

**San Ignacio Vistas, Inc.
Homeowners Association**

**Minutes
Annual Meeting
of Homeowners**

February 24, 2010

**Mailing Address:
P.O. Box 1150
Green Valley, AZ 85622-1150**

**Phone: 625-4924
Fax: 625-5166**

Website: www.sivhoa.org

BOARD OF DIRECTORS - 2010

Email the board: sivboard@sivhoa.org

Bob Christensen	393-030	4
President & Director		
Marianne Bishop	625-492	4
Secretary/Treasurer & Director		
Ed Eick	664-5752	
Vice President & Director		
Paul Gilmore	625-797	1
Director		
Delores Leavitt	399-2210	
Vice President & Director		

MEETING DATES – BOARD

Mondays - except where noted

January 11 2010

February 8 2010

Annual Meeting Wednesday, February 24 2010

March 15 2010

Tuesday, April 13 2010

Tuesday, May 11 2010

No meetings scheduled June, July & August

September 13 2010

October 11 2010

November 8 2010

December 13 2010

January 10 2011

February 14 2011

Annual Meeting Tuesday, February 22 2011

Open meetings are advertised in the Green Valley News, San Ignacio View and are posted on the website (www.sivhoa.org).

Normally our meetings are held at 4735 S Prairie Hills Drive and begin at 9 AM. We suggest you contact the Secretary to confirm the particulars for all meetings in case there has been a change.

**San Ignacio Vistas, Inc.
Homeowners Association
ANNUAL MEETING OF MEMBERS**

INDEX

	Page
CALL TO ORDER	4
NOMINATIONS COMMITTEE	
OFFICERS REPORTS	
PRESIDENT	4 – 6
SECRETARY	6 - 8
OTHER COMMITTEE REPORTS	
AUDIT	8 - 9
Statement of Assets, Liabilities & Fund Balances, December 31, 2009 - 2008	10
Statement of Revenue, Expenses & Fund Balances, Year Ended December 31, 2009 with Comparative Totals for 2008	11
Notes to Financial Statements	12 - 14
FINANCIAL ADVISORY	14
2010 Budget	15
ARCHITECTURE	16
MAINTENANCE	16 - 17
RESIDENTS TIME	17
RESULTS OF ELECTION	17 - 18
ADOURNMENT	18
THIRSTY THURSDAY HOSTS & 2010 SCHEDULE	19
RECAP OF PROPERTY TRANSACTIONS, 2009 SALES & PROPERTY CURRENTLY ON THE MARKET	20 - 21
2010 COMMITTEES AND MEMBERS	21 - 22

CALL TO ORDER
Bob Christensen

71 homeowners representing 52 lots were in attendance. The meeting was called to order at 9 AM.

Before we proceed I should like to call attention to the Agenda. Our first item will be the report from the Nominating Committee. Later in the meeting we shall call upon our Head Teller to report on election results. This is consistent with the Agenda of prior annual meetings but a change from the Agenda as it was mailed in January.

NOMINATING COMMITTEE
Georgene Sorenson

The Nominating Committee this year consisted of Marianne Bishop, Chair, Don Gatzke, Georgene Sorenson and Nancy Ziegler. Our task was to select a slate of nominees to be presented to the Homeowners as candidates for election of two members to the Board for a two-year term ending with the annual meeting in 2012.

Because of amendment to our By-laws and since all voting will now be done by mail ballot, the slate of nominees was provided in late November in an enclosure to the December newsletter. Ballots were distributed to all Homeowners on January 23, 2010 with the Annual Meeting Notice.

The slate consisted of:

Bob Christensen who has been a Board Member since 2006; President since 2007 and is the current Chair to the Financial Advisory Committee and the Board Rep to GVCCC.

Delores Leavitt, Board Member and Vice President since 2008.

Jim MacLaren, who is the current Chair of the Security Committee and served as President of the Association from 1998-2000.

Fred Schildkraut, full time resident since 1997

Margaret Surpress, part time resident since 2000 and current Secretary of the Architectural Committee.

The Tellers, Gary Powers (Head Teller) Jim Callahan, Jerry LeTendre and Georgia Puttock counted the ballots on February 17, 2010 and results of the election and the outcome for the ballot amendments to the CC&Rs will be announced after Resident's Time.

PRESIDENT'S REPORT
Bob Christensen

As most of you know we rely upon our committees to do the work of the Association. In the following pages each of the Standing Committees has provided their report for the year just ended. Please read these so you can share with me the admiration I have for the fine work they did in 2009.

In addition to its usual tasks the Architectural Committee spent several months drafting our first ever Owners Handbook and several companion guides before turning this project over to

the Board in September. Over thirty Owners served as readers of the various drafts of the Handbook and offered numerous suggestions for its improvement. A draft version of the Handbook has been posted to the website since September. Twice we have surveyed Owners regarding specific issues that have arisen during the drafting process. More recently fourteen amendments were proposed to our CC&Rs and later Gary Powers will be reporting on the results. These will have a direct bearing on the final shape of the Handbook when it is reviewed by the New Board at its March 8 meeting. If approved, the Handbook would then be published sometime in March.

By design the Handbook has brought forward rules that have been hidden away in our various governing documents and expose them for what they are. Not everyone has been happy with these findings. Some are distressed by the number of rules and the burdens they impose and suggest we should find ways to lighten the load. Others are pleased that we now have rules that are now readable and easy to find along with a well defined process should they have the need to complain of a violation. We should not be surprised to find we are not of one mind on our rules. But we have not yet explored fully these differences to measure their import to the Association. During 2010 the New Board should be committed to testing the level of support our Owners give to our Rules. Where there is little support we should be prepared to revise or eliminate the Rules in question. This will require the continued use of Surveys. If there are to be changes to the CC&Rs, this will also entail the balloting of our Owners.

We continue to enjoy savings from our Audit Committee. The Committee provides our homeowners with a full, independent review of our books without incurring the expense of an outside audit and it also provides close supervision of our Treasury function. You will find their report below together with the comparative year end statement of assets, liabilities and fund balances and the comparative statement of revenue, expenses and fund balances for the years 2009 and 2008. Recently the Audit Committee has been working with an outside consultant to file the necessary forms to establish tax exempt status for San Ignacio Vistas, Inc.

If successful we will not only avoid paying federal income taxes in 2010 we might also recover some perhaps all the federal income taxes paid in prior years. This will yield even greater savings as we continue to grow our Reserve Fund Balances, since the taxes we have been paying have been largely on the interest we earn on those accounts. Nothing is certain about this process so we are not counting upon these savings in our plans. But we are very hopeful.

As anticipated at our last meeting the Financial Advisory Committee was able to put an end to the rise in dues assessments in 2009. Although there was a modest bump in the Reserve Allocation for 2010 based upon the update to our Reserve Study when it was conducted last March this did offset the savings otherwise found in our Operating Budget for 2009. By far the most important savings came in the cost of our service contract with Santa Rita which is for much less money than those we had in prior years or could hope to obtain from other providers today. In part this is because they commit fewer hours. This did not prove a problem in 2009. But 2009 was a very dry year and were the rains to return we cannot be certain of the results, particularly on the growth of invasive grasses. We also cut some expense categories and the only line items to exceed budget were legal and the transfers to the Reserve Fund. Almost across the board our vendors have held their rates and going into 2010 we continue to see few signs of inflation. While our Budget for 2010 is tight, I do not yet foresee a need to raise the dues assessment for 2011.

Beginning in January of 2009 the Maintenance Committee completed the curb seal program that had begun in 2008 and resealed the streets using the same material. Also in January

the Committee awarded the landscaping contract to Santa Rita Landscaping, a Tucson company. The Committee initiated a program to enhance the attractiveness of the common area along Sonoran View and around our mail boxes in August and also a program to test various plantings in our common area in September. More recently the Committee resealed some of our wider cracks to avoid possible water damage to the base through the balance of our winter.

I would like to thank the many homeowners who have volunteered to serve on our committees. They are critical to task of protecting the value of your home and I would ask each of you to thank our volunteers for the excellent work they do on your behalf. We are faced however with a good deal of turnover and are seeking up to six volunteers to serve on the Maintenance Committees.

This would include two or three seasonal residents interested in the maintenance of our streets and sidewalks as well as two or three year around residents interested in the maintenance of our common areas.

With this meeting I am completing four years on your Board. During that interval I have had the good fortune of serving with Marianne Bishop, who brings far more to the Association than any of us can fully appreciate and all should be grateful. Over these past four years, Marianne and I have served on Boards with fifteen other homeowners and while I have enjoyed working with them all, I have particularly enjoyed working with the 2009 Board. When I first joined the Board we were rarely visited by homeowners. Now there is rarely a meeting where we do not have multiple visitors. While there is little discord on the Board we have often found our actions (or failure to act) questioned by our members. No more so than this past year when we were at odds with one of our homeowners over a rules violation issue. One consequence has been the frequent consultation with our counsel. This has helped shape the development of our Handbook and the proposed amendments to our CC&Rs.

We did confirm with counsel that we are in compliance with state law when amending our Bylaws (and CC&Rs). If our documents require the vote of our members to amend (as is the case of our CC&Rs) then we must comply with ARS 10 – 11003 and we do. If our documents do not require the vote of our members to amend (as is the case of our Bylaws) then state law does not require us to do so. The Bylaws of GVR require a vote by members to amend but the Board has employed a lesser standard than is required by law to accept a majority of those voting to pass amendments since 1999. To amend our CC&Rs we require a majority of the Voting Power which as a practical matter is about two-thirds of those voting. Amendments to the Bylaws require Board approval. Although our members may initiate and approve amendments to the Bylaws, there is no requirement that they do so nor is there any evidence that this is unusual. Instead it would appear our Bylaws were written from the same template used by most homeowner associations in Arizona. This does not mean our Bylaws cannot be improved upon. At some early date the New Board should put this question to our members to we can determine if the members should oversee all or perhaps certain amendments to our bylaws.

SECRETARY'S REPORT

Marianne Bishop

This is the start of my 8th year working with the Board and I applaud and thank fellow board members for their willingness to participate in the self-management of San Ignacio Vistas.

Committees are the backbone of our Association and we all benefit from time donated by their members.

The Neighborhood Watch captains continue to be a wonderful source of savings. They have been distributing heavier packets that not only require extra postage but because of their size would otherwise be damaged while being jammed into our small mail boxes. Thank you for all your help.

I also want to acknowledge and thank our Decorations Committee. This is the fourth year that Royce Hill has spearheaded the Christmas display. Rob Alstaetter and Ron & Nell DeVree helped again this year. New additions to the crew were Rick Irvin, Ron & Rose Marie Lemke, Linda Nealy and Deb Nance.

During 2009 we heard little from our Security Committee consisting of Chuck Catino, Jim MacLaren, chair and Gary Raff. No news is good news, and for whatever the reason, illegal activity in our area seems to be diminished. This is a positive and for this I am very grateful.

Delores Leavitt expressed thanks to all of the hosts for this year's Thirsty Thursday functions and provided a handout for this year's events and asked for volunteers to fill empty slots. See Page 26.

The board faced some challenges this year and I believe we made substantial progress by moving to amend some of our governing documents.

The by-laws have added language requiring an Owner running for the board to be a member in good standing and stipulating that no lot may be represented by more than one nominee and/or director. We also modified the election process so that it is now conducted strictly by mail ballot.

If you review the minutes from last years Annual Meeting I can assure you that nowhere will you find would reference of the intent to undertake creation of an Owners Handbook. Over the course of this past year the need for a project of this nature became evident to Bob Christensen. I want to personally thank and recognize him for all of the hours he put into this project and for overseeing what it took to get the job done. When Bob first mentioned developing a Handbook it was going to be for the Architectural Committee. When we began we had no idea what a large task lie ahead. At times I was pessimistic (which is usually not like me) because it seemed like an overwhelming task.

With each draft and as we incorporated suggestions from our readers, the book became more organized. I began to see what a benefit the Handbook would be, not only for our Architectural Committee but for our Homeowners too.

At the end of this meeting we will hear the results of a ballot on various proposed amendments to the CC&Rs. Only those that are successful will be incorporated into the Homeowners Rules at which time we will be able to finalize the Handbooks.

Each year presents a new set of challenges for the board and some recent developments make it apparent that 2010 will be no different. We will continue the process of surveying Homeowners relative to their wishes on the future of San Ignacio Vistas and for the level of support we have of our rules as published and which ones, if any, should be left to fall by the wayside.

With the impending closure of the Sahuarita Landfill it is possible there will be hikes in trash fees both from Waste Management and local landscapers. In 2006 we were trail blazers leading the way by separating from Waste Management who had an exclusive grasp on the trash market in Green Valley. We amended our CC&Rs and negotiated a 5 year contract with Saguaro Environmental Services for garbage and recyclable services. In May of this year we begin the 4th year under an agreement which caps rate increases at 5% a year until April of 2012.

I made some minor changes to the website, but because of the time spent on the Owners Handbook the project had to be put on the back burner. The Neighborhood Directory was distributed in January 2009 and it is unlikely that it will be reprinted this year.

We have been receiving increasing complaints this winter regarding the failure of pet owners to pick up after their dogs. This is the law. In the packet of handouts there is an informative piece of literature from Pima County that will be included in our next newsletter.

Although sales increased by one third in 2009, the results are still dismal with 8 homes sold as opposed to 6 in 2008. The statistics speak for themselves and hopefully next year will present a picture of an improving economy. (See pages 27 - 28 for recap of property transactions with comparison figures, 2009 sales and homes currently on the market.)

It was an honor to conduct the 2009 class for the function of board Secretary for the Annual Officers Training Sessions at the Green Valley Community Coordinating Council, better known as the GVCCC.

The GVCCC has also begun holding various workshops for HOA Boards. Bob Christensen and I recently attended a legal session which was very informative. Many of the things we heard confirmed that our Association is following recommended procedures as the board carries out the responsibilities entrusted to us.

Another of these GVCCC workshops was held yesterday, for Treasurers providing guidance on how an association can apply for tax exempt status. There was also a discussion concerning internal audits conducted by our own Chair of the Internal Audit committee, Jack Powers.

COMMITTEE REPORTS

AUDIT

Jack Powers

I would like to thank the other committee members, Ed Wismeyer and Greg Nowak, for their assistance in completing the internal audit. The committee would also like to express appreciation to the treasurer and president for the excellent condition of the records and their cooperation to facilitate an efficient and timely audit. The Audit Letter, audited Year-end Financial Statements and Notes to the Financial Statements follow.

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, 2009 and 2008. 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, 2009 and 2008, on the modified cash basis of accounting.

The San Ignacio Vistas, Inc.
Internal Audit Committee

January 20, 2010

SAN IGNACIO VISTAS, INC.

*Statement of Assets, Liabilities and Fund Balances
(Modified Cash Basis)
December 31, 2009 and 2008*

	<u>Operating</u> <u>Fund</u>	<u>Reserve</u> <u>Fund</u>	<u>Total All Funds</u>	
			<u>2009</u>	<u>2008</u>
ASSETS				
Cash (Note 1)	\$ 43,571	\$ 4,678	\$ 48,249	\$ 120,359
Investments (Note 2)	<u>-</u>	<u>245,000</u>	<u>245,000</u>	<u>145,000</u>
TOTAL ASSETS	\$ 43,571	\$ 249,678	\$ 293,249	\$ 265,359
LIABILITIES				
Assessments Received in Advance	\$ 81,900	\$ -	\$ 81,900	\$ 90,000
FUND BALANCES (Deficit) (Note 3)	<u>\$ (38,329)</u>	<u>\$ 249,678</u>	<u>\$ 211,349</u>	<u>\$ 175,359</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 43,571	\$ 249,678	\$ 293,249	\$ 265,359

Prepared by Marianne Bishop, Treasurer
Audited January 20, 2010

SAN IGNACIO VISTAS, INC.

<i>Statement of Revenue, Expenses and Changes in Fund Balances (Modified Cash Basis) Year Ended December 31, 2009 with Comparative Totals for 2008</i>					
	Operating Fund		Reserve Fund	Total All Funds	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>2009</u>	<u>2008</u>
Revenue					
Assessments (collected in advance: \$81,900 in 2009 and \$90,000 in 2008)	\$ 102,600	\$ 102,600	\$ -	\$ 102,600	\$ 95,760
Transfer and Document Fees	1,400	1,900	-	1,900	1,200
Interest	661	567	7,420	7,987	10,139
TOTAL REVENUE	\$ 104,661	\$ 105,067	\$ 7,420	\$ 112,487	\$ 107,099
Expenses					
Maintenance Expenses	\$ 38,349	\$ 27,922	\$ 20,228	\$ 48,150	\$ 98,031
Administrative Expenses	14,078	21,177	-	21,177	13,769
Other Expenses	7,557	7,170	-	7,170	8,345
TOTAL EXPENSES	\$ 59,984	\$ 56,269	\$ 20,228	\$ 76,497	\$ 120,145
EXCESS REVENUE (EXPENSES)	\$ 44,677	\$ 48,799	\$ (12,808)	\$ 35,990	\$ (13,046)
Fund Balances					
Inter-Fund Transfer To (From) (\$46356 for 2009 and \$43092 for 2010)	(46,356)	(89,448)	89,448	-	-
NET INCREASE (DECREASE) AFTER TRANSFER	\$ (1,679)	\$ (40,650)	\$ 76,640	\$ 35,990	\$ (13,046)
Beginning of Year Fund Balances		2,321	173,038	175,359	188,405
END OF YEAR FUND BALANCES (DEFICIT)		\$ (38,329)	\$ 249,678	\$ 211,349	\$ 175,359

Prepared by Marianne Bishop, Treasurer
Audited January 20, 2010

Notes to Financial Statements
December 31, 2009 and 2008

1. CASH

Cash includes \$1,000 in the operating checking account and \$42,571 in the money market at BBVA Compass (formerly Compass Bank). The \$4,678 consists of \$2,092 in a money market account at BBVA Compass and \$2,568 in the money market at Wells Fargo Advisors (formerly Wachovia / AG Edwards).

At December 31, 2008 cash of \$120,359 consisted of \$2,321 in the operating checking account, \$45,000 in the Money Market and \$45,000 in short term CDs at Compass Bank. An additional \$28,038 was in a money market account at Wachovia.

2. INVESTMENTS

Reserve Fund investments of \$245,000 include \$160,000 of CDs maturing in 2011 yielding approximately 4.16% in Wells Fargo Advisors and \$85,000 in a CD maturing in 2010 yielding 1% at BBVA Compass.

Investments of \$145,000 at December 31, 2008 included \$120,000 of CDs maturing in 2011 yielding approximately 4.9% and \$25,000 of FHLMC notes maturing in 2018 yielding 4.25%.

Investments are carried at cost, which approximates current value.

3. OPERATING FUND DEFICIT

Because of falling interest rates, the Financial Advisory Committee recommended and the Board unanimously agreed to make the 2010 transfer to the Reserve Fund from the Operating Fund in the amount of \$43,092 on December 17, 2009. This \$43,092 was combined with other available funds resulting from a premature call of the FHLMC note at Wells Fargo Advisors to purchase the \$85,000 CD held at BBVA Compass.

This resulted in two years of transfers appearing in the 2009 Statement of Revenue, Expenses and Changes in Fund Balances. Therefore the Operating Fund shows a net decrease for the year 2009 in the amount of \$40,650 and a fund deficit of \$38,329 at December 31, 2009.

Upon recognition of the \$81,900 Assessments Received in Advance as Revenue on January 1, 2010 the Operating Fund Deficit will be eliminated.

4. 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).

Notes to Financial Statements
December 31, 2009 and 2008

4. ORGANIZATION CONTINUED

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.

5. 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.

6. 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 which was updated in 2009 forecasts sufficient resources to accomplish anticipated maintenance and replacements including pulverizing and repaving the streets in 2047.

7. 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.

Notes to Financial Statements
December 31, 2009 and 2008

8. INCOME TAXES

The Association is subject to federal and state income taxes based generally on its net investment income. Income and expenses attributable to "exempt functions" (members' assessments and operating expenses as well as repairs, maintenance and replacements of the Common Areas) are generally excluded in the computation of taxable income. It is the Board's policy to allocate income taxes to the Operating Fund.

The Association is in the process of seeking recognition from the Internal Revenue Service as a Tax Exempt Entity.

FINANCIAL ADVISORY

Bob Christensen

I would like to say a few words on behalf of the Financial Advisory Committee. The Committee this year included: Marianne Bishop, Jim Chervenka, Don Gatzke, Kerm Jensen, Greg Nowak, Jim Steffen, Don Strong and Nancy Ziegler.

In the spring our task was to review and extend and revise Maintenance Plan and the plan for its finance over the next 40 years. We also reviewed the Reserve Plan for the next five years. These plans were approved by the Board at its April meeting.

In the fall the Committee reviewed the operating Budget for 2010 and with it a recommendation for the dues assessment. These were approved by the Board at its November meeting.

In December the Board elected to advance the funding the \$43,092 budgeted for the Reserve Allocation in order to purchase a CD at the then available rate of 1%. Had waited we would have given up 25 bps of interest for all of 2010. By funding in December rather than January we increased the Reserve Fund balance at year end at the expense of reducing the Operating Fund balance. All of this is covered by Jack Powers in his Audit Committee Report.

By funding the transfer in 2009 we also found it necessary to revise our Budget for 2010. Those revisions were approved at the February 8 meeting of your Board and a copy, with notes, is included in your handouts. We have also resolved to never do this again.

We recently posted on our website the most current version of our statement as an attachment to our minutes for the month of January and will continue to do so throughout the year. We hope you will find these useful.

I will take any questions you might have regarding our planning process, the plans themselves, the audit, or the statements provided with the handout.

SAN IGNACIO VISTAS, INC.

*Statement of Revenue, Expenses and Fund Balances
(Modified Cash Basis)
2010 Revised Operating Budget versus 2010 Budget*

	Operating Fund		Reserve Fund	Total All Funds
	2010 Budget	2010 Revised		
Revenue				
Assessments (\$450 per lot in 2009 and 2010)	\$ 102,600	\$ 102,600	\$ -	\$ 102,600
Transfer and Document Fees	3,000	3,000	-	3,000
Interest	661	78	8,100	8,178
Total Revenue	\$ 106,261	\$ 105,678	\$ 8,100	\$ 112,400
Expenses				
Maintenance Expenses	\$ 36,987	\$ 36,987	\$ -	\$ 36,987
Administrative Expenses	19,200	19,200	-	19,200
Other Expenses	7,568	7,568	-	7,568
Total Expenses	\$ 63,755	\$ 63,755	\$ -	\$ 63,755
Excess Revenue (Expenses)	42,506	41,923	8,100	48,645
Reserve Allocation To (From)	(43,092)	-	-	-
Net Increase (Decrease) After Allocation	\$ (586)	\$ 41,923	\$ 8,100	\$ 48,645
Fund Balances				
Beginning of Year Fund Balance	1,000	(38,329)	249,678	211,349
Reserve Allocation to (From) in 2010		(3,759)	3,759	-
End of Year Fund Balance (Budget)	\$ 414	\$ (165)	\$ 261,537	\$ 261,372

Note 1: Original Budget shows a Transfer to the Reserve Account of \$43,092. Because this transfer was made prior to the beginning of the Budget year (December 17, 2009) the Revised Budget shows the funds already in the Reserve Account with a corresponding reduction in the Operating Fund Account. This reduced to \$0 the Budget line for Transfer to the Reserve Account in 2010.

Note 2: It was also our plan to transfer any excess Operating Fund balances to the Reserve Account prior to year end. The \$3,759 of excess operating balances were transferred in January, reducing the Beginning Year Operating Fund Balance and further increasing the Beginning Year Reserve Fund Balance.

Note 3: Although these timing differences had significant impact upon the Operating and Reserve Fund balances at year end, they have no impact at the total funds level. They also have no impact on the Budget other than timing. The proposed revision does not affect any of the Revenue or Expenditure line items.

ARCHITECTURAL COMMITTEE

Ed Eick, Board Liaison

The Architectural Committee was busy this past year visiting homes and approving applications to maintain and to make changes to owners' homes. The Committee processed approximately 28 requests during the year which included 2 solar panel installations bringing the number to 3 within the Association.

The committee mediated in 5 view complaints between neighbors. We also acted on complaints for paint violations, satellite dish locations, noise, and an unattended landscape.

The Committee helped create the new Owners' Handbook, especially researching and recommending a source that lists drought tolerant plants as well as plants that are particularly objectionable for this area. The publications that contain these lists are highlighted in the new Owners' Handbook and these and the Plant Guidelines Book will be available for loan to owners from the SIV secretary.

I wish to express my appreciation to former Committee members Jerry Larson, Chair, Jerry LeTendre, Don Peterson, and Susan Trecartin for the work they performed while serving on the Committee.

I also wish to thank the new Committee members for stepping forward including Jim Callahan, Chair, and Margaret Surpless.

I have to say that my own experience interacting with SIV homeowners as a member of the Committee has been enjoyable. We have some great neighbors here in San Ignacio Vistas.

MAINTENANCE

Paul Gilmore, Board Rep.

The Maintenance Committee has the largest budget in the HOA. It is responsible for: roadways, sidewalks, and in the common areas, tree trimming in the common areas.

Our roads have suffered major fractures or cracks that continue to demand filling in order to prevent water penetration to the road base foundation. This was required in 2010 and so reflected in the line item budget.

Our landscape contractor, Santa Landscaping, has performed well in 2009 and has been awarded the contract for 2010. The cost saving of this contract was substantial and will enhance our Reserve account for future maintenance cash flow. MC will continue to monitor their crew performance and direct attention to the "uncommon common" areas as well.

Tree trimming services by La Sierra was used again this year. This is costly expense and will remain an annual event. We appreciate the Lot Owners' input. Their requests came by communicating via the work request forms. We cannot, however, use our contract crews for trimming on private property. We will give consideration to your scenic views when trim height is given to the crews.

We have placed gravel between the curb and hillside the length of Sonoran View from View Ridge west to Meadow Ridge where washout has left bare ground exposed to unsightly weeds and muddy runoff. This same gravel has been spread around the

mailbox pedestals in order to lessen the chance of someone being injured by a snake hiding in tall grass. The postman also appreciates a tidy place when sorting and filling the boxes.

Test planting on View Ridge has not produced the results that were expected for the funds expended. The Board will continue to address the environmental impact and soil erosion issue that fostered this investment.

We have utility services for water and electricity a budgeted item. The water control valves are subject to freezing conditions and have been insulated by Jim Steffen. Electric service is not used at the Calle Tres entrance where solar source of energy is one part of our "green" contribution.

We record the untimely loss of Lillie Hill. There was little time to thank her for the dedication and contribution she made to this community by her serving on this and other committees and her willingness to serve on the Board.

I would like to recognize the efforts of Jim Chervenka, Larry Engel, Bob Hill, Jane Hilsenhoff, Eileen MacLaren, Jean Ross, Jim Steffen and our newest member, Gary Ebbesen who were involved in administering projects this year as well as Chairman Rick Irvin and Rob Altstaetter who both resigned in 2009. With their departure as well as that of Jim Chervenka, Bob Hill and Jim Steffen this year we are left with a staffing challenge.

We are seeking new members for the committee with an emphasis on assigning seasonal tasks based upon our volunteers' interests and time-of-year residence. This will balance the work load and make use of each individual's talents and skills.

If you are interested in exploring ways you can be of service please see me after the meeting or contact the secretary and she will have someone from the Committee get in touch with you.

RESIDENTS TIME

One homeowner questioned the recent crack sealing project and Bob Christensen gave a comprehensive explanation of the treatment of the cracks over the past 3 years as well as future methods for treatment once it is evident that our current sealing operations are no longer effective.

Several homeowners were concerned about vehicles parking on our curbs and sidewalks that place undue stress on our infrastructure. It was suggested that our representative to GVCCC bring this matter to the Council and ask if it might be addressed there since this practice seems to be wide spread and unless we reach the community at large it is difficult to effect change on our local streets. There was also discussion concerning placement of trash containers that could discourage drivers of the vehicles for our waste removal contractor from running their trucks over our curbs. Our present contract calls for placement of trash at curbside.

Georgene Sorenson asked that the board give consideration to improving the entrance at the East Side of Calle Tres..

VOTING RESULTS:

There were 189 ballots cast for the board election.

Bob Christensen	153
Delores Leavitt	102
Jim MacLaren	58
Fred Schildkraut	16
Margaret Surpless	27
Abstain	8
Invalid	14

Congratulations to Bob and Delores who were reelected to another term.

All of the 14 proposed amendments to the CC&Rs passed. There were a total of 187 ballots cast with 4 being invalid. A recap of the results follows:

ITEM	FOR	AGAINST	ABSTAIN
1 169		16	
2 163		22	
3 167		18	
4 167		18	
5 166		18	1
6 167		18	
7 167		18	
8 172		13	
9 168		17	
10 173		12	
11 174		11	
12 166		18	1
13 165		18	2
14 146		30	1

ADJOURNMENT

The Chair thanked those attending for their participation and the secretary announced that the new board would convene immediately following the Annual Meeting. The meeting was adjourned at 10:45 AM.

/s/ Marianne M. Bishop, Secretary

Minutes approved by the board March 15, 2010.

THIRSTY THURSDAY HOSTS - 2009

Bob & Karen Christensen
John & Jo Hazlitt
Jerry & Toni Larsen
Orin & Althea Soest
Mona Brock
George & Nancy Ziegler
Rob & Fran Altstaetter
Ron & Georgene Sorenson
Duane & Linda Nealy
Ed & MaryJo Eick
Delores Leavitt

SCHEDULE FOR 2010

1/28/10	Bob & Karen Christensen
2/25/10	Jim & Karen Steffen
3/25/10	Peter Falch & Kathy Curran
4/29/10	Chuck & Mary Lu Catino
5/27/10	
6/24/10	
7/29/10	
8/26/10	
9/30/10	Fred & Mary Newton
10/28/10	Jerry & Toni Larsen (Oktoberfest)
11/24/10	
12/30/10	

If you can host for any of the open months please get in touch with Delores Leavitt at 399-2210

Hosts are getting harder to come by and we may have run the course with this event since it started in April 2006. I have had some people ask to move the event to the last Wednesday of the month since they have been unable to attend on Thursdays.

RECAP OF PROPERTY TRANSACTIONS COMPARISONS YEAR TO YEAR

YEAR	SOLD	REC'D ASKING PRICE	MULTI-LIST	"FSBO" SOLD BY OWNER*	SIV AVG DOM	GV ** AVG DOM	SIV AVG SALES PRICE	GV ** VALLEY AVG	SIV PRICE RANGE HOMES SOLD
2003	23	2	21	2			194,117		* \$130,000 - \$291,500
2004	22	9	20	2			242,435		* \$133,900 - \$333,000
2005	16	9	14	2			340,692		* \$268,000 - \$439,000
2006	13	4	9	4			341,756		* \$259,900 - \$435,000
2007	7	1	5	2			324,000		\$190,000 - \$458,000
2008	6	1	5	1	111	160	334,950	199,493	\$280,000 - \$389,900
2009	8	1	8	0	173*	167	218,950	175,000	\$162,900 - \$275,000

* In 2009 one home that sold had been on the market for 544 days. This was removed from the group when figuring the average days on the market because of the distortion it would have caused to the calculation.

** Figures in the columns headed GV were taken from an article appearing in the 2/7/2010 Green Valley News titled "High hopes for 2010 home sales. This article conveyed a positive start with 50 homes sold in GV/Sahuarita in January (up from 44 in 2009).

We are hopeful that 2009 has began a turnaround and that numbers in all of the columns will begin to rise, except for the two in the middle designated "DOM", which means days on the market.

HOMES SOLD IN 2009

ADDRESS	ORIG PRICE	ASKING PRICE	SOLD PRICE	PRICE DROP	SQ FT	PRICE PER SQ FT	DOM
1759 W Vista Ridge Dr	195,000	179,900	162,900	32,100	1292	126	122
1764 W Vista Ridge Dr	225,000	210,000	190,000	35,000	1521	125	180
4943 S Gloria View Ct	259,000	199,000	199,000	60,000	1723	116	122
4887 S Gloria View Ct	250,000	250,000	203,000	47,000	1723	118	63
4884 S Desert Sunset Dr	299,900	249,500	215,000	84,900	1867	115	<u>544</u>
1422 W Hidden Crest Ct	329,500	249,500	225,000	104,500	1867	121	291
4927S Prairie Hills Dr	334,900	299,900	270,000	64,900	1725	157	301
4839 S Harvest Moon Dr	319,000	299,000	275,000	44,000	1725	159	133

HOMES ON THE MARKET AS OF 2-5-2010

ADDRESS	CURRENT ASKING	APPROX SQ. FT	\$ SQ. FT.
4804 S Desert Sunset	190,000	1292	147
4975 S Gloria View Ct (under contract)	210,000	1723	122
4857 S Gloria Vista Dr	299,900	1725	174
4759 S View Ridge Dr	239,900	1767	136
4714 S King Arthur Ct*	259,000	1806	143
4725 S Gloria Vista Dr*	349,000	1923	181
4947 S Harvest Moon Dr	299,900	2000	150
4853 S Meadow Ridge Dr	331,000	2355	141
4911 S Harvest Moon Dr	350,000	2355	149
4719 S Harvest Moon Dr*	385,000	2536	152
1797 W Sonoran View Dr*	439,900	2600	169

* High DOM in a good market would tend to indicate there may be some negative aspect to a property. Unfortunately the economy is having a cruel consequence because buyers are after whatever bargain they can gain from sellers who cannot hold out for a better market.

2010 COMMITTEES

* = Standing

ARCHITECTURAL *

Barry Bishop
Jim Callahan, Chair
Ed Eick, Board Rep.
Bob Ferrier
Margaret Surpless, Secretary

AUDIT *

Jack Powers, Chair
Greg Nowak
Ed Wismeyer

FINANCIAL ADVISORY *

Marianne Bishop
Jim Chervenka
Don Gatzke
Kerm Jensen
Greg Nowak
Jim Steffen
Don Strong
Nancy Ziegler

MAINTENANCE *

Bev Baker
Gary Ebbesen
Sam Eidson
Larry Engel
Jim Fitzgerald
Jane Hilsenhoff
Paul Gilmore, Board Rep.
Eileen MacLaren
Jean Ross
Dave Schroer

SECURITY *

Chuck Catino
Ed Eick
Jim MacLaren, Chair
Gary Raff
Jim Steffen

NEIGHBORHOOD WATCH

CAPTAINS

AREA 1	<u>Peter Falch & Kathleen Curran</u>	<u>396-4552</u>
	<u>Ray & Mary Jane Harp</u>	<u>393-7166</u>
AREA 2	<u>Chuck & Mary Lu Catino</u>	<u>393-0415</u>
AREA 3	<u>James & Barb Dulaney</u>	<u>393-1683</u>
AREA 4	<u>Les & Priscilla Gowan</u>	<u>625-1663</u>
AREA 5	<u>Delmer & Judith O'Connell</u>	<u>399-1588</u>
	<u>Leon & Carmen Smith</u>	<u>399-9394</u>
AREA 6	<u>Elmer Silaghi</u>	<u>625-5843</u>
	<u>Anna Jones</u>	<u>260-5677</u>
AREA 7	<u>Gary & Paula Alkire</u>	<u>393-6265</u>
AREA 8	<u>Barry & Marianne Bishop</u>	<u>625-4924</u>
AREA 9	<u>Eileen MacLaren</u>	<u>393-1477</u>
	<u>Betty Wismeyer</u>	<u>393-0364</u>
AREA 10	<u>Bob & Georgia Puttock</u>	<u>625-1483</u>
	<u>Ron & Rose Marie Lemke</u>	<u>625-0092</u>
AREA 11	<u>Bob & Joan Henley</u>	<u>393-1311</u>
AREA 12	<u>Gary & Mary Powers</u>	<u>393-7316</u>
	<u>Jim & Nancy Callahan</u>	<u>207-3910</u>
AREA 13	<u>Don & Pat Strong</u>	<u>648-6102</u>
AREA 14	<u>Arlene Haugan & John Miceli</u>	<u>648-7010</u>