

Stonegate Community Association

2020 Homeowners' Annual Meeting
And **2019 Annual Report**



Annual Meeting
Thursday, March 26th, 2020
At 6:00 p.m.
Stonegate Community Center

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AGENDA

- **Welcome and Introduction**
- **Approval of 2019 Annual Meeting Minutes**
- **Introduction of Candidates**
- **President's Report**
- **Treasurer's Report**
- **2019 Audit Results And 2019 Budget**
- **Retiring Board Recognition Presentation**
- **Election Results**
- **Adjournment**

President's Report

By David Allen

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I am completing my first year in my second term on the Board. The last two years I have served as your Board President. For your review, this year's annual report provides a summary of the Community Association 2019-2020 accomplishments, audit results and the approved 2020 operating budget. I want to thank Board members by name, Vice-President and Architectural Chairman Craig Zirbel, Treasurer and Finance Chairwoman Nancy Ford, Board Secretary Lori Condon, Director James Bissonett and Director Gene Evans for their time, efforts and their participation on the Board.

I also want to thank all of our committee members for their involvement and their recommendations made to the Board. It is the volunteers of the committees that make Stonegate special.

SCA is in the process of updating the community management software TOPS to the cloud. When completed, homeowners can view their individual accounts online using our updated website. Individual owners will be able to sign on using their user name (email address) and create their own password. Afterwards, more will follow. TOPS ONE will allow a more efficient administrative operation.

At this year's Annual Homeowners' meeting, three Board positions will be filled. There are five candidates running for the Board. Please remember to vote as your vote also counts towards the quorum requirement.



Executive Director's Report

By Larry Paprocki

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In March 2019, I had a health setback having quadruple bypass surgery. I returned to Stonegate in June working part-time and was released to work full time in October. I am happy to be back working at Stonegate Community Association as the Executive Director. I want to thank the many residents wishing me well and a speedy recovery.

An unanswered question regarding staff leadership was answered. The daily operations of the Community Association continued without missing a beat. SCA is fortunate to have capable individuals, who can step up. Lora Stacy assumed many of my daily functions with the support of our administrative staff. Jeff Begnoche continued his efforts in the enhancement of Stonegate's landscape, which is very noticeable today. The landscape and maintenance crews have performed remarkable. The three most notable 2019 reserve projects were the roadway work, the Retreat tennis courts concrete overlay and the Community Center enhancement, which is ongoing but nearing completion. I want to recognize three residents, Myron and Jane Picoult and Jussara Scarle who were deeply involved in the Community Center project. I had the pleasure in working with them and the results are quite remarkable.

2019 was a banner year. The 2019 operating and reserve budget goals were met. In the 2020 Annual Report the results of the annual audit are reported. Also shown is the 2020 Operating Budget. 2020 Reserve projects are being reviewed by several committees and staff to make their recommendations to the Board for their approval.

I am expecting 2020 to be even better as SCA has a habit in doing things right and listening to the needs of the community. My staff and I will continue to work in making SCA a premier community in Scottsdale.





2019 Board of Directors

Top row, left to right:
David Allen, President
Craig Zirbel, Vice President
Nancy Ford, Treasurer

2nd row, left to right:
Lori Condon, Secretary
Jim Bissonett, Director
Gene Evans, Director



Community Activities

- Hospice of the Valley Toy Drive
- Vista Del Camino Food Drive
- Spring Fling
- Boutique Gift Fair
- Adult Holiday Party
- Children's Holiday Party
- Current Events Group, Book Club, Movie Group & Photography Group
- Total expense for social functions in 2019 (Spring Fling, Gift Fair & Holiday parties) was \$13,405 after raising \$6,550 in sponsorships.



2019 Spring Fling



2019 Adult Holiday Party



2019 Gift Fair



2019 Children's
Holiday Party



2019 Vista Del Camino Food Drive

Architectural Committee:

Craig Zirbel, Board Vice President and Chair, Alex Cotton, Sandra Kurlander, Marc Meyers, Arnie Siegel, Karen Weston, and Frani Wolfe. This committee is charged with maintaining Stonegate's aesthetic values.

Physical Property Committee:

Charles Burtner, John Gianforte, Ed Katz, Steve Lipps, Marc Meyers and Carolyn Norris. 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, Gene Evans, Board Director, Tom Schaefer, Eli Gruber, Stuart Goldberg, Jim Murphy, Myron Picoult and Cary Weissman who work in conjunction with Executive Director Larry Paprocki and Stonegate Assistant Executive Director and 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:

Derek Fromm, Chair, Mark Derkach, Carol Dolohanty, Carolyn Norris and Monica Weller. 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, Diane Kershner and Catherine Lewis. 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 Jim Bissonett, our current Board Director. The Stonegate Community Association wishes to thank Jim for his dedication and service to the community and wishes him well in his 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, 2019 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, 2019, 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)

2019 Balance Sheet

ASSETS	Operating Fund	Capital	Reserve	12/31/19	12/31/18
Cash	\$101,527	-	\$554,206	\$655,733	\$368,389
Receivables	15,218	-	12,094	27,312	14,381
Long Term Investments	65,844	101,802	359,494	527,140	454,109
Prepaid Expenses / Deposits	16,411	-	-	16,411	4,780
Interfund Balances	-	-	-	-	-
PROPERTY AND EQUIPMENT*	-	415,745	-	415,745	368,823
Less accumulated depreciation & amortization	-	-333,458	-	-333,458	-298,217
TOTAL ASSETS	\$199,000	\$184,089	\$925,794	\$1,308,883	\$912,265
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$14,652	-	\$33,093	\$47,745	\$23,795
Compliance Bonds Payable	1,250	-	-	1,250	3,500
Accrued Expenses	65,911	-	-	65,911	55,375
Deferred Revenue	54,395	-	-	54,395	63,015
Resale holdbacks	3,350	-	-	3,350	3,350
Current Capital Lease Obligation	-	-	-	-	3,646
Remaining Capital Lease Obligation	-	3,194	-	3,194	3,194
TOTAL LIABILITIES	\$139,558	\$3,194	\$33,093	\$175,845	\$155,875
FUND BALANCES (DEFICIT)	59,442	180,895	892,701	1,133,038	756,390
TOTAL LIABILITIES AND FUND BALANCES	\$199,000	\$184,089	\$925,794	\$1,308,883	\$912,265

2019-2020 Comparison

OPERATING FUND	2019 Budget	2019 Actual Audit	2020 Budget
Income			
Member Assessments	1,736,736	1,736,736	1,846,656
Interest	200	131	200
Other	57,180	46,300	57,680
Property Transfer	40,000	75,806	
Total Income	<u>\$1,834,116</u>	<u>\$1,858,973</u>	<u>\$1,904,536</u>
Expenses			
Payroll (including taxes & benefits)	1,033,676	983,084	1,080,983
Landscape Maintenance	246,775	245,981	251,050
Recreational/Community Center/Social	140,273	126,672	135,410
Infrastructure	252,156	290,311	310,490
Administration	64,435	64,151	63,785
Communication and Social Activity	13,240	19,636	15,460
Office	40,520	40,832	41,980
Total Expenses	<u>\$1,791,075</u>	<u>\$1,770,667</u>	<u>\$1,899,158</u>
Income Taxes		\$50	
Excess (Deficit)	<u>\$43,041</u>	<u>\$88,256</u>	<u>\$5,378</u>
CAPITAL FUND			
Income			
Other/Interest Income		4,659	
Total Income		<u>\$4,659</u>	
Expenses			
Total Project Expenses		35,241	
Excess(Deficit)Revenues over Expenses		<u>(\$30,582)</u>	
Other Comprehensive income		22,636	
Net Excess (Deficit)		<u>(\$7,946)</u>	
RESERVE FUND			
Income			
Member Reserve Assessments	384,720	384,720	329,760
Property Transfers	140,000	145,252	180,000
Crown Castle	20,766	20,818	21,389
Interest & Other	5,889	11,373	5,889
Total Income	<u>\$556,375</u>	<u>\$562,163</u>	<u>\$537,038</u>
Expenses			
General Repairs & Replacements	296,026	170,585	331,574
Roadway	216,635	132,450	465,700
Total Expenses	<u>\$512,661</u>	<u>\$303,035</u>	<u>\$797,274</u>
Other Comprehensive income		37,210	
Net Excess (Deficit)	<u>\$43,714</u>	<u>\$296,338</u>	<u>(\$260,236)</u>

Comments:

Member Monthly Assessments \$198.00 (\$168.00 to Operating and \$30.00 to Reserve)

Beginning Reserve Balance \$892,700

Estimated Year End Reserve Balance \$632,464



Larry Paprocki

Executive Director

larryp@stonegate-scottsdale.com

Dolly Singh

Office Manager

dollyh@stonegate-scottsdale.com

Lora Stacy

*Assistant Executive Director/
Accounting Manager*

lora@stonegate-scottsdale.com

Catherine Bryson

Communications Coordinator

catherineb@stonegate-scottsdale.com

Jeff Begnoche

Landscape & Maintenance Superintendent

Cris Rubio

Physical Property Foreman

Joe Cerami

Recreational Area Monitor



Office hours: Monday through Friday
8:30 a.m. to 5:00 p.m.

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