

Stonegate Community Association Homeowners' Annual Meeting and 2012 Report



Annual Meeting
Thursday, March 21, 2013 - 7:00 PM
Stonegate Community Center

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AGENDA

- Welcome and Introduction
- Approval of 2012 Annual Meeting Minutes
- Introduction of Candidates and Casting Ballots
- President's Report
- Treasurer's Report – 2012 Audit Results and 2013 Budget
- Special Recognition Presentations
- Election Results
- Open Discussion

President's Report by Lori Condon

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2012 has been a year of change and growth in both the community and in the administrative offices. The Stonegate staff and Executive Director continue to serve the homeowners, work with committees and foster a sense of community through programming and communication.

It has been a pleasure serving as Board president. I have learned much from the process, and wish to thank my fellow Board members, who proved to be a dedicated team, and whose commitment this past year has helped to enrich our community. I would like to recognize Board Vice President Ed Katz, whose attention to detail was an asset to the Board; Doug Schoenfeld, Board Treasurer, who worked tirelessly to ensure that our financials were in order. I wish him well in his departure from both the Board and the community; Mike Flamer, Board Secretary and former Board President, whose experience is an example of great leadership; Don Levitt, Gary Friedman, and Nancy Ford, Board Directors, whose energy and commitment were an important part of our Board team. Thanks to all of the dedicated members of our various committees for their commitment to our community.

In the Annual Report, you will find highlights of some of the accomplishments that took place in the community, from desert landscaping to video streaming.

Special recognition to the Stonegate Staff for their efforts. I would like to recognize Dolly Singh Heeralall, who just completed her first year as office manager; Joan Cheng, Accounting Manager, who successfully addressed Association accounting issues and who has been recognized by our Auditors; Deena Goldstein, Communication Services, who continues to streamline website/video streaming and other communication mediums as well as special events; Javier Alejandro, Operations Supervisor and his maintenance personnel for their commitment to the beautification of our community.

Thank you to Larry Paprocki, Executive Director, who continues to work with the Board of Directors, administrative staff and homeowners. Larry's dedication and tireless efforts, help to maintain our wonderful community.

I look forward to being a member of the Stonegate Board of Directors and serving the community in 2013.

Sincerely,

Lori Condon
Board President

In 2012, the Community Association tackled several items that created changes within the community. The Board of Directors and its committees addressed Stonegate road issues. Two consultants were used to determine the streets existing condition know as the Pavement Condition Index (PCI). They also made recommendations on different roadway treatments and calculated the various costs over the next 10 years. The Board has contracted with PMIS as project manager. They will draft project requirement documents to reconstruct Stonegate Circle adding fiber to the asphalt mix. Stonegate Circle was constructed with 2 ½ inches of asphalt and by adding fiber with 2 ½ inches of new asphalt mix, it will have the strength of almost 4 inches. Stonegate Circle will become a structurally stronger roadway.

The second issue was negotiations with Cox Communications on renewing the bulk use agreement, which the Community Association enjoyed for almost 20 years. When the contract was not renewed, the expense was removed from the budget and resulted in an assessment reduction in 2013.

Other financial issues were addressed. Property transfers increased in 2012, which provided needed funds into the reserves for future maintenance expense. Also, a constructive effort was made in the collections of past due accounts. The findings from the audit report show a significant account receivable reduction from the prior year. The Board also authorized the restructuring of our Reserve Study into two separate reports, Stonegate General Reserve Report and Stonegate Roadway Reserve Report.

Stonegate has a strong reputation in Scottsdale for being a premier, residential community. The Stonegate Board of Director's leadership keeps our community beautiful and a desirable place to live. I am proud to be the Executive Director. My staff and I look forward to making 2013 an even better year.



2012 Board of Directors

Left to right:

Gary Friedman, Director

Lori Condon, President

Mike Flamer, Secretary

Don Levitt, Director

Doug Schoenfeld, Treasurer

Nancy Ford, Director

Ed Katz, Vice President



- Desert landscape renovation on the Community Center grounds, and in various common areas throughout the Stonegate community, such as 112th Street and Mountain View.
- Termination of Cox Bulk Use Agreement.
- Revamping of Stonegate advertising which now appears on the Stonegate website at www.stonegate-scottsdale.com. Professional, easy to use.
- The use of video streaming technologies on Stonegate website for items such as Board of Director election candidate speeches, event montages, etc.



112th Street and Mountain View
Desert Landscaping

Community Activities

- Scottsdale Healthcare Balance/Walking Stick Programs
- Spring Fling
- Health & Wellness Fair
- 1st Annual Holiday Gift Fair
- Adult Holiday Party
- Children's Holiday Party
- Current Events Group, Book Clubs, Movie Groups
- Swimming Instruction/Swim Team
- Movie Under the Stars



2012 Holiday Gift Fair

2012 Spring
Fling



2012 Health & Wellness Fair

Architectural Committee: Gary Friedman, Chair, Karen Weston, John Doney, Sandra Kurlander, Frani Wolfe, Lee Secrest, Arnie Siegel. This committee is charged with the preservation of Stonegate's aesthetic values. (meets 1st & 3rd Wednesday each month).

Physical Property Committee: Dr. Donald Levitt, Chair, Carroll "Rick" Rickard, Charles Burtner, Brian McSweeney, Richard Vandenberg, Steve Lipps, and John Gianforte. (In 2012, the Conservation Committee merged with the Physical Property committee). This committee assists in ensuring Stonegate's physical property and landscape areas are maintained. Members research technical aspects, work with consultants if needed and review proposals. (meets as needed).

Finance Committee: Doug Schoenfeld, Chair, Jim Murphy, Nancy Ford, Tom Schaefer, Chuck Kaufman, Cary Weissman, and Stu Goldberg working in conjunction with Executive Director Larry Paprocki, and Stonegate Accounting Manager, Joan Cheng. This committee reviews and studies Stonegate's financial workings, investments, assessments and other matters relating to the financial stability of the Association. (meets 3rd Thursday each month).

Nomination and Election Committee: Jean-Claude Moreau, Chair, Cynthia Marcus, Steve Lipps, Andrew Ventura, Cary Weissman. This committee oversees the Stonegate Board election process and matters requiring a community vote. (October through March).

Social/Recreational Committee: Sherre Phillips, Chair, Karen Turek, Ann Bergera, Bob Stone, Nanette Hart, 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. (meets 2nd Thursday each month if needed).

Vehicle Control Committee: Jean-Claude Moreau, Chair, Ed Katz, Paul Fein, George Smith. This committee reviews and studies parking and vehicle use issues. (meets when needed).

Retiring Board Recognition

Retiring from the Stonegate Board of Directors after serving two terms, is Board Secretary, Mike Flamer (left), and Board Director, Gary Friedman (center). The Stonegate Community Association wishes to thank them for their dedication and service to the community and wishes them well in future endeavors.



The Community Association wishes to recognize Board member Doug Schoenfeld, (right) who resigned from his post as Board Treasurer as he is moving.

Volunteer of the Year

Tom Schaefer



Retreat resident, Tom Schaefer has been working with the Finance committee and assisting the Association accounting department for the last several years. He is also a former Board member. His tireless dedication and understanding of finance has been an asset to both the Finance Committee and the accounting department.

Auditor's Opinion Letter

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Butler, Jones & 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, 2012, and the related statements of revenues, expenses and changes in 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, 2012, 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, Jones & Hansen, P.C.
(Excerpt from letter. Copies of full letter available at Community Center)

Balance Sheet

ASSETS	Operating Fund	Capital	Reserve	12/31/12	12/31/11
Cash	\$100,020	\$101	\$597,703	\$697,824	\$443,133
Due From Other Funds* (Deficit)	-	-	-	-	-
Receivables	22,823	-	-	22,823	\$47,777
Short Term Investments	-	-	-	-	-
Long Term Investments	10,553	47,535	300,596	358,684	354,830
Prepaid Expenses / Deposits	7,367	-	-	7,367	3,128
PROPERTY AND EQUIPMENT*	-	393,095	-	393,095	384,855
Less accumulated depreciation & amortization	-	(304,733)	-	(304,733)	(278,993)
TOTAL ASSETS	\$140,763	\$135,998	\$898,299	\$1,175,060	\$944,730
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$40,629	-	-	\$40,629	\$58,074
Builder Bonds Payable	2,000	-	-	2,000	8,000
Accrued Expenses	12,463	-	-	12,463	12,463
Agency Transactions (Timarron)	1,764	-	-	1,764	4,014
Deferred Revenue	55,939	-	-	55,939	65,881
Current Capital Lease Obligation	-	7,005	-	7,005	6,247
Remaining Capital Lease Obligation	-	15,891	-	15,891	22,896
TOTAL LIABILITIES	112,795	22,896	-	135,691	177,575
FUND BALANCES (DEFICIT)	27,968	113,102	898,299	1,039,369	767,155
TOTAL LIABILITIES AND FUND BALANCES	\$140,763	\$135,998	\$898,299	\$1,175,060	\$944,730

2012-2013 Comparison

OPERATING FUND	2012 Budget	2012 Actual Audit	2013 Budget
Income			
Member Assessments	1,956,576	1,956,576	1,637,808
Interest	1,200	158	160
Other	51,940	68,090	56,940
Total Income	\$2,009,716	\$2,024,824	\$1,694,908
Expenses			
Payroll (including taxes & benefits)	847,750	775,758	848,935
Landscape Maintenance	252,130	306,064	290,860
Recreational/Community Ctr. Social	114,720	123,094	125,590
Infrastructure	258,464	261,149	266,580
Administration	443,155	431,128	72,415
Communication and Social Activity	11,760	10,156	11,260
Office	51,600	42,406	55,000
Total Expenses	\$1,979,579	\$1,949,755	\$1,670,640
Income Taxes		\$ 1,400	
Excess (Deficit)	\$30,137	\$73,669	\$24,268
CAPITAL FUND			
Income			
Other/Interest Income		2,795	
Total Income		\$2,795	
Expenses			
Project Expenses		30,064	
Total Expenses		\$30,064	
Net Excess (Deficit)		(\$27,269)	
RESERVE FUND			
Income			
Member Assessments	131,904	131,904	175,872
Property Transfers	132,600	162,713	108,000
Interest & Other	30,000	13,314	
Total Income	\$294,504	\$307,931	\$283,872
Expenses			
Major Repairs & Replacements	175,322	105,613	89,903*
Total Expenses	\$175,322	\$105,613	400,700**
Net Excess (Deficit)	\$119,182	\$202,318	(\$206,731)

Comments:

*General Reserve Expenses

**Roadway Reserve Expenses



Larry Paprocki
Executive Director

Dolly Singh Heeralall
Office Manager

Joan Cheng
Accounting Manager

Deena Goldstein
Communication Services

Robin Hackett
Part-Time Administrative Support

Alaina Mortoccia
Saturday Administrative Support

Javier Alejandro
Operations Supervisor

Cris Rubio
Physical Property Foreman

Joe Cerami
Dominick Reale
Recreational Area Monitors

