, Secretary

2nd row, Left to right:
Jim Bissonett, Director
Jim Grossman, Director
Ernie Shapiro, Director



- Tennis Courts & Basketball Court Reconstruction & New Pickleball Courts
- Tennis Online Reservation System
- Recreational Area Landscaping
- Community Center Remodel
- New Roofs on Community Center & Maintenance Facility
- Access Control Cameras
- Retreat Roadways Reconstruction & Intersection Speed Tables
- AC Guidelines – Approval of Artificial Turf



2017 Spring Fling

Community Activities

- Hospice of the Valley Toy Drive
- Spring Fling
- Boutique Gift Fair
- Adult Holiday Party
- Children's Holiday Party
- Current Events Group, Book Club, and Movie Group
- Swimming Instruction/Swim Team provided by HUB Sports
- Total expense for social functions in 2017 (Spring Fling, Gift Fair & Holiday parties) was \$10,161 after raising \$6,119 in sponsorships.



2017 Gift Fair



2017 Children's
Holiday Party



2017 Adult Holiday Party

Architectural Committee:

Jim Grossman, Board Director and Chair, Carol Dolohanty, John Gianforte, Sandra Kurlander, Arnie Siegel, Karen Weston, and Frani Wolfe. This committee is charged with maintaining Stonegate's aesthetic values.

Physical Property Committee:

Mike Flamer, Chair, Charles Burtner, John Gianforte, Ed Katz, Steve Lipps, and Carroll "Rick" Rickard. This committee assists in ensuring Stonegate's physical property and landscape areas are maintained. Members research technical aspects, review proposals and work with consultants if needed.

Finance Committee:

Tom Schaefer, Board Treasurer and Chair, Gene Evans, Board Secretary, Stuart Goldberg, Chuck Kaufman and Jim Murphy who work in conjunction with Executive Director Larry Paprocki and Stonegate Accountant, Lora Stacy. This committee reviews and studies Stonegate's financial workings, investments, assessments and other matters relating to the financial stability of the Association.

Nomination and Election Committee:

Steve Lipps, Chair, Derek Fromm, and Andrew Ventura. This committee oversees the Stonegate Board election process and matters requiring a community vote.

Social/Recreational Committee:

Sherre Phillips, Chair, Janny Chan, Debbie Brass-Donnelly, Robin Fink, Catherine Lewis and Al Montgomery. This committee is charged with the creation of the community social/event calendar, assisting in the coordination and planning of community events and educational programming. The committee oversees activities of the tennis courts, recreational areas and community center activities.

Retiring Board Recognition

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Retiring from the Stonegate Board of Directors is Cary Weissman, our current Board President and Jim Grossman, Board Director. The Stonegate Community Association wishes to thank them for their dedication and service to the community and wishes them well in their future endeavors.



Auditor's Opinion Letter

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Butler & Hansen, PC. Certified Public Accountants.
Gregg M. Butler, C.P.A., P.F.S.

To the Board of Directors/Stonegate Community Association, Scottsdale, Arizona

We have audited the accompanying financial statements of Stonegate Community Association, Inc. (an Arizona Corporation), which comprise the balance sheet as of December 31, 2017 and the related statements of revenues and expenses and comprehensive income (loss), fund balances and cash flows for the year 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 Stonegate Community Association, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Butler & Hansen, P.C.

(Excerpt from letter. Copies of full letter available at Community Center)

2017 Balance Sheet

ASSETS	Operating Fund	Capital	Reserve	12/31/17	12/31/16
Cash	\$81,737	-	\$94,900	\$176,637	\$829,282
Receivables	7,440	-	6,065	13,505	8,022
Long Term Investments	72,217	80,808	307,334	460,359	422,029
Prepaid Expenses / Deposits	2,613	-	-	2,613	2,379
Interfund Balances	475	-	-475	-	-
Construction in Progress		8,499		8,499	
PROPERTY AND EQUIPMENT*	-	343,831	-	343,831	372,270
Less accumulated depreciation & amortization	-	-266,525	-	-266,525	-276,677
TOTAL ASSETS	\$164,483	\$166,613	\$407,824	\$738,920	\$1,357,305
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$24,317	-	34,660	\$58,976	\$19,363
Builder Bonds Payable	500	-	-	500	7,750
Accrued Expenses	50,399	-	-	50,399	42,355
Deferred Revenue	70,058	-	-	70,058	70,561
Resale holdbacks	3,350	-	-	3,350	3,350
Current Capital Lease Obligation	-	3,451	-	3,451	4,105
Remaining Capital Lease Obligation	-	6,840	-	6,840	9,454
TOTAL LIABILITIES	148,624	10,291	34,660	193,574	156,937
FUND BALANCES (DEFICIT)	15,859	156,322	373,164	545,345	1,200,368
TOTAL LIABILITIES AND FUND BALANCES	\$164,483	\$166,613	\$407,824	\$738,920	\$1,357,305

2017-2018 Comparison

OPERATING FUND	2017 Budget	2017 Actual Audit	2018 Budget
Income			
Member Assessments	1,681,776	1,681,776	1,703,760
Interest	200	114	200
Other	57,180	53,055	57,180
Total Income	<u>\$1,739,156</u>	<u>\$1,734,945</u>	<u>\$1,761,140</u>
Expenses			
Payroll (including taxes & benefits)	943,031	964,062	987,844
Landscape Maintenance	258,550	234,460	231,190
Recreational/Community Center/Social	136,270	134,317	137,050
Infrastructure	277,620	280,167	280,640
Administration	62,645	60,441	65,235
Communication and Social Activity	12,160	10,405	11,840
Office	45,460	39,528	46,050
Total Expenses	<u>\$1,735,736</u>	<u>\$1,723,380</u>	<u>\$1,759,849</u>
Income Taxes		\$50	
Excess (Deficit)	<u>\$3,420</u>	<u>\$11,515</u>	<u>\$1,291</u>
CAPITAL FUND			
Income			
Other/Interest Income		3,631	
Gain/loss on disposal of fixed assets		(25,775)	
Total Income		<u>(\$22,144)</u>	
Expenses			
Total Project Expenses		104,240	
Excess(Deficit)Revenues over Expenses		<u>(\$126,384)</u>	
Other Comprehensive income		10,864	
Net Excess (Deficit)		<u>(\$115,520)</u>	
RESERVE FUND			
Income			
Member Reserve Assessments	384,720	384,720	384,720
Property Transfers	170,000	205,828	180,000
Crown Castle	19,572	19,623	20,160
Interest & Other	5,889	7,606	5,889
Total Income	<u>\$580,181</u>	<u>\$617,777</u>	<u>\$590,769</u>
Expenses			
General Repairs & Replacements	578,115	487,267	308,767
Roadway	698,500	698,605	35,100
Total Expenses	<u>\$1,276,615</u>	<u>\$1,185,872</u>	<u>\$343,867</u>
Other Comprehensive income		\$17,077	
Net Excess (Deficit)	<u>(\$696,434)</u>	<u>(\$551,018)</u>	<u>\$246,902</u>

Comments:

Member Monthly Operating Assessments \$155.00
 Member Monthly Reserve Assessments \$35.00
 Beginning Reserve Balance \$373,164
 Estimated Year End Reserve Balance \$620,066



Larry Paprocki

Executive Director

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Accounting Manager

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Catherine Bryson

Communications Coordinator

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Javier Alejandro

Operations Supervisor

Cris Rubio

Physical Property Foreman

Joe Cerami

Recreational Area Monitor



Office hours: Monday through Friday

8:30 a.m. to 5:00 p.m.

Saturday 10:00 a.m. to 2:00 p.m.

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