

# **Stonegate Community Association**

*2016 Homeowners' Annual Meeting*  
And **2015 Annual Report**



**Annual Meeting**  
**Thursday, March 24, 2016 at 7:00 PM**  
**Stonegate Community Center**

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## **AGENDA**

- **Welcome and Introduction**
- **Approval of 2015 Annual Meeting Minutes**
- **Introduction of Candidates**
- **President's Report**
- **Treasurer's Report**
- **2015 Audit Results And 2016 Budget**
- **Special Recognition Presentation**
- **Election Results**
- **Adjournment**

# President's Report

## By Dr. Don Levitt

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I am completing my fourth year on the Board, this past year as President. The Bylaws permit directors, who are elected by the membership, a two-year term. Directors can be re-elected for a second two-year term. Upon completion of a second term the director must step down from the Board. This year Vice President David Allen and myself are completing our second term on the Board. Director Cary Weismann is completing his first term and is running for re-election. I would like to acknowledge the dedicated service and efforts of the entire Board. I also would like to recognize our committee members, who's planning and recommendations assist the Board in our deliberations. Special recognition goes to our Executive Director, Larry Paprocki, who manages our dedicated administrative staff and maintenance personnel in their duties that promote Stonegate as one of Scottsdale's finest planned residential communities.

As reported in this Annual Report, Stonegate is in a strong financial operating position and has adequate reserves for future amenities replacement as well as enhancements. This comes from long term planning in order to meet the needs of our community. The Board has appointed an Ad-hoc committee to conduct a recreational survey, listing a number of recreational possibilities that could be pursued. Membership input is vital in this process. The newly elected Board will be addressing the results of that survey and on how to proceed. Stonegate is uniquely positioned to be competitive in the housing re-sale market. Social activities and recreational amenities will attract potential buyers to enjoy the life-style within our community.

It has been a pleasure and honor to serve this past year as your Board President. I wish everyone a healthy 2016.



# Executive Director's Report

## By Larry Paprocki

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2015 marked my 20<sup>th</sup> year as Stonegate Community Association's Executive Director. I have been very fortunate and blessed in working with Resident Boards and committees who have always put Stonegate's interest first. SCA's success has been thoughtful planning along with the desire to do things right.

The 2015 Board's accomplishments were expediting Stonegate Circle Landscape Enhancement Project by completing the project two years ahead of schedule. The Board continues to implement Stonegate's 10-year roadway plan. Two subdivisions, The Reserve and Belcourt streets were reconstructed. Regent, Mt. View Estates, Stonecreek, Regal and Tradewinds received scheduled maintenance to preserve the roads. Both the Reserve Study and Roadway Plan were updated reflecting the existing conditions in the community as to maintain proper funding levels. The Board has undertaken a long-range study to obtain homeowners' input regarding the community's future recreational needs to keep Stonegate competitive in the home resale market.

My staff and I look forward in assisting the 2016 Board and its appointed committees in maintaining Stonegate as one of the premier communities in Scottsdale.





## 2015 Board of Directors

*Top row,*

**Don Levitt, President**  
**David Allen, Vice President**  
**Nancy Ford, Treasurer**  
**Lori Condon, Secretary**

*2nd row, Left to right:*

**Leroy Rhein, Director**  
**Tom Schaefer, Director**  
**Cary Weissman, Director**



- Landscape Enhancements.
- Roadway Work.
- Adding a Social Event – Boutique Gift Fair, which was a big success.

## **Community Activities**

- Vista Del Camino Food 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 Simply Swimming now known as HUB Sports
- Total expense for social functions in 2015 (Spring Fling, Gift Fair & Holiday parties) was \$10,875 after raising more than \$5,600 in sponsorships.



**2015 Spring Fling**



**2015 Gift Fair 2015**



**2015 Adult Holiday Party**

**2015 Children's  
Holiday Party**



**2015 Food Drive**



## **Architectural Committee:**

Leroy Rhein, Board Director and Chair, Carol Dolohanty, Jim Grossman, Sandra Kurlander, Brian McSweeney, 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, Don Levitt, Board President, 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:**

Nancy Ford, Board Treasurer and Chair, Stuart Goldberg, Chuck Kaufman, Jim Murphy, Paul Riedl, Tom Schaefer, Board Director, and Cary Weissman, Board Director, 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, Jean-Claude Moreau, 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, 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 Dr. Don Levitt, our current Board President, and David Allen, our current Vice President. The Stonegate Community Association wishes to thank them for their dedication and service to the community and wishes Don and David well in their future endeavors.**



**Dr. Don Levitt**



**David Allen**



# 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, 2015 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, 2015, 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)**

## 2015 Balance Sheet

| ASSETS                                       | Operating Fund   | Capital          | Reserve          | 12/31/15           | 12/31/14           |
|--|------------------|------------------|------------------|--------------------|--------------------|
| Cash   | \$62,667         | \$61,602         | \$625,948        | \$750,217          | \$720,183          |
| Receivables                                  | 23,890           | -                | 3,075            | \$26,965           | 7,690              |
| Long Term Investments                        | 45,583           | 50,031           | 122,530          | \$218,144          | 217,943            |
| Prepaid Expenses / Deposits                  | 8,529            | -                | -                | \$8,529            | 2,259              |
| Interfund Balances                           | 17,683           | -                | (17,683)         | -                  | -                  |
| PROPERTY AND EQUIPMENT*                      | -                | 372,269          | -                | \$372,269          | 378,930            |
| Less accumulated depreciation & amortization | -                | (246,268)        | -                | (246,268)          | (257,511)          |
| <b>TOTAL ASSETS</b>                          | <b>\$158,352</b> | <b>\$237,634</b> | <b>\$733,870</b> | <b>\$1,129,856</b> | <b>\$1,069,494</b> |
| <b>LIABILITIES AND FUND BALANCES</b>         |                  |                  |                  |                    |                    |
| Accounts Payable                             | \$28,666         | -                | -                | \$28,666           | \$24,117           |
| Income taxes payable                         | -                | -                | -                | -                  | 2,000              |
| Builder Bonds Payable                        | 1,000            | -                | -                | \$1,000            | 1,500              |
| Accrued Expenses                             | 28,856           | -                | -                | \$28,856           | 12,463             |
| Agency Transactions (Timarron)               | -                | -                | -                | -                  | -                  |
| Deferred Revenue                             | 75,399           | -                | -                | \$75,399           | 58,080             |
| Resale holdbacks                             | 3,350            | -                | -                | \$3,350            | -                  |
| Current Capital Lease Obligation             | -                | 3,931            | -                | \$3,931            | 8,035              |
| Remaining Capital Lease Obligation           | -                | 12,721           | -                | \$12,721           | -                  |
| <b>TOTAL LIABILITIES</b>                     | <b>137,271</b>   | <b>16,652</b>    | <b>-</b>         | <b>\$153,923</b>   | <b>106,195</b>     |
| <b>FUND BALANCES (DEFICIT)</b>               | <b>21,081</b>    | <b>220,982</b>   | <b>733,870</b>   | <b>\$975,933</b>   | <b>963,299</b>     |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>   | <b>\$158,352</b> | <b>\$237,634</b> | <b>\$733,870</b> | <b>\$1,129,856</b> | <b>\$1,069,494</b> |



## 2015-2016 Comparison

| OPERATING FUND                        | 2015 Budget               | 2015 Actual Audit         | 2016 Budget               |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Income</b>                         |                           |                           |                           |
| Member Assessments                    | 1,648,800                 | 1,648,800                 | 1,681,776                 |
| Interest                              | 280                       | 221                       | 280                       |
| Other                                 | 57,845                    | 56,689                    | 58,245                    |
| <b>Total Income</b>                   | <b><u>\$1,706,925</u></b> | <b><u>\$1,705,710</u></b> | <b><u>\$1,740,301</u></b> |
| <b>Expenses</b>                       |                           |                           |                           |
| Payroll (including taxes & benefits)  | 891,977                   | 868,891                   | 927,169                   |
| Landscape Maintenance                 | 283,390                   | 261,984                   | 278,940                   |
| Recreational/Community Center/Social  | 127,560                   | 138,851                   | 130,720                   |
| Infrastructure                        | 274,820                   | 275,204                   | 273,675                   |
| Administration                        | 65,710                    | 62,295                    | 65,040                    |
| Communication and Social Activity     | 13,560                    | 13,036                    | 15,460                    |
| Office                                | 49,020                    | 41,080                    | 44,900                    |
| <b>Total Expenses</b>                 | <b><u>\$1,706,037</u></b> | <b><u>\$1,661,341</u></b> | <b><u>\$1,735,904</u></b> |
| <b>Income Taxes</b>                   |                           | \$50                      |                           |
| <b>Excess (Deficit)</b>               | <b>\$888</b>              | <b>\$44,319</b>           | <b>\$4,397</b>            |
| <b>CAPITAL FUND</b>                   |                           |                           |                           |
| <b>Income</b>                         |                           |                           |                           |
| Other/Interest Income                 |                           | 576                       |                           |
| Gain/loss on disposal of fixed assets |                           | (2,877)                   |                           |
| <b>Total Income</b>                   |                           | <b><u>(\$2,301)</u></b>   |                           |
| <b>Expenses</b>                       |                           |                           |                           |
| Project Expenses                      |                           | 30,849                    |                           |
| <b>Total Expenses</b>                 |                           | <b><u>\$30,849</u></b>    |                           |
| <b>Other Comprehensive income</b>     |                           | (\$288)                   |                           |
| <b>Net Excess (Deficit)</b>           |                           | <b><u>(\$33,438)</u></b>  |                           |
| <b>RESERVE FUND</b>                   |                           |                           |                           |
| <b>Income</b>                         |                           |                           |                           |
| Member Assessments                    | 252,816                   | 252,816                   | 274,800                   |
| Property Transfers                    | 140,000                   | 173,826                   | 155,000                   |
| Interest & Other                      | -                         | 24,757                    | -                         |
| <b>Total Income</b>                   | <b><u>\$392,816</u></b>   | <b><u>\$451,399</u></b>   | <b><u>\$429,800</u></b>   |
| <b>Expenses</b>                       |                           |                           |                           |
| Major Repairs & Replacements          | 92,300*                   | 94,105*                   | ***                       |
|                                       | 125,000**                 | 353,678**                 |                           |
| <b>Total Expenses</b>                 | <b><u>\$217,300</u></b>   | <b><u>\$447,783</u></b>   |                           |
| <b>Other Comprehensive income</b>     |                           | (\$1,863)                 |                           |
| <b>Net Excess (Deficit)</b>           | <b>\$175,516</b>          | <b>\$1,753</b>            | <b>\$429,800</b>          |

Comments:

\* General Reserve Expenses

\*\* Roadway Reserve Expenses

\*\*\*2016 Reserve Study being updated

Timarron income and expenses not included in audit summary

Income \$44,520

Expense \$37,343



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*Recreational Area Monitor*

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