

**Crosspointe Swim and Racquet, Inc.  
Budget & Finance Committee (B&FC)  
FY2021 Q3 Meeting July 29, 2021  
7:00 P.M. Crosspointe Community Center**

**Minutes**

I. Call to Order/Quorum

A quorum present, the meeting was called to order at 7:00 P.M.

Members present:

Phil Ciarlo, Chair  
John Cewe, Vice Chair  
Larry Rice  
Sally Garrahan  
Allen Sullivan

Community Manager Heather McDevitt also attended

II. Committee Member Input/Resident Remarks

There were no committee member or resident preliminary remarks

III. Guest Speaker(s): TBD/As Invited

No guest speakers were invited for this meeting

IV. Old Business

i. Review/approve FY2021 Q1/Q2 meeting minutes

The Q1/Q2 meeting minutes were discussed, unanimously approved, and will be posted on the community web site.

ii. Discuss current investments/CD ladder status and validate BOT investment policy

The Crosspointe Monthly Financials as of June 30, 2021 were reviewed and discussed. There were no issues identified and operating reserves remain within the range recommended in the annual financial audit. Cash and operating reserve funds are sufficient to maintain planned operations.

It was noted that two CDs (50k each, total of 100k) would mature on 8/16/2021. The committee unanimously determined the following:

- (1) The full 50k capital reserve CD 10300-C5-089 should be rolled over in the Morgan Stanley CD ladder at the best available rate.
- (2) Only ½ of the 50k operating reserve CD 10300-C5-093 should be rolled over in the CD ladder at the best available rate. The remaining 25k should be retained in the operating reserves money market account until cash requirements are determined at the FY2021 Q4 September 23, 2021 B&FC meeting.

Morgan Stanley will be advised of the above decisions and requested to take appropriate actions.

These committee recommended actions regarding the two CDs remain in accordance with the established BOT investment policy. The B&FC discussed the investment policy and unanimously recommends the BOT continue to prioritize safety of principal above rate of earnings for all CPHOA financial assets. This recommendation is based upon the independent and unanimous recommendations of the financial auditor, FSR account controller, and legal counsel.

It was agreed that a draft investment policy statement would be prepared by the committee and forwarded for BOT consideration and discussion at the September BOT meeting. The auditor has recommended that the BOT investment policy be documented.

- iii Review cash account planning/management process and levels required to maintain operations

Cash and operating reserve funds were determined to be sufficient to maintain planned operations.

- iii. Review/discuss Management financial reports, project statement and monthly revenue/ expense projections and formats

Operating reserves remain within the range recommended in the annual financial audit. Report formats meet CPHOA requirements.

iv. Discuss final FY2020 Financial Audit status/tax returns/close out

The FY2020/2019 financial audit was completed on schedule and the BOT president has signed and returned the acceptance letter by the due date. All actions are complete.

Management confirmed that FSR has completed and submitted the FY2020 CPHOA Inc. income tax returns

V. New Business

i. Social Committee invitation for 8/28/21 "Meet the Committees" event

The committee discussed the Social Committee invitation to participate in a "Meet the Committees" event on 8/28/21 at the community center. It was determined that the committee would participate and would accept the Social Committee offer to prepare the tri fold display board in the recommended format based on information provided by B&FC. (NOTE: However, during development of the B&FC information it was determined the use of a tri fold display would be a wasted effort since it would not be usable by the B&FC for any other purpose. The committee information was therefore presented in a tabbed 3 ring binder format that the committee could also use in its business operation. It is the opinion of the committee that the event was not worth the time, effort, and cost expended and should not be repeated.

ii. FY2022 Budget Development Schedule Review/Discussion/Status

The FY2022 BOT approved Budget development schedule remains on track. Committees are to submit their budget request input to management by 9/8. The B&FC will begin review of the input and discussions with committee reps at the 9/23/21 Q4 meeting starting at 7:00 PM in the CPCC and via zoom. The joint committee/BOT budget meeting will be held 10/27/21

iii. FY2021 Capital Replacement Reserves Requirements/Status and Reserve Study update planning

Capital reserve funds are in line with the 2017 Reserve Study requirements. The reserve study will be updated in FY2022 and funds for that purpose will be included in the FY2022 budget for BOT approval.

Management will develop the RFP with support from the B&FC. The intent is to award a contract in sufficient time to have the new study completed for use in development of the FY2023 budget.

iv. FY2021 Associate Pool Membership Plan/Actual Income

Management reported that the total number of associate memberships for FY2021 was 177. The final financial result for associate membership income will be determined after the pools have closed. This will be an agenda item at the 9/23 Q4 meeting.

v. FY2021 Financial audit planning requirements (looking ahead)

The FY2021 audit schedule will be generally followed for the FY2022 audit cycle with final dates developed by management in coordination with the auditor. For visibility purposes, management will include the income tax extension request submission date and tax filing date to the published audit schedule.

vi. BOT selective Invoice review status/result/plans

Selective invoices were provided to the BOT for review. Management has not received any feedback as of the meeting date.

VI. Additional Comments/Concerns

None

VII. Adjourn

The meeting adjourned at 8:50 P.M.