

**San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting
October 3, 2005**

APPROVED BY THE BOARD NOVEMBER 7, 2005

Present: Marianne Bishop, Doug Cameron, Gorman Fisher, Linda Gregory, and Ron Sorenson as well as George Jones, chair MC. One homeowner was present.

The meeting was called to order at 9:00 AM, using the agenda that was distributed.

1. Reading of the Minutes

The draft minutes of the September 12, 2005 Board Meeting were distributed to the Board via email.

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| Ron Sorenson made a motion to approve the minutes as amended, seconded by Gorman Fisher. All members were in favor. |
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2. Officers' Reports

A. Secretary - None

B. Treasurer

The Treasurer distributed copies of Financial Reports for the months of May thru September. These were accepted into the records and are included with these minutes as Attachment "A". Linda Gregory will prepare a proposed budget for 2006, to be presented at the November board meeting.

As suggested by Accountant Paul Wildman, bank reconciliations are now being done by the Secretary.

The board was given a proposal from Paul Wildman with figures for preparation of either a full audit at \$3900 or a review for \$3200 (Attachment B).

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| Ron Sorenson made a motion that Paul Wildman be engaged to perform a full audit for 2005. Motion seconded by Doug Cameron. Linda Gregory was given authority to sign the retainer letter. |
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C. President - None

3. Committee Reports

A. Maintenance Committee

George Jones presented the MC report. See "Attachment C".

A long discussion ensued regarding the virtues of each of the two bidders for 2006: Donna's Property Management and Gold Canyon Landscaping. George was asked to clarify several points with Gold Canyon Landscaping regarding their bid as well as their desire to perform SIV maintenance for the balance of 2005.

A motion was made by Ron Sorenson to give the Maintenance Committee authority to complete negotiations on a contract with Gold Canyon and if satisfied the president is given authority to sign said contract. The motion was seconded by Gorman Fisher, with none opposed.

Because Groundskeeper has not been fulfilling their contract they agreed that SIV would not pay them for September.

Doug Cameron made a motion to dismiss Groundskeeper, seconded by Ron Sorenson, none opposed.

The Secretary was instructed to send a letter, return receipt requested, advising Groundskeeper that effective immediately the Board of Directors voted to cancel their contract due to repeated failure of Groundskeeper to perform its obligations under the contract.

B. GVCCC

Gorman Fisher presented the GVCCC report "Attachment D".

4. New Business

CC&R Revision - RV Parking

Several RV owners expressed concern regarding a shortened time in the proposed revision to the CC&Rs for loading/unloading as well as restrictions for parking in front of their lot for access to electric.

Marianne Bishop made a motion that the language for new Section 12.9 (Vehicle Parking and Storage) revert to language stated in Section 13.14 as far as the time permitted for homeowners to park in both designated and nondesignated parking areas as well in front of their home. Also, that the following language be added after "In addition, notwithstanding the above, such recreational vehicles may be parked in the street in front of an Owner's Lot for such period of time as shall be reasonably necessary to load or unload personal belongings which shall be not more than 48 hours in any seven day period". The new sentence would read, "To enhance public safety while the vehicle is parked in any nondesignated space the vehicle must be properly marked with reflectorized safety triangles, traffic cones or similar devices to enhance visibility."

Ron Sorenson seconded the motion, none opposed

Ron Sorenson proposed:

RESOLVED that the Board of Directors write a letter to the homeowners recommending that they vote in favor of the Proposed Second Amended and Restated Declaration of Establishment of Covenants, Conditions and Restrictions for San Ignacio Vistas. Marianne Bishop seconded the motion. All voted yes, except Doug Cameron.

5. Adjournment

There being no further business to come before the board, the meeting was adjourned at 10:20 AM.

Respectfully submitted,

/s/

Marianne Bishop, Secretary

ATTACHMENT 'A'

SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION

Statement of Financial Condition

5/31/2005

2005 Assets and Liabilities

Assets

| | |
|--------------------------------|-------------------|
| Operating Funds | 24,421.56 |
| Reserves (<i>Face Value</i>) | <u>149,094.77</u> |
| Total | 173,516.33 |

Liabilities

| | |
|---------------------------|---|
| 2006 dues paid in advance | - |
|---------------------------|---|

2005 Income and Expenditures

Income

| | |
|--------------------------|------------------|
| Dues | 71,592.00 |
| Operating Funds Interest | 150.31 |
| Reserve Interest | 1,585.76 |
| Other Income: Reserves | <u>6,766.00</u> |
| Total | 80,094.07 |

Expenditures

| | |
|---------------------|------------------|
| Operations Expenses | 24,354.75 |
| Reserve Projects | <u>4,430.00</u> |
| Total | 28,784.75 |

Homeowner's Reserve Equity

| | |
|----------------------------|------------|
| Total Reserve Equity | 149,094.77 |
| Reserve equity, per member | 653.92 |

Unaudited

**SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION**

Statement of Financial Condition

6/30/2005

2005 Assets and Liabilities

Assets

| | |
|--------------------------------|-------------------|
| Operating Funds | 21,851.39 |
| Reserves (Face Value) | <u>147,846.65</u> |

Total **169,698.04**

Liabilities

| | |
|---------------------------|---|
| 2006 dues paid in advance | - |
|---------------------------|---|

2005 Income and Expenditures

Income

| | |
|--------------------------|-----------------|
| Dues | 71,592.00 |
| Operating Funds Interest | 192.04 |
| Reserve Interest | 1,669.41 |
| Other Income: Reserves | <u>6,766.00</u> |

Total **80,219.45**

Expenditures

| | |
|---------------------|-----------------|
| Operations Expenses | 26,966.65 |
| Reserve Projects | <u>5,761.77</u> |

Total **32,728.42**

Homeowner's Reserve Equity

| | |
|----------------------------|------------|
| Total Reserve Equity | 147,846.65 |
| Reserve equity, per member | 648.45 |

Unaudited

SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION

Statement of Financial Condition

7/31/2005

2005 Assets and Liabilities

Assets

| | |
|--------------------------------|-------------------|
| Operating Funds | 19,025.83 |
| Reserves (Face Value) | <u>148,822.52</u> |

Total **167,848.35**

Liabilities

| | |
|---------------------------|---|
| 2006 dues paid in advance | - |
|---------------------------|---|

2005 Income and Expenditures

Income

| | |
|--------------------------|-----------------|
| Dues | 71,592.00 |
| Operating Funds Interest | 229.16 |
| Reserve Interest | 2,645.28 |
| Other Income: Reserves | <u>6,766.00</u> |

Total **81,232.44**

Expenditures

| | |
|---------------------|-----------------|
| Operations Expenses | 29,379.33 |
| Reserve Projects | <u>5,761.77</u> |

Total **35,141.10**

Homeowner's Reserve Equity

| | |
|----------------------|------------|
| Total Reserve Equity | 148,822.52 |
|----------------------|------------|

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|----------------------------|--------|
| Reserve equity, per member | 652.73 |
|----------------------------|--------|

Unaudited

Statement of Financial Condition

8/31/2005

2005 Assets and Liabilities

Assets

| | |
|--------------------------------|-------------------|
| Operating Funds | 15,299.18 |
| Reserves (<i>Face Value</i>) | <u>149,481.22</u> |
| Total | 164,780.40 |

Liabilities

| | |
|---------------------------|---|
| 2006 dues paid in advance | - |
|---------------------------|---|

2005 Income and Expenditures

Income

| | |
|--------------------------|------------------|
| Dues | 71,592.00 |
| Operating Funds Interest | 263.38 |
| Reserve Interest | 3,303.98 |
| Other Income: Reserves | <u>6,766.00</u> |
| Total | 81,925.36 |

Expenditures

| | |
|---------------------|------------------|
| Operations Expenses | 33,590.20 |
| Reserve Projects | <u>5,761.77</u> |
| Total | 39,351.97 |

Homeowner's Reserve Equity

| | |
|----------------------------|------------|
| Total Reserve Equity | 149,481.22 |
| Reserve equity, per member | 655.62 |

Unaudited

**SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION**

Statement of Financial Condition

9/30/2005

2005 Assets and Liabilities

Assets

| | |
|--------------------------------|-------------------|
| Operating Funds | 14,533.35 |
| Reserves (Face Value) | <u>148,728.95</u> |
| Total | 163,262.30 |

Liabilities

| | |
|---------------------------|---|
| 2006 dues paid in advance | - |
|---------------------------|---|

2005 Income and Expenditures

Income

| | |
|--------------------------|------------------|
| Dues | 71,592.00 |
| Operating Funds Interest | 297.89 |
| Reserve Interest | 3,405.72 |
| Other Income: Reserves | <u>6,766.00</u> |
| Total | 82,061.61 |

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Expenditures

| | |
|---------------------|------------------|
| Operations Expenses | 34,390.54 |
| Reserve Projects | <u>6,615.78</u> |
| Total | 41,006.32 |

Homeowner's Reserve Equity

| | |
|----------------------------|------------|
| Total Reserve Equity | 148,728.95 |
| Reserve equity, per member | 652.32 |

Unaudited



Paul T. Wildman, CPA *

6565 East 22nd Street • Tucson, Arizona 85710 • (520) 747-4230 • Fax (520) 748-8752

I will review the balance sheet of SIV as of December 31, 2005 and the related statements of revenue, expenses, and changes in fund balances, cash flow and supplementary information, if any, for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. I will not perform an audit of such financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole and, accordingly, I will not express such an opinion on them.

A review does not contemplate: obtaining an understanding of internal control structure or assessing control risk, tests of accounting records and of responses to inquiries by obtaining corroborating evidential matter, nor certain other procedures ordinarily performed during an audit. Thus a review does not provide assurance that I will become aware of all significant matters that would be disclosed in an audit. My engagement cannot be relied upon to disclose errors, irregularities or illegal acts including fraud or defalcations that may exist.

Based on prior engagements and information discussed with Linda Gregory, my fees for performance of the annual review; completion of the federal and state tax returns and ACC report will range from \$2900 to \$3200. This fee is based on an estimate of actual time to be spent, the degree of responsibility involved and level of experience required for all homeowners associations. I am anticipating Board member support. Please note that the related tax returns are scheduled to be a Homeowners Association return (Form 1120H). See the brochure attached and for contrast I've detailed an Independent Auditor's Report below.

AUDIT

A sample of the audit report I will issue with the financial statements is as follows:

I have audited the accompanying balance sheet of SIV as of December 31, 2005, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the SIV Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SIV as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Regarding the audit, please note: the Association by-laws reference an audit; an audit includes extensive transaction testing and audit procedures beyond the analytic approach a review service level includes (see attached brochure for service descriptions); and the Board should consider an audit in light of the weak internal accounting controls most small organizations face; finally the Board, homeowners and the property manager may view the audit as support for its business relationships and fiduciary responsibilities.

My professional fees for the 2004 audit are estimated at of range from \$3,600 to 3,900 including the tax work indicated above.

Whenever possible, I will attempt to utilize your Association personnel as well as your internal workpapers, correspondence, schedules and reports. It is also contemplated that you will provide reasonable assistance by locating and submitting contracts, invoices, canceled checks and any other source documents and records I request.

In conclusion, what I often see in working with homeowner associations is a fee only emphasis in selecting an auditor. While I anticipate being competitive and the Board being good stewards of their associations, the Board should consider an auditor/accountant relationship also an investment; especially since you are self managed.

If the Board can respond by November 30, 2005, I will begin the audit or review as soon as possible and issue my report no later than February 15, 2006 (i.e. before the annual meeting). I will make every reasonable effort to meet these deadlines and will contact you should they not be attainable. All records listed on the attached assistance letter must be available to me by January 16, 2006. It is my policy to request a retainer of one half the anticipated fee (i.e. \$1,250 for the review or \$1,800 for the audit).

I appreciate the opportunity to be of service and believe this letter accurately summarizes the significant terms of my engagement. If the foregoing is in accordance with your understanding, please sign one copy of this letter in the space provided and return it to me along with the retainer.

Respectfully submitted,



Paul T. Wildman, CPA

ACKNOWLEDGED:

San Ignacio Vistas, Inc.

Service level desired: Review _____ Audit _____

Signature: _____ (Board Member)

Signature : _____ (Board Member)

Title: _____

Date: _____

ATTACHMENT 'C'

MAINTENANCE COMMITTEE REPORT

(October 3, 2005)

Common Area Maintenance

On September 7, 2005, SIV sent the Groundskeeper District Manager a letter to notify them that their work was unsatisfactory and that further payments would not be made until they complied with the terms of the contract. In response to the letter, the District Manager agreed that SIV would not make the September payment, and he stated that they would complete the major items necessary to bring the interior common area up to standards by the end of September. In September, Groundskeeper continued to cut weeds and grass on the interior common area and, except for Meadow Ridge Drive, the interior common areas have been cut. Groundskeeper also cut some volunteer mesquites and removed suckers from some trees. However, progress has been slow because their crew does not spend a full day working at SIV and all work needed was not completed. Because Groundskeeper has repeatedly failed to provide the level of service promised, the Maintenance Committee recommends that SIV cancel their contract and hire a new maintenance company.

Five landscape maintenance companies were asked to submit bids on a draft maintenance agreement. These five companies are Hot Desert Landscaping, Val's Landscaping, AAA Landscaping, Donna's Property Management, and Gold Canyon Landscaping. Hot Desert Landscaping and Val's Landscaping did not respond. The other three companies called to make an appointment to tour SIV. After visiting SIV, AAA Landscaping decided not to submit a bid because they felt that they did not have the personnel needed to maintain a property the size of SIV in addition to their current work. Donna's Property Management and Gold Canyon Landscaping submitted bids. Donna's bid is \$2,896 monthly based on 160 hours of labor monthly. Gold Canyon's bid is \$2,800 based on 40 hours of labor weekly. In comparison, we pay Groundskeeper an average of \$2,069 monthly, including twice a year service for the exterior common area.

**Comments from the GVCCC
Sept.22, 2005 Board of Reps Meeting**

General --Historic voting records show Green Valley voters turn out at the 90+ % level as compared to other Pima County areas, such as Tucson, which turns out at an approximate 10% level. This factor is becoming noted by Pima Co. Supervisors. It is becoming apparent that Green Valley voting has a powerful influence in the passage of general Pima Co. ballot issues; consequently, the voice of GVCCC is having more influence among supervisor members.

Household Hazardous Waste Collection---Saturday, November 12, 2005 @ Valley Presbyterian Church parking lot, 8am to 12 noon.

West Frontage Road & Continental Rd Interchange---Latest redesign, west of gas station, is awaiting US Govt. approval. Est. target start date is Jan. 2006.

East Frontage Road access to Canoa Road 1-19 Interchange---Money is being shifted from other Pima Co. funds to establish this \$7-b million project. When money is available, planning will start. Est. completion date could be 2010. Pressure from new commercial area in Canoa Ranch development could help expedite the project.

Carondolet Hospital Project---Have not finalized location of property in Sahuarita area.

Impact Fees---GVCCC has started to track the total of building Impact Fees generated in this area to insure GV gets its fair share of this revenue from the county in the future.

Dial a Ride Program---A 2 year trial program should be in place by January 2006.

RTA---The Regional Transportation Authority is very interested in Green Valley input because of our voting power.