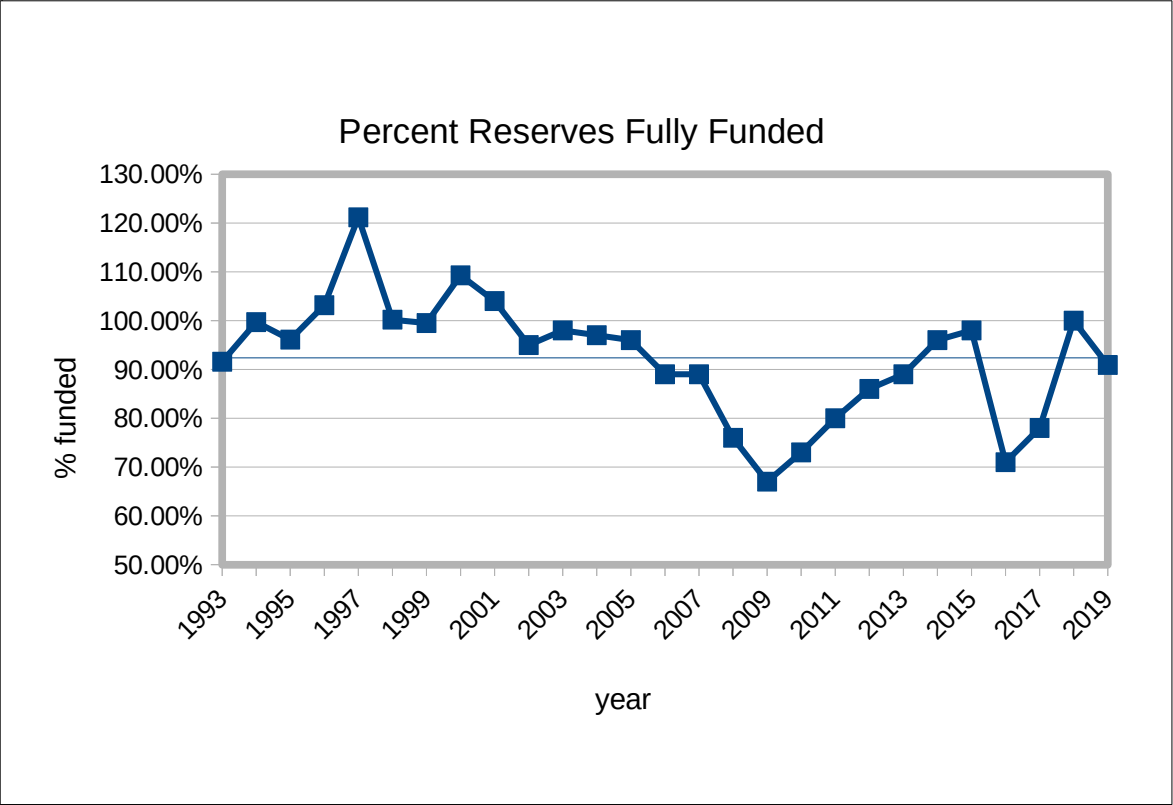


I Reserve Funding History

The reserve fund is defined as the ratio of the money on hand vs. the money needed if all items in our Reserve Data Analysis, all capital items and non-recurring or recurring other expenses, needed to be done immediately. The ratio is a bogey. As it tends towards zero the ability of the association to maintain itself is at risk. The metric is useful in judging the financial well-being of the association.

Presented is the historical nature of this ratio given as a percentage. The knee starting in 2007 and extending in 2009 is identified and explained in my [2015 Report](#) which describes our finances at that time. The recovery from 2009 to 2015 indicates increased financial health, with the idea that the decline in 2016 and 2019 being undesirable.

1993	91.59%
1994	99.70%
1995	96.10%
1996	103.17%
1997	121.16%
1998	100.19%
1999	99.50%
2000	109.28%
2001	104.00%
2002	95.00%
2003	98.00%
2004	97.00%
2005	96.00%
2006	89.00%
2007	89.00%
2008	76.00%
2009	67.00%
2010	73.00%
2011	80.00%
2012	86.00%
2013	89.00%
2014	96.00%
2015	98.00%
2016	71.00%
2017	78.00%
2018	100.00%
2019	90.90%
Average	92.36%



II Using of Account No in a public documents

The Board of Directors, nor any person or persons employed on behalf of the Association by the Board has my permission, whether direct or implied, to include in any correspondence, public filing or meeting my Associa account number. It is against the law to put this information in any public forum.

The Association account contains private and privileged information, including but not restricted to include, payment history, penalty fees, the ACH bank routing information, liens and other financial and non-financial data.

NOTE: The Board made no comment on this.

§5205 Inspection of Association Records

Records not Subject to Inspection

Many association documents contain sensitive, confidential or privileged information. While such documents may fall within the purview of an “association record” or an “enhanced association record,” they may be withheld or redacted. ([Civ. Code § 5215](#); See also “[Records Not Subject to Inspection](#).”)

Records Which may be Withheld or Redacted

The following includes records which are not subject to inspection and/or which may be withheld or redacted pursuant to [Civil Code Section 5215](#):

- Information which, if released, is reasonably likely to lead to (1) identity theft (i.e., bank account numbers of members or vendors, social security or tax id numbers, credit card numbers, etc.), (2) fraud in connection with the association, or (3) compromising the privacy of an individual member of the association. ([Civ. Code § 5215\(a\)\(1\),\(2\),\(4\)](#); [Civ. Code § 5215\(a\)\(5\)\(c\)](#); See also [Chantiles v. Lake Forest II Master HOA](#) (1995) 37 Cal.App.4th 914.)

§5215 Withholding and Redacting Association Records

- (a) ... the association may withhold or redact information from the association records if any of the following are true:
- (1) The release of the information is reasonably likely to lead to identity theft
 - (4) The release of the information is reasonably likely to compromise the privacy of an individual member of the association.
 - (5) The information contains any of the following: .
 - (C) Any person’s personal identification information, including, without limitation, social security number, tax identification number, driver’s license number, credit card account numbers, bank account number, and bank routing number.

III Dues Descrepancy

The [2019 audited budget](#) (mailed in 2020) shows member assessment revenue to be \$106.09/homeowner/month. The actual amount assessed is \$111/homeowner/month. This leaves a total descrepancy of \$36,789 to the association. Where did this money go?

NOTE: The Board made no comment on this.

IV Spending in excess of Bylaw [Bylaws VII\(2\)\(2\)](#)

2019 audited expenses of \$679,264
 2020 unadited results

1. Expected increase in reserve budget of \$88,636.58 year over year.
2. Expected expenses for 2020 is \$888,000.
3. Expected Repair & Maintance budgeted in \$117,393

Prosa and Main Pool 2020 Expenses

Description	Fully Funded Balance	Assigned Reserves
Main Pool Area – Concrete Deck, Replace	\$340,000.00	\$340,000.00
Main Pool Area – Deck Caulking	\$7,035.00	\$7,035.00
Prosa Pool Area – Deck, Replace	\$70,000.00	\$70,000.00
Prosa Pool Area – Deck, Caulking	\$3,198.00	\$3,198.00
Total Cost	\$420,233.00	\$420,233.00

Current actual expenses for the Prosa Pool are \$130,000 as near as I can figure (see the [5 Jun 2020 Board Mintues](#) and the [8 Jun 2020 Board Minutes](#)). The extimated cost of the Main Pool is in excess of \$500,000, giving a total cost of \$630,000, for an excess cost of available allocated funds of \$230,000. The total estimated expenses for 2020 are \$888,000, leaving \$250,000 for all non-pool expenses. This is not enough to cover known expenses, and the excess expenditures exceed the limits set fort in [Bylaws VII\(2\)\(2\)](#), which comes to \$44,400. A vote is required.

NOTE: The Board President stated that the Board has a legal opinion that [Bylaws VII\(2\)\(2\)](#) applies to new items but not upgrades.

V Curating the Website

The website needs better curation. See <http://slipbits.com/monthly-data> and <https://slipbits.com/financial-data/> to see curation of newsletters, Board and Architecutre Committee meetings, and financial data. The newslettets go back to Dec. 1993 (24 newsletters missing) go back to 1980, with 1998 – present complete. This is an alternate approach to the one taken, and offers a comprehensive overview of relavent member documents.

14 Sep 2020 Board of Director Discussion Items

NOTE: The Board mentioned that website analysis is underway and will be completed by 30 Sep 2020. A means to determine what this analysis is or its results were not identified.

VI Fiduciary Duties of Directors

This item was discussed but was not part of the formal presentation. Further information on the Boards Fiduciary Responsibility is given in [HOA Resources](#).

The liability protections afforded to a volunteer director may not extend to situations where the director breaches his or her fiduciary duties:

As directors you have a fiduciary responsibility to the Association . There are two aspects of this responsibility, (1) Loyalty – you, your friends and family, can not benefit from any financial, or other activity done on behalf of the Association, and (2) you have a financial responsibility for monies spent. In this case, there is a clear [Bylaw](#) (VII)(2)(2) which limits your expenditures. Violating this Bylaw breaches your individual fiduciary responsibility, making each of you individually liable in any court action. Get a legal opinion to verify this statement.

§5875 Enforcement of Governing Documents; Attorney's Fees

- (b) A governing document other than the declaration may be enforced by the association against an owner of a separate interest or by an owner of a separate interest against the association.

VII August Submittal to the Board

The only item discussed was the establishment of a Board committee to do a landscape walk-through. No committee was formed. A Board member commented that he overviewed the landscape when he came home from work. And an Association member who spoke at the Board meeting (see the [Board Agenda](#)) said that he was a professional gardener for the school district, and that our landscaping was the worst than anything in his experience (I apologize if I have mischaracterized the other speakers job).

The discussion by Board members on landscaping exhausted my allocated 10 minutes. There was no further discussion.