

San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting – February 9, 2012
Approved by the board: February 28, 2012

The meeting was held at 4951 S View Ridge Dr. There was a quorum of the board: Marianne Bishop, Joyce Bulau, Paul Gilmore Delores Leavitt and Dave McCracken. Homeowners: Sam Edison, Chair of Maintenance; Jim Callahan, Chair of Architectural; Jack Powers and Greg Nowak, Audit Committee; Ann Striker and Mary Lu Catino, candidates for the 2012 board.

President Joyce Bulau called the meeting to order at 2 PM. No homeowners asked to speak.

1. COMMITTEE REPORTS

A. Architectural

Jim Callahan reported that one application for repainting was processed since the last meeting.

B. Maintenance

Sam Edison reported on the Crack Seal and commended Jim Fitzgerald and Bob Hill for their help supervising Sunland Asphalt during the project. He also reported on the positive results and homeowner feedback relative to the 5 projects that were contracted to Felix Landscaping that were completed on time and within budget.

A MOTION was MADE by Marianne Bishop SECONDED and UNANIMOUSLY PASSED to terminate the landscape contract with AAA and to engage Felix Landscaping for the remainder of 2012.

The Secretary will send a certified letter to AAA giving the required 30 day notice of termination on our contract effective February 10, 2012.

C. GVC Representative

Mary Lu Catino submitted the January report ([Attachment A](#)).

D. Audit Committee

The Board accepted the Audit Letter dated January 24, 2012 and Report that will be presented to Homeowners and made a part of the minutes of the 2012 Annual Meeting. ([Attachment B](#)). The Board also commended Jack Powers and the Audit Committee for its excellent work on behalf of the Association.

2. OFFICER'S REPORTS

A. Treasurer

A MOTION was MADE by SECONDED and UNANIMOUSLY PASSED approving the financial report as of 1/31/12 ([Attachment C](#)).

All dues have been received except for the home in foreclosure. The projected closing for this property is 2/23/12 and we should receive the 2012 dues plus transfer fees.

The 2012 transfer to the Reserve Fund for \$50,400 was made and a three year CD for \$100,000 earning 1.55 APY was purchased at Washington Federal on 1/12/12.

A MOTION was MADE, SECONDED and UNANIMOUSLY PASSED approving the 2012 Budget ([Attachment D](#)).

A MOTION was MADE by Marianne Bishop SECONDED and UNANIMOUSLY PASSED authorizing the Treasurer to purchase a \$50,000 CD with a term no longer than 12 months at Washington Federal.

B. Secretary

A MOTION was MADE by Delores Leavitt SECONDED and UNANIMOUSLY PASSED approving the board of director minutes dated January 12, 2012 as distributed.

The Secretary read two letters:

- 1) Owner of Lot 144 has a complaint about trees on Lots 225 and 226. After investigation, a letter will be sent encouraging the Owner of Lot 144 to contact the other homeowners directly to attempt to resolve the matter before involving the board.
- 2) The Owner of Lot 131 continues to contend that trees behind Lot 133 materially affect his view. Pictures will be taken from behind the wall of Lot 131 to document the view from this property. A letter will be sent to this Owner informing him that the Board has not changed its position.
- 3) The monthly water bill averages \$37 for as little as 100 gallons. This comprised about \$440 of our yearly budget for 2011. There are three bushes in front of the monument that are blocking the lettering on the monument and two palm trees being crowded out by the large tree to their left.

A MOTION was MADE by Marianne Bishop, SECONDED and UNANIMOUSLY PASSED directing the Secretary to contact the Green Valley Water District to discontinue service to the Monument on Camino del Sol.

A MOTION was MADE by Paul Gilmore, SECONDED and UNANIMOUSLY PASSED directing the Secretary to contact Armando Felix and ask him to submit a design of drought tolerant plants that would enhance the entrance at Camino del Sol.

C. President

Because of previous commitments, the review of the power point presentation for the Annual Meeting had to be postponed until 9:30 AM on Monday, February 13 at the home of the Secretary.

3 CONTINUING BUSINESS - None

4 NEW BUSINESS - None

5 ADJOURNMENT

The meeting adjourned at 3:50 PM. The organizational meeting of the newly constituted board will be held following the Annual Meeting on February 28, 2012.

Respectfully submitted,
/s/ Marianne Bishop, Secretary

ATTACHMENT A
GREEN VALLEY BOARD OF REPRESENTATIVES
THURSDAY JANUARY 19, 9 AM

A. Stan Riddle, President, spoke about the purpose/charter of Deed Restriction and the 501 C3.

B. Eddie Peabody, 1st Vice President, spoke about the Bylaws Revisions:

There are now six (6) classes of Membership:

1. Regular: in Green Valley Communities
2. Affiliate: in Green Valley Postal Service area
3. Provisional: those not able to vote yet, because the Developer is still guiding them, but they desire membership.
4. Public Service: GVR, for example
5. Business: local
6. Corporate: for-profit, or international, providing major employment in the Green Valley area.

It was voted on, and all passed.

C. Supervisor Ray Carroll gave a short message that he is impressed with work done by GVC, and will listen to them first, before others in GV.

D. The Chair of the Maintenance Committee, Dick Dempsey, spoke briefly about Buffelgrass:

There were 21 fires along I -19 this last summer. Posters were put around town this last month, to demonstrate how it has spread. Each HOA was asked to do mapping of Buffelgrass in their Association, and those were to be handed in by January 31.

E. The Representative from Green Valley Resort Homes, Chuck Lamb, gave a report on their efforts to implement a 5-year plan of their maintenance upgrades, and how very successful they have been.

F. PUG Report -

Virgil Davis from Community Water and Bob Heddon from Green Valley Water reported on their efforts to merge, issues to be identified and resolved in becoming the Domestic Water Improvement District. They are also working with the Pecan Orchard and the Mines.

Respectfully submitted;
Mary Lu Catino, SIV Representative

Audit Committee Report

To the Board of Directors
San Ignacio Vistas, Inc.

We have performed an internal audit of the accompanying statements of Assets, Liabilities and Fund Balances (modified cash basis) and Revenue, Expenses and Changes in Fund Balances (modified cash basis) of San Ignacio Vistas, Inc. (a non-profit organization) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on the financial statements based on our internal audit.

We conducted our internal audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our internal audit procedures included examining, on a test basis, evidence supporting the amounts in the financial statements as well as evaluating the overall financial statement presentation. We believe that our internal audit procedures provide a reasonable basis for our opinion.

The financial statements are consistently prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, as the internal audit committee, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, fund balances, revenue, expenses and changes in fund balances of San Ignacio Vistas, Inc. as of and for the years ended December 31, 2011 and 2010, on the modified cash basis of accounting.

The San Ignacio Vistas, Inc.
Internal Audit Committee

January 24, 2012

SAN IGNACIO VISTAS INC.

Statement of Assets, Liabilities and Fund Balances

(Modified Cash Basis)

December 31, 2011 with Comparative Totals for 2010

	<u>Operating</u>	<u>Reserve</u>	<u>Total All Funds</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2011</u>	<u>2010</u>
ASSETS				
Cash (Note 1)	\$ 80,666	\$ 174,001	\$ 254,667	\$ 70,615
Investments (Note 2)	-	144,446	144,446	257,000
Inter-fund Due From (To)	900	(900)	-	-
TOTAL ASSETS	<u>\$ 81,566</u>	<u>\$ 317,547</u>	<u>\$ 399,113</u>	<u>\$ 327,615</u>
LIABILITIES				
Assessments Received in Advance	\$ 72,800	\$ -	\$ 72,800	\$ 65,100
FUND BALANCES	<u>8,766</u>	<u>317,547</u>	<u>326,313</u>	<u>262,515</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 81,566</u>	<u>\$ 317,547</u>	<u>\$ 399,113</u>	<u>\$ 327,615</u>

SAN IGNACIO VISTAS, INC.

*Statement of Revenue, Expenses and Changes in Fund Balances
(Modified Cash Basis)*

Year Ended December 31, 2011 with Comparative Totals for 2010

	Operating Fund		Reserve Fund		Total All Funds	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>2011</u>	<u>2010</u>
Revenue						
Assessments (collected in advance: \$72,800 in 2011 and \$65,100 in 2010)	\$ 102,600	\$ 102,600	\$ -	\$ -	\$ 102,600	\$ 102,600
Transfer and Document Fees	3,000	1,200	-	-	1,200	3,000
Other - Tax Refunds	3,928	4,223	-	-	4,223	4,658
Interest	<u>100</u>	<u>289</u>	<u>7,200</u>	<u>7,286</u>	<u>7,575</u>	<u>7,960</u>
TOTAL REVENUE	<u>\$ 109,628</u>	<u>\$ 108,312</u>	<u>\$ 7,200</u>	<u>\$ 7,286</u>	<u>\$ 115,598</u>	<u>\$ 118,218</u>
Expenses						
Maintenance	\$ 34,225	\$ 30,608	\$ 16,000	\$ 1,710	\$ 32,318	\$ 42,052
Administrative	15,600	14,916	-	-	14,916	17,623
Other	<u>5,590</u>	<u>4,566</u>	<u>-</u>	<u>-</u>	<u>4,566</u>	<u>7,377</u>
TOTAL EXPENSES	<u>\$ 55,415</u>	<u>\$ 50,090</u>	<u>\$ 16,000</u>	<u>\$ 1,710</u>	<u>\$ 51,800</u>	<u>\$ 67,052</u>
EXCESS REVENUE (EXPENSES)	\$ 54,213	\$ 58,222	\$ (8,800)	\$ 5,576	\$ 63,798	\$ 51,166
Fund Balances						
Inter-Fund Transfers To (From)	<u>\$ (54,157)</u>	<u>\$ (50,400)</u>	<u>\$ 54,157</u>	<u>\$ 50,400</u>	<u>-</u>	<u>-</u>
NET INCREASE AFTER TRANSFER	<u>\$ 56</u>	\$ 7,822	<u>\$ 45,357</u>	\$ 55,976	\$ 63,798	\$ 51,166
Beginning of Year Fund Balances		<u>944</u>		<u>261,571</u>	<u>262,515</u>	<u>211,349</u>
END OF YEAR FUND BALANCES		<u>\$ 8,766</u>		<u>\$ 317,547</u>	<u>\$ 326,313</u>	<u>\$ 262,515</u>

San Ignacio Vistas, Inc.
Notes to Financial Statements
December 31, 2011 and 2010

1. CASH

Cash of \$254,667, consists of \$80,666 in the operating account and \$174,001 in the reserve account at Commerce Bank of Arizona.

At December 31, 2010 cash of \$70,615 consisted of \$937 in the operating checking account and \$65,107 in the money market at BBVA Compass and \$4,571 in a money market account at Wells Fargo Advisors.

2. INVESTMENTS

At December 31, 2011 Reserve Fund investments of \$144,446 at Commerce Bank of Arizona consist of two CDs: \$93,194 yielding 1.3% which matures in 2012 and \$51,252 yielding 2% which matures in 2014.

At December 31, 2010 Reserve Fund investments of \$257,000 consisted of two CDs at Commerce Bank of Arizona: \$92,000 yielding 1.3% which matures in 2012 and \$50,000 yielding 2% which matures in 2014. Additionally there were two CDs through Wells Fargo Advisors aggregating \$115,000 which matured in 2011 and yielded 4.9% and 2.4%, respectively.

Investments are carried at cost plus credited interest, which approximates current value.

3. ORGANIZATION

San Ignacio Vistas, Inc. (the Association) is incorporated as a non-profit corporation under Arizona law. The duration of its existence is perpetual. The purpose of the Association is to promote the health, safety and welfare of its Members and to provide for architectural control of the 228 Lots comprising the Association and maintenance and preservation of the Common Areas (streets, sidewalks, drainage-ways and natural vegetation).

The Association is governed by the Declaration of Establishment of Covenants, Conditions and Restrictions (CC&Rs) as they may be amended by the Members from time-to-time.

As a Homeowners Association, SIV is considered a Common Interest Realty Association for accounting and financial reporting purposes.

San Ignacio Vistas, Inc.
Notes to Financial Statements
December 31, 2011 and 2010

4. BASIS OF ACCOUNTING

The financial statements are prepared on a modified cash basis of accounting. Under this method, transactions are generally reported at the time cash is received or disbursed. The primary exception relates to member annual assessments, a substantial portion of which are collected by December 31 for the following fiscal year. In the year-end financial statements such amounts are classified as "Assessments Received in Advance" and recognized as revenue in the fiscal year for which they are budgeted.

5. FUND ACCOUNTING

The Association utilizes an Operating Fund and Reserve Fund to account for its financial transactions. The Reserve Fund is designated for future major maintenance, repairs and replacements of Common Areas pursuant to the CC&Rs. Substantially all other resources and expenditures are recorded in the Operating Fund.

Cash and investments resulting from transfers from the Operating Fund are accumulated in the Reserve Fund and generally are not available for normal operations. Periodically the Board engages independent specialist consultants to perform a study of the estimated remaining useful lives and the estimated replacement costs of the components of the Common Areas.

Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the Reserve Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the authority under the CC&Rs, subject to membership approval, to levy special assessments, or delay major repairs and replacements until sufficient funds are available.

The Board's Long Range Reserve Replacement Plan was updated in 2011 and assumptions used in the reserve study were modified because of the current low interest rates. Current forecasting provides sufficient resources to accomplish anticipated maintenance and replacements including pulverizing and repaving the streets in 2047. The Full Reserve Study will be updated during 2012 by Association Reserves of Arizona, LLC.

6. FIXED ASSETS

As permitted by industry practice, the Association has elected not to recognize as assets in its financial statements the Common Areas which it owns.

San Ignacio Vistas, Inc.
Notes to Financial Statements
December 31, 2011 and 2010

7. INCOME TAXES

During 2010 the Association obtained a ruling from the Internal Revenue Service that it is exempt from income taxes pursuant to Section 501 (C) (4) of the Internal Revenue Code. Accordingly, the Association applied for and received refunds of federal income taxes for all open prior years (2008-2006) amounting to \$4658. In 2011 the Association received the final federal and state refunds of \$4,223.

9:14 PM
2/8/2012
Cash Basis

San Ignacio Vistas, Inc
Balance Sheet
As of January 31, 2011

	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>
ASSETS			
Current Assets			
Checking/Savings			
130 · COMMERCE SAVINGS	747		
120 · COMMERCE CHECKING	<u>56,230</u>		
Total Operating Fund	<u>56,977</u>		
1500 · COMMERCE - 9/15/13 APY 2%		51,252	
1501 · COMMERCE - 12/20/12 APY 1.3%		93,297	
1502 · COMMERCE RESERVE CK.		123,586	
1503 · WASH FEDERAL 1/12/15 APY 1.55%		<u>100,000</u>	
		<u>368,135</u>	
TOTAL ASSETS			<u><u>425,112</u></u>
FUND BALANCES			
300 · Operating Fund	<u>56,979</u>		
3000 · Reserve Fund		<u>368,133</u>	
Total Fund Balances			<u><u>425,112</u></u>

San Ignacio Vistas, Inc
Profit & Loss Budget vs. Actual
January 2011

	<u>Operating Fund</u>		<u>Reserve Fund</u>		<u>Total</u>	
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
REVENUE						
400 - Assessments	103,285	103,740				
410 - Transfer and Document Fees	350	300				
420 - Operating Fund Interest	32	15				
	<u>103,667</u>	<u>104,055</u>				
4200 - Reserve Fund Interest			186	0		
			<u>186</u>	<u>0</u>		
Total Revenue					103,853	104,055
EXPENDITURES						
Maintenance						
500 - Yearly Contract	1,757	1,757				
503 - Utilities	87	69				
505 - Other Maintenance	40	0				
506 - Erosion Mitigation	0	0				
Total Maintenance Expenditures	<u>1,884</u>	<u>1,826</u>				
5000 - Street Repairs			0	41,916		
Administrative						
510 - Contract Service	850	850				
511 - Board	33	50				
512 - Legal	0	0				
513 - Communications						
513.1 - Computer and Internet	568	570				
513.2 - Telephone	80	90				
513.3 - Office Supplies	0	0				
513.4 - Printing/Reproduction	0	100				
513.5 - Postage/Delivery	0	0				
513.6 - Record Storage	385	385				
Total 513 - Communications	<u>1,033</u>	<u>1,145</u>				
Total Administrative	<u>1,916</u>	<u>2,045</u>				
Operating						
521 - Insurance	0	0				
522.2 - GV Council	1,254	1,254				
523 - Taxes and Contingency						
523.1 - Taxes - Property	0	0				
523.3 - Arizona Corporation Fee	0	10				
523.4 - Contingency	0	250				
Total 523 - Taxes and Contingency	<u>0</u>	<u>260</u>				
Total Operating	<u>1,254</u>	<u>1,514</u>				
Total Expenditures	<u>5,054</u>	<u>5,385</u>	<u>0</u>	<u>41,916</u>	<u>5,054</u>	<u>47,301</u>
ALLOCATION						
600 - Reserve Allocation	(50,400)	(50,400)				
6000 - Operating Fund Allocation			50,400	50,400		
Excess Revenue <Expenditures>	<u>48,213</u>	<u>48,270</u>	<u>50,586</u>	<u>8,484</u>	<u>98,799</u>	<u>56,754</u>
Beginning Fund Balances	8,766		317,547		326,313	
Ending Fund Balances	<u>56,979</u>		<u>368,133</u>		<u>425,112</u>	

ATTACHMENT D
San Ignacio Vistas, Inc
2012 ANNUAL BUDGET

	OPERATING	RESERVE	TOTAL
Income			
Operating Revenue			
400 · Assessments	103,740		
410 · Transfer and Document Fees	1,500		
420 · Operating Fund Interest	180		
Total Operating Revenue	<u>105,420</u>		
Reserve Fund			
4200 · Reserve Fund Interest		3,840	
6000 · Operating Fund Allocation		<u>50,400</u>	
Total Reserve Fund		<u>54,240</u>	
Total Income			159,660
Expense			
600 · Reserve Allocation	<u>50,400</u>		
Maintenance Expenditures			
500 · Yearly Contract	24,000		
502 · Tree Trimming	4,000		
503 · Utilities	830		
505 · Other Maintenance	5,000		
506 · Erosion Mitigation	8,766		
5000 · Street Repairs		<u>41,916</u>	
Total Maintenance Expenditures	<u>42,596</u>	<u>41,916</u>	
Administrative			
510 · Contract Service	10,200		
511 · Board	550		
512 · Legal	600		
513 · Communications			
513.1 · Computer and Internet	1,600		
513.2 · Telephone	1,080		
513.3 · Office Supplies	70		
513.4 · Printing/Reproduction	1,500		
513.5 · Postage/Delivery	280		
513.6 · Record Storage	385		
Total 513 · Communications	<u>4,915</u>		
Total Administrative	<u>16,265</u>		
Other Operating			
520 · Audit and Accounting			
521 · Insurance	3,112		
522 · Membership Fees	1,254		
523 · Taxes and Contingency			
523.1 · Taxes - Property	30		
523.3 · Arizona Corp Fee	10		
523.4 · Contingency	400		
Total 523 · Taxes and Cont.	<u>440</u>		
Total Other Operating	<u>4,806</u>		
Total Expenses	<u>114,067</u>	<u>41,916</u>	<u>155,983</u>
Net Income <Loss>:	<u>-8,647</u>	<u>12,324</u>	<u>3,677</u>