

BellaVita Finance Committee Meeting Minutes - March 19, 2015

The meeting was called to order at 10:00 am by Chairperson, Gari Lynn MacGregor. Members in attendance were: Steve Anderson, Richard Harrison, Jim Thompson, Ruth Cheek, Gari Lynn MacGregor and Joan Cummings. Mark Wormser attended as BV Board liaison.

Topics of Discussion:

- **2014/2015 BV HOA Financial Statement Audits & Tax Returns:** Marc Wormser stated that an audit/tax agreement with Robert Goldstein, CPA has been approved by the Board for the 2014 and 2015 HOA audits in the amount of \$13,900 each plus an additional \$500 each for the IRS Form 1120-H tax returns.
- **2013 Audited Financial Statements:** Marc also stated that he would check on placing the 2013 Audited Financial Statements on the club-bellavita.org website.
- **Active Vendor List:** Nancy was supplied a list of vendors that have been used and will clear out and clean up inactive vendors.
- **Communications:** It was agreed that communications between the Board and the Finance Committee would be from Marc Wormser to the Finance Committee Chairperson. It was agreed that Finance Committee communications between FSR Representatives (Tami Smith & Mike Winkler) and the Auditor (Robert Goldstein, CPA) would be made through the Finance Committee Chairperson. It was agreed that communications from the Finance Committee members that need to be relayed to FSR or the Board would be made to the Finance Committee Chairperson. Marc Wormser, Treasurer, is the primary contact between the HOA and the FSR and will be kept the loop between the different entities.
- **February 2014 Financial Statements were distributed.**
- **Assignments for the Review of Monthly Financial Statements were made:**
 - Steve Anderson – Operating Expense Actuals vs Budget Variance Analysis & Actual Capital Expenditure vs Budgeted (excluding the Fence Capital Project).
 - Jim Thompson – Fence Project Actual Capital Expenditures vs Budgeted Expenditures
 - Gari Lynn MacGregor- Actual vs Budgeted Revenues Analysis and Balance Sheet Review. Since she has access to FRS' Strongroom software, she will also be able to provide any additional Accounts Payable information needed by the Finance Committee members.
- **Financial Statement Review Findings:** It was agreed that the prior month financial statement review findings would be discussed at the succeeding Finance Committee Meeting. It was agreed that if significant findings were discovered, the Finance Committee Chairperson would communicate this to Marc Wormser and also request to be added to the next Board Meeting Agenda to discuss the findings.

- **Storage Project:** Marc Wormser informed the Finance Committee that the total of \$18,500 allocated to the Storage Project in 2015 has now been allocated strictly to the Dumpster portion of the project in the 2015 Capital Budget and that the Storage Unit portion of the project may be moved to 2016 and that it may be financed by the various BellaVita Clubs that will be using the Storage Facility. Marc also explained that the planning of the Dumpster structure and final cost is still in process and that it may exceed the \$18,500 that is now allocated in the Capital Budget. Tom Rohwer is the contact person regarding the plans for structure.
- **Fence Project:** Jim Thompson requested more detailed financial information regarding the fence replacement costs. Marc explained the purpose of the Fence Task Force is to monitor the construction and verify the linear footage installed after the installation. Issues in question, including billing, will be part of a punch list monitored by the task force. Marc stated that HOA Reserve Fund would be used to pay for the Fence Capital Project until HOA Reserve Fund is depleted to a balance of \$300K. At that point and if the project is not complete, the HOA would borrow funds, as needed to complete the project, from the JSC Credit Union using the \$300k Reserve Fund CDs as collateral. Marc agreed to provide a monthly fence progress report to the Finance Committee for the purpose of monitoring progress and costs.
- **2015 Capital Budget Changes:** Marc assured the Finance Committee that they will be made aware of unexpected emergencies and/or issues. If not of an emergency status the Finance Committee will be brought in to facilitate any adjustments that may be necessary before these proposals/changes are presented to the HOA Board for approval so that the Finance Committee can examine the financial impact before any commitments are made by the Board.
- **Approximate 3% Increase in Budgeted 2015 Operating Expenses with no Increase in Monthly Homeowner Assessments:** Steve Anderson questioned how the 2015 Operating Budget could increase by about 3% while there was no increase in the Homeowner Monthly Assessment (still \$222/month). Marc explained that some of the services provided by RusticScapes have been eliminated in order to contain some operating costs. One of the dropped services is front lawn tree trimming and homeowner front yard sprinkler system repairs which were never part of the contract with RusticScapes. Also, according to Marc the 3% was not applied to all expense categories because the inflation rate has been at 2% or below for some time and that this will be looked at again at the planning workshops for 2016 and beyond.
- **Contingent Liabilities:** It was agreed that Marc Wormser will inform the Finance Committee of any probable contingent liabilities that need to be accrued.
- **2016 Operating/Capital Budget Workshop:** All members of the Finance Committee will be a part of the Workshop.
- **Other Assignments:**
 - **Chuck Seymour** –HOA insurance coverage review and costs/quotes when necessary

The meeting was adjourned by the Chairperson at 11:45 a.m.

Submitted by Gari Lynn MacGregor