

# Two Rivers Homeowners Association

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**NOTICE IS HEREBY GIVEN** that a meeting of the Directors of the Executive Board of Two Rivers Homeowners Association will be held in the conference room at the Two Rivers Community Center, Dotserro Colorado on Tuesday, October 22, 2019, beginning at approximately 6:00 P.M.

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## AGENDA

1. Call to Order
2. Declaration of Quorum
3. Consideration of Agenda
4. Consideration of Minutes
  - a. April 18, 2018
5. New Business
  - a. HOA Dues Billing- AmCoBi
  - b. Banking / Accounts Payable Processes- Bill.com?
  - c. Covenant Enforcement
    - i. Policies and Procedures Update
    - ii. Parking- Booting & Guest Parking
      - Koren O'Neill
      - Bonn Sandiego
    - iii. Fences
    - iv. Decks and Driveways
    - v. Enforcement- Covenant Officer
  - d. Board Vacancy
  - e. Annual Member Meeting Agenda
  - f. Marchetti & Weaver Agreement
  - g. Other Business
6. Financial
  - a. September 30, 2019 Financials
  - b. 2020 Budget
7. Future Meetings
8. Adjournment

Please notify Meghan Hayes, [meghan@mwcpaa.com](mailto:meghan@mwcpaa.com) if you are unable to attend.  
Call in participants: Dial (800) 882-3610 and use passcode 9349401# at meeting start time.

### **DISTRIBUTION**

Board of Directors

Luke Bray, President	Term expires 2021
Vacant, Vice President	Term expires 2020
Mike Pearson, Secretary	Term expires 2020
James Scott Harrison, Treasurer	Term expires 2019
Esgar Acosta, Director	Term expires 2021

Ken Marchetti, CPA, Association Manager



## **TWO RIVERS VILLAGE HOMEOWNERS ASSOCIATION**

Board of Directors Meeting Minutes

4/18/18

Fireside Properties 216 Main Street, Edwards CO 81632

Call Meeting to Order:

The meeting was called to order at 12:04p.m.

Quorum Established:

Quorum was meant by 3 Members present:

Mike Pearson

Luke Bray

Scott Harrison

Financial Review 2017:

Ashley spoke of the previous budget being on the incorrect fiscal year. We have made that correction and moving forward the budgets vs. actuals will be easier to read. The association is showing a loss for the year of 25,169.66. This shortfall is caused by the overage in the landscaping line item, Metro allocation and Management increase due to the on boarding of new houses.

Fireside is working with Cissy at Marchetti and Weaver to get more understanding about the increase of Metro dues contribution. The majority of the overage for the year is due to lawn care.

New Business

- Landscaping- Landscaping contracts were reviewed and compared.

Motion to Approve Fresh Mountain Lawns was made by Mike, Seconded by Luke and Passed unanimously

- Irrigation- The overage of expenses for landscaping has brought about concerns. Discussion of options with lawns was discussed along with a letter from the Attorney was read for clarification on what is stated in the governing documents. A policy will be adapted by the Attorney for yard maintenance of the owners to state the following:

HOA will be responsible for front yard and unfenced yard maintenance only

Owners will be responsible for fenced I back yards and all irrigation repairs. Owners will have 2 weeks to make repairs. If repairs are not made HOA will make them and bill the owner account.

A motion was made for the policy by Luke, Seconded by Scott and passed unanimously.

- Spring Clean-up Day- Mike Pearson will donate 2 roll offs for trash and Fireside will contact Trinity for an additional roll off. Spring clean-up will be May 19<sup>th</sup> and 20<sup>th</sup>
- Parking- The HOA has contracted with Colorado Booting company to monitor on street parking. Ticketing has started and booting will begin on the 23<sup>rd</sup>, for repeat offenders.
- Late fees- Fireside will be assessing late fees to owners that are past due per the collection policy. Any owner not following there payment plan will be leaned.
- Dogs- Dog issues will be addressed by the Metro District on site manager.

Adjournment-12:49p.m.

# PROPOSAL

A Monthly Dues Billing Proposal for:  
**Two Rivers Village HOA**  
09.10.18



Page | 1

Bobby Lee · American Conservation & Billing Solutions, Inc. (AmCoBi)  
PO Box 51356 · Colorado Springs, CO 80949  
T. 719.694.1980 • F. 719.599.4057 • [www.AmCoBi.com](http://www.AmCoBi.com)

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# HELLO!

September 10, 2018

Ms. Beth Johnston  
Account Manager  
28 Second St Ste 213  
Edwards, CO 81632

Hello Ms. Johnston-

The following is a proposal for American Conservation & Billing Solutions, Inc. (AmCoBi) to provide Two Rivers Village HOA with monthly HOA dues billing services.

AmCoBi will provide HOA owners and residents with monthly billing for their HOA dues.

We strive to build long term relationships with our clients by consistently executing and delivering high value. Please contact us with any questions you have or additional information you need.

Sincerely,

Bobby Lee  
American Conservation & Billing Solutions, Inc.  
Office: (877) 410-0167 x1980  
Mobile: (719) 661-6844  
E-mail: Bobby@AmCoBi.com

# BACKGROUND

## Two Rivers Village HOA Background

Two Rivers Village HOA is approximately a 200 home community near Gypsum, CO. The board of directors is considering using a third party provider to bill the HOA monthly home owner's dues.

## AmCoBi Organizational Background

AmCoBi provides comprehensive utility billing, payment processing, and collections services to homeowners' associations, condominium, and multifamily housing communities around the U.S.

We are an affordable, full service provider who will:

- Deliver accurate, on-time bills...every month
- Provide exemplary customer service to homeowners, residents, the Board, and management staff
- Lower your operational costs.

Our team has been working in the utility billing industry collectively for more than 30 years. AmCoBi is able to contribute new perspectives and create unique solutions for our clients because our team members bring finance, business, and operational expertise from other industries.

We solve problems other billing companies can't. In our daily operations, we strive for constant, methodical improvement.

## On-time, Accurate Billing

The ability to consistently send accurate, on-time utility bills, is another way we differentiate our business. Simple as it seems, many billing companies struggle with these fundamentals.

In contrast, our team has incorporated processes and software systems that check data for accuracy throughout the billing process, before residents receive bills. Our internal workflow processes ensure that all tasks for a timely billing are completed properly and according to schedule. Our systems prevent errors and will streamline your utility billing program. Operational excellence is a key goal in our company.

## Customer Service Excellence

AmCoBi is committed to providing the highest standard of customer service to our clients. We deliver timely, professional support to all Two Rivers Village HOA stakeholders—board

# BACKGROUND

members, owners, residents, and management. Calls and e-mails, if not responded to immediately by a live staff member, are addressed within two (2) hours.

AmCoBi makes substantial investments in staff training and empowers our employees with state-of-the-art tools that help them perform their jobs effectively.

We understand that each client has unique requirements so we routinely tailor our offerings to meet those needs. Remarkable customer service is the single most important way we set our business apart and a key reason for our continued growth.

## Online Services

AmCoBi includes **ePay**, an online payment service, with its Payment Processing service. ePay enables your residents to pay online using a credit/debit card, or ACH transfer from a checking/savings account. Homeowners can also schedule automatic monthly payments. **ACH transactions are free**; there is a small convenience fee, paid by the resident, (approximately 2.95%) for credit/debit card transactions.

Our electronic billing service, **eBill** is also included. Customers will have the option to enroll and receive their monthly HOA dues bills electronically via e-mail. Residents who enroll will be able to login and view/print current and previous bills, and see their historical consumption.

## Company History

AmCoBi was founded in 2008 and is headquartered in Colorado Springs, Colorado. We continue to grow through a steady stream of referrals from satisfied clients. The quality of our services and our commitment to service excellence are key ways our company differentiates itself.

# BILLING SERVICES

## Complete Billing, Payment Processing and Collections

Our most popular and comprehensive service is called **Payment Processing**. With this service, AmCoBi administers your HOA billing program from start to finish. AmCoBi would perform the following tasks:

- Obtain monthly dues for each homeowner
- Print each homeowner's bill
- Mail monthly statements (letter bill with return envelope) to homeowners
- Offer electronic billing services (eBill)
- Offer electronic payment services (ePay) - Homeowners can make online payments using a credit/debit card, or ACH transfer from a checking/savings account
- Collect, record, and deposit all payments
- Make regular transfers or payments to Two Rivers Village homeowners
- Provide professional, friendly, timely customer service to homeowners, residents, the board, and management staff
- Provide comprehensive management reporting including: amounts billed, payments received, past due balances, etc.
- Reports may be customized and accessed by authorized users, 24/7, via AmCoBi's Web-based Management Portal. The HOA board and Marchetti & Weaver management staff can also:
  - View summary financial data and individual bills for each resident
  - View payment histories
  - View accounts receivable and consumption analyses
  - Generate final bills (if required)
  - Search for data in a variety of ways including by customer name, account number, property address, and more.
- Provide billing data that can be imported into a property management application (if desired)
- Work closely with Marchetti & Weaver, and the HOA board to ensure a smooth and effective billing program.



# BILLING SERVICES

## Pricing

Our service fees include: account setup, bill creation, postage, delivery, customer service, reporting and more. AmCoBi does not charge for move-in/move-out changes.

Description	Price/Home	# Homes	Annual Total
Monthly Billing Fee - <b>Payment Processing</b> (Owners and residents pay their HOA dues to AmCoBi). Homeowners can pay online with a credit/debit card or transfer from a checking/savings account.	\$ 3.75	200	\$ 750.00
Description	Price		
Generating and mailing late letters	\$ 1.75		
Generating and mailing certified letters	\$ 15.00		
Generating and mailing title request letters	\$ 25.00		
File HOA Liens	\$50.00 + doc. fee		

## Resident Support

AmCoBi provides comprehensive customer service to residents via our Client Care team, Monday through Friday from 8:00am - 5:00pm Mountain Time. Making sure that homeowners have access to the assistance they need when they have questions or when issues arise is critical to a successful and smooth utility cost recovery program. Our Client Care team provides timely, professional, friendly telephone and e-mail support.

## Two Rivers Village Management Support

AmCoBi offers personalized service and assistance to Two Rivers Village board & staff to streamline the HOA billing process. Our goal is to manage your HOA monthly billing program so that your staff members can focus their time and attention to other duties and tasks. AmCoBi will assign a dedicated account manager who will be your primary point of contact for all questions or concerns.

HOA Board and the Marchetti & Weaver staff will also have access to AmCoBi's online Management Portal where they can view billing reports, bills, and other financial information.

# REFERENCES

## References

We encourage you to contact our references to learn how our company delivers value to clients:

### **Marchetti & Weaver, P.C.**

Ms. Cissy Olson  
28 Second Street, Suite 213  
Edwards, CO 81632  
Tel: (970) 926-6060 x2

*Note: AmCoBi provides water and assessment billing to several municipal water districts and POAs managed by Marchetti & Weaver.*

### **Boulder Housing Partners**

Mr. Tim Beal  
4800 Broadway St.  
Boulder, CO 80304  
Tel: (720) 564-4651

### **Hi-Land Acres Water & Sanitation**

Mr. Fred Brinkerhoff  
PO Box 218  
Brighton, CO 80601  
Tel: (303) 718-7602

## Next Steps

The following steps are required to initiate this monthly HOA billing project for Two Rivers Village HOA:

- Discuss any questions about this proposed project
- AmCoBi will send a billing contract(s) to Two Rivers Village HOA board for review
- Two Rivers Village board will return a signed copy of the billing contract(s) to AmCoBi
- Upon receipt of the signed contract(s), AmCoBi will work with the HOA board and Marchetti & Weaver Management to setup billing and establish a delivery schedule
- AmCoBi will mail a letter of introduction to each home owner or resident
- AmCoBi mails the first HOA monthly bills.

We look forward to working with you on this HOA billing project. We expect you will be completely satisfied with the level of service, attention to detail, and unique capabilities our company offers. Please give me a call at your earliest convenience to discuss this proposal.

Best regards,

Bobby Lee  
Director of Sales



## Community Association Management Agreement

THIS AGREEMENT, dated October 1, 2019, is by and between Two Rivers Homeowner Association, A Colorado nonprofit corporation (hereafter “Association” and/or “Board”) and Marchetti & Weaver, LLC, a Colorado Limited Liability Company (hereafter “Manager”), licensed Community Association Manager under the State of Colorado Department of Regulatory Agencies Division of Real Estate, license number ENT1224.

NOW, THEREFORE, for good and valuable consideration and the mutual promises set forth in this Agreement, the Association and Manager agree as follows:

1. TERM OF AGREEMENT. Subject to the termination rights and renewal provisions provided in Section 7, this Agreement shall be for a period of one (1) year commencing October 1, 2019. Any services provided prior to the Effective Date shall be compensated as provided herein as if this Agreement had been signed when the first services were rendered.
2. COMPENSATION.
  - A. For routine ongoing accounting services as identified in Exhibit A, Manager shall be paid on an hourly rate basis based on actual time incurred and billed at Manager’s standard billing rates.
  - B. For administrative and community association management services as identified in Exhibit A, Manager shall be paid on an hourly rate basis based on actual time incurred and billed at Manager’s standard billing rates.
  - C. Actual out-of-pocket expenses incurred, including but not limited to, computer and copy expenses, long distance telephone charges, office supplies used directly by the Association (such as personalized checks) shall be billed to Association at actual cost without mark up.
  - D. Travel expenses for Association business outside of Eagle County, shall be billed to the Association at the Federal mileage reimbursement rate in effect at the time of travel.
  - E. Tax services shall be billed on an hourly rate basis based on actual time incurred and billed at Manager’s standard billing rates.
  - F. Special projects will be billed on an hourly rate basis based on actual time incurred billed at our standard billing rates.
  - G. Our rates currently are: Principal in firm \$210, Account Manager \$111. Current billing rates may be increased commensurate with inflation for 2020 and future years

# MARCHETTI & WEAVER, LLC

Association CAM Agreement

October 1, 2019

Page 2

3. ASSOCIATION. The Association's governing body (management committee, board of directors, board of trustees, or other similar governing body ("Board")) shall direct the Manager and the Manager shall take instruction from the person(s) identified in writing to communicate with the Manager. The Board shall have and make all authority, discretion, or decisions of the Association in this Agreement.
  
4. MANAGER AS INDEPENDENT CONTRACTOR Manager shall operate as an independent contractor and shall not be considered an employee of the Association for any purpose. The Association hereby appoints Manager as the Association's agent to manage the Association and the Project according to the terms and conditions in this Agreement which include the scope of services in Exhibit A attached hereafter ("Manager's Duties"). Manager hereby accepts such appointment.
  - A. The Association hereby grants Manager the power and authority necessary and convenient to carry out Manager's Duties.
  - B. Manager shall act on behalf of and as an agent for the Association. All debts and obligations incurred by Manager on behalf of the Association required by the performance of Manager's Duties in this Agreement shall be incurred on the Association's behalf and Manager shall not be liable for the payment of any such debts or obligations. If any debts or obligations other than those that may be expressly assigned to Manager in this Agreement are paid by Manager, Manager shall be entitled to reimbursement from the Association for any such payments.
  
5. MANAGER'S DUTIES. Manager shall provide the services indicated in Exhibit A attached to this Agreement, which shall include any work, effort, and action necessary or incidental to providing those services.
  - A. All such services shall be provided consistent with the Governing Documents and Colorado Common Interest Ownership Act ("CCIOA").
  - B. The Annual Budget approved by the Board shall constitute a major control under which the Manager shall operate.
  - C. Manager has no authority or responsibility for maintenance or repairs to individual dwelling units in the Association. All duties and responsibilities are confined to the common areas and facilities as well as the general operation of the Association. Such authority and duties do not and shall not include supervision or management of individual units.
  - D. Manager reserves at all times the right to hire and dismiss its managers, assistants and other employees
  - E. The Association, through the Board or its agents, shall not attempt to direct or control the activities of Agent personnel.
  - F. If Manager requires legal, expert, or other professional advice, opinions, or assistance to perform Manager's Duties consistent with the Governing Documents and this Agreement, the Association shall authorize manager to obtain the necessary advice, opinions, or assistance or relieve the Manager of

# MARCHETTI & WEAVER, LLC

Association CAM Agreement

October 1, 2019

Page 3

the applicable Duties.

- G. Notwithstanding anything to the contrary herein, the Association may reduce or remove any Manager's Duties, obligations, and authority of Manager at any time. If the Association reduces or removes any authority necessary to complete any Duty required under this Agreement, the manager shall automatically be relieved of the Duty also.
- H. The Association shall and hereby agrees to comply with all Federal, State, and local statutes that govern community associations.

## 6. ASSOCIATION DUTIES

- A. The Association shall appoint one primary point of contact and one backup point of contact for Agent correspondence and project approval.
- B. The Association shall and agrees to be solely responsible for obtaining, maintaining, retaining, and paying for any and all hazard, property, liability, workers compensation, directors and officers, crime and fidelity insurance on or with respect to the Association. The Association shall and be solely responsible for payment of any mortgage debt or similar liabilities relating to the common elements.
- C. The Association shall and hereby agrees to comply with all Federal, State, and local statutes that govern community associations.

## 7. PERFORMANCE AND TERMINATION

- A. In the event the Association or Manager fails to provide services according to this Agreement, the non-breaching party shall give written notice to the breaching party stating specifically the nature of the breach. The breaching party shall immediately, or within a mutually agreed amount of time, cure the breach or provide written explanation of why breach cannot or will not be cured.
- B. This agreement shall automatically renew for the term of one (1) year upon mutual agreement of both parties.
- C. This Agreement shall terminate as follows:
  - At the will of either party, with or without cause, after 30 days' written notice, effective at the end of the calendar month following the completion of the 30 days' notice period or upon date mutually agreed by both parties
  - Upon order of any court
  - Upon bankruptcy or cessation of business of Manager or Association.
- D. Upon notice of termination, Manager and Association shall continue to perform their respective obligations and duties under this Agreement until this Agreement has been terminated.
- E. Unless otherwise directed by the Association, within 30 business days from any notice of termination by either party (regardless of whether such notice is disputed or not):
  - Manager shall provide to the Association, (i) All records of the Association, (ii) any keys related to the Association, including

# MARCHETTI & WEAVER, LLC

Association CAM Agreement

October 1, 2019

Page 4

- any master keys, and (ii) any personal property belonging to the association in the possession or control of the Manager.
  - Manager shall remove any equipment and other property owned by Manager from the Project and vacate any office or other space occupied by the Manager or the Manager's agents
  - Manager promptly forward to the Association or its designee any checks, invoices, and other documents received related to the Association; and
- F. Manager and Association shall cooperate, to the extent necessary, in transferring control to a new manager. Manager shall be relieved of any Duties that are no longer possible to provide based on the above requirements.
- G. Manager's final billing to the Association shall reflect a charge of for the retention of all of the Association's documentation per CCIOA which requires the Manager to retain copies of all of the Association's records and documentation for the period in which the Manager managed the Association for three (3) years. The amount of such charge shall be determined at the time of the Manager's final billing.
8. RECORDS RETENTION AND DISTRIBUTION. All books and records related to the Association in the possession of or created by Manager shall be and remain property of the Association, whether they are obtained, maintained, or stored electronically (including all data compilations, electronic documents, and digital databases with association related data and records) or otherwise ("Records"). Such records shall include but not be limited to:
- A. Establish and maintain, in accordance with generally accepted accounting principles (GAAP), the books and accounts of the Association. In the absence of a written agreement to the contrary, the accrual basis of accounting will be used for maintaining all required accounts and records.
  - B. Accounting and financial records of the Association including but not limited to: balance sheets; profit/loss statements; accounts receivable aging; accounts payables aging and lists; owner account data, statements, and history; accounts payable aging and lists; budgets; all bank statements; financial account statements; chart of accounts; account detail for all accounts in the chart of accounts; any audits, reviews, or other similar reports, and
  - C. Documents relating to the operation of the Association for those services provided by Manager and outlined in Exhibit A, including but not limited to: meeting minutes; current owner lists including address, and if provided by owner, phone numbers and email addresses; vendor contract information; assessment statements history; newsletters, communications to owners, ballots, proxies, annual meeting voting results and tallies, invoices; warranties; and other records regarding operations of the Association.
  - D. Records shall be distributed in accordance with the Association's records distribution policy

9. **INSURANCE**

- A. Manager shall provide and maintain during the term of this Agreement a general liability insurance policy with limits of not less than one million (\$1,000,000) per occurrence and two million (\$2,000,000) aggregate.
- B. If required by law, Manager shall provide and maintain during the term of this Agreement a worker's compensation insurance policy compliant with the law.
- C. Manager shall carry one million (\$1,000,000) in errors and omissions coverage.
- D. Certificates of Insurance shall be provided to the Association as requested.
- E. If required by C.R.S. § 38-33.3-313, Manager shall secure and pay for a crime policy/ fidelity bond that shall cover Manager's employees. Such bond shall be in an amount not less than required by C.R.S. § 38-33.3-313. The bond may be a blanket or umbrella bond. Such bond shall protect the Association against financial loss due to the loss of Association's funds caused by Manager's employees.

**IMPORTANT NOTE – THE ASSOCIATION MUST OBTAIN ITS OWN CRIME POLICY TO COVER THEFT OF ASSOCIATION FUNDS BY AN OWNER MANAGER, BY THE OWNER OF A MANAGEMENT COMPANY, OR BY ANY ASSOCIATION BOARD MEMBERS, OWNERS, OR OFFICERS**

10. **NOTICES OF LEGAL AND OTHER MATTERS.** Manager and Association shall notify the other promptly of any complaints, warnings, notices, demands, legal notices, subpoenas, summonses, or other governmental demands, or requirements relating to the Association. Manager shall promptly notify the Association of any lawsuits filed against manager in which damages in excess of \$50,000 are being sought, any bankruptcy filing by manager or any owner or officer of manager, or any failure of manager to pay debts in the ordinary course of business without legal justification.

11. **INDEMNITY.** Each party hereto shall indemnify, defend, and hold harmless each other against any and all claims, demands, losses, costs, and damages, including court costs and attorney fees, that shall arise out of or relate to any breach of or failure by the other party to perform any representation, warranty, covenant or agreement, or from any injury, property damage, or other act or occurrence arising from the actions of the Manager, its employees, or from the actions of the Association..

12. **DISPUTE RESOLUTION.** Should any dispute arise as to the interpretation of any clause in this agreement, the parties agree to first make a good faith attempt to mediate the dispute. If the parties cannot resolve the dispute within a reasonable amount of time, the following shall apply to any lawsuit brought between the parties regarding the interpretation of any clause in this agreement:

- A. Any lawsuit shall be brought in Eagle County District Court, and both parties agree to such venue and jurisdiction.

# MARCHETTI & WEAVER, LLC

Association CAM Agreement

October 1, 2019

Page 6

B. The prevailing party in the lawsuit shall be entitled to all of its reasonable attorney's fees, cost and expenses.

13. TRANSFERABILITY. This Agreement cannot be transferred or assigned by either party without the express written consent of the other party

This Agreement is accepted and agreed to and correctly sets forth the understanding between Association and Manager.

Association

Marchetti & Weaver LLC

By: \_\_\_\_\_  
Board President:

By: \_\_\_\_\_,  
Kenneth Marchetti or Eric Weaver

Date: \_\_\_\_\_

Date: \_\_\_\_\_ -



**EXHIBIT A: Detailed Scope of Services**

(Attach Proposal or detailed scope of services)



October 1, 2019

Exhibit A

To the Board of Directors  
Two Rivers Homeowners Association, Inc.

You have requested that we provide bookkeeping, accounting, and certain community association management services for Two Rivers Homeowners Association, Inc. as follows:

**Routine ongoing accounting services:**

- Preparation of checks for payment of bills with the checks to be signed by an authorized check signer separate from our office.
- Billing of assessments, deposit receivables, and related collections.
- Reconciliation of accounts receivable and working capital deposit accounts.
- Reconciliation of bank statements.
- Maintenance of the accounting records.
- Preparation of financial statements, which include the balance sheet and the related statement of revenues, expenses and fund balance for the periods then ended and budgeted statements of revenues, expenses and fund balance for future fiscal periods. These financial statements will not include a statement of cash flows and related notes to the financial statements.
- Participate with the Board in preparation of annual operating budget.
- Update long-term replacement reserve schedule, as necessary.

**Administration and Community Association Management Services:**

- Annual member meeting
  - Prepare notice of member meeting
  - Work with Board president to prepare agenda for meeting
  - Prepare/update proxy form for meeting
  - Update transmittal letter to members regarding annual meeting packet
  - Mail annual meeting packets out
  - Receive proxies for annual meeting
  - Handle check-in for annual meeting and tracking attendance at meeting
  - Attend meeting and take notes to be used for minutes
  - Coordinate voting for annual meeting including secret ballots when required
  - Transcribe notes into draft minutes and circulate for approval
- Board meetings
  - Prepare notice of Board meeting
  - Work with Board president to prepare agenda for meeting
  - Distribute Board meeting packets
  - Attend meeting and take notes to be used for minutes
  - Transcribe notes into draft minutes
- Maintenance of administration and management records.
- Coordinate with the Board to develop a list and scope of services the Association needs.
- Obtain bids for services and engage contractors, as needed and with Board or Officer approval.
- It is noted specifically that our firm will not handle design review or covenant enforcement services but will assist the Board in finding other contractors to perform these services, if needed.
- Assist members with questions and concerns.

# MARCHETTI & WEAVER, LLC

Two Rivers Homeowners Association, Inc.

October 1, 2019

Page 2

- Prepare Title Account Statement Requests.
- Insurance Administration for approval by Board.
- Work with Design Review Committee and coordinate with appropriate reviewers.
- Annual filings and license renewals, as necessary.

Special projects:

- Other special projects that may arise from time to time and for which a “task order” shall be provided by the Association to Marchetti & Weaver, LLC describing the special project. An estimate of time required will be provided if requested by the Board prior to work commencing.

We are pleased to confirm our acceptance and our understanding of this engagement to prepare the above described financial statements of Two Rivers Homeowners Association, Inc. and perform the above described services.

## **Our Responsibilities**

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and from accounting records we maintain. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA’s Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements. The financial statements we prepare are expected to omit substantially all disclosures required by accounting principles generally accepted in the United States of America and the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). Such omission will be noted on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

## **Your Management Responsibilities**

The engagement to be performed is conducted on the basis that your management acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. Your management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARSs:

- a) For prevention and detection of fraud
- b) To ensure that the entity complies with the laws and regulations applicable to its activities
- c) For the accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements
- d) To provide us with:
  - i) Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,

# MARCHETTI & WEAVER, LLC

Two Rivers Homeowners Association, Inc.

October 1, 2019

Page 3

- ii) Additional information that may be requested for the purpose of the preparation of the financial statements, and
- iii) Unrestricted access to persons within Two Rivers Homeowners Association, Inc. of whom we determine necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

## **Tax Return Preparation**

We will prepare the 2019 and future annual federal and state income tax returns for Two Rivers Homeowners Association, Inc. We will depend on management to provide the information we need to prepare complete and accurate tax returns. We may ask management to clarify some items but will not audit or otherwise verify the data submitted.

The law imposes penalties when taxpayers underestimate their tax liability. Please call us if there are any concerns about such penalties.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on the behalf of Two Rivers Homeowners Association, Inc., the alternative selected by management.

We will retain copies of our work papers for the engagement for seven years, after which these documents may be destroyed.

Our engagement to prepare the 2019 tax returns will conclude with the delivery of the completed returns to management (if paper-filing) or upon receipt of the authorization of an Association officer and our subsequent submittal of the tax return (if e-filing). If management has not selected to e-file the returns with our office, management will be solely responsible to file the returns with the appropriate taxing authorities. An Association officer should review all tax return documents carefully before signing them.

## **Other Relevant Information**

Our proposed fees for the routine ongoing bookkeeping and accounting services, Administrative and Management services will be billed on an hourly rate basis based on the actual time incurred billed at our standard billing rates. The tax services described above will be billed on an hourly rate basis based on the actual time incurred billed at our standard billing rates. Upon approval by the Board, special projects will be billed on an hourly rate basis based on actual time incurred billed at our standard billing rates.

Our rates currently are: Principal in firm (Ken Marchetti) \$210, Account Manager \$111. Current billing rates may be increased commensurate with inflation for 2020 and future years. We may also charge for actual out-of-pocket expenses incurred (without mark-up), including but not limited to, computer and copy expenses, long distance telephone charges, office supplies used directly by the Association (such as personalized checks) and travel expenses for Association business outside of Eagle County. We do not collect a fee directly from owners in the Association or from purchasers of units in the Association or from title companies for the preparation of title company estoppel statements or any other fee related to transfer of units in the Association. However, we do bill the Association for the actual time we incur at our standard billing rates for services rendered in this regard. The Association may charge a fee for these services and such fee will be paid by the owner or title company directly to the Association.

MARCHETTI & WEAVER, LLC

Two Rivers Homeowners Association, Inc.  
October 1, 2019  
Page 4

This engagement shall continue until terminated by either party. This engagement may be terminated by you or by us as outlined in Section 7 of the Community Association Management Agreement.

We will be pleased to discuss this letter with you at any time.

Respectfully,

MARCHETTI & WEAVER, LLC

Principal

RESPONSE:

This proposal is accepted and agreed to and correctly sets forth the understanding between Marchetti & Weaver, LLC and Two Rivers Homeowners Association, Inc.

TWO RIVERS HOMEOWNERS ASSOCIATION, INC.

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

**TWO RIVERS HOMEOWNERS ASSOCIATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGED IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

Printed: 10/22/19

	Cal Yr 2018 Actual	Cal Yr 2019 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2019 Forecast	9 Mo Ended 09/30/19 Actual	Remaining Budget (Unfavor)	Cal Yr 2020 Prelim Budget
Properties	224	256		256			253
Operating Assessments		\$ 600		\$ 600			\$ 620
Reserve Assessments		180		180			190
Assessments per Property	<b>\$ 780</b>	<b>\$ 780</b>		<b>\$ 780</b>			<b>\$ 810</b>
<b>Revenues</b>							
Total Assessments	174,498	200,000	-	200,000	138,150	(61,850)	204,930
Compliance Fines	0	0	-	0	100	100	500
Late Fees and Other Income	0	500	(500)	0	0	(500)	500
Interest Income	61	70	75	145	112	42	149
Title Prep Fees	0	0	500	500	0	0	0
DRB Reimbursable	675						
<b>Total Revenues</b>	<b>175,233</b>	<b>200,570</b>	<b>75</b>	<b>200,645</b>	<b>138,362</b>	<b>(62,208)</b>	<b>206,079</b>
<b>General and Admin Expenditures</b>							
Accounting & Administration	52,200	52,000	(10,050)	62,050	45,550	6,450	54,000
Legal	900	1,000	790	210	210	790	1,030
Monthly Assessment Billings	0	0	-	0	0	0	12,000
Metro District Cost Reimbursement	37,088	40,000	(9,149)	49,149		40,000	46,676
Insurance	1,064	1,200	7	1,193	1,193	7	1,236
DRC Admin Support	0	0	(2,328)	2,328	2,328	(2,328)	0
Bank Fees	600	0	-	0	0	0	600
Office Expenses and Misc.	1,942	3,000	800	2,200	1,963	1,037	3,090
<b>Total General &amp; Admin Expenditures</b>	<b>93,794</b>	<b>97,200</b>	<b>(19,930)</b>	<b>117,130</b>	<b>51,244</b>	<b>45,956</b>	<b>118,632</b>
<b>Operating Expenditures</b>							
Landscaping & Irrigation	66,346	59,000	(12,050)	71,050	58,502	498	60,770
Repairs and Maintenance	2,190	4,300	2,300	2,000	1,458	2,843	4,429
<b>Total Operating Expenses</b>	<b>68,537</b>	<b>63,300</b>	<b>(9,750)</b>	<b>73,050</b>	<b>59,960</b>	<b>3,340</b>	<b>65,199</b>
<b>Total Expenditures</b>	<b>162,331</b>	<b>160,500</b>	<b>(29,680)</b>	<b>190,180</b>	<b>111,203</b>	<b>49,297</b>	<b>183,831</b>
<b>REVENUE OVER (UNDER ) EXPENDITURES</b>	<b>12,903</b>	<b>40,070</b>	<b>(29,605)</b>	<b>10,465</b>	<b>27,159</b>	<b>(12,911)</b>	<b>22,248</b>
BEGINNING FUND BALANCE	95,742	108,644	0	108,644	108,644	0	119,109
<b>ENDING FUND BALANCE</b>	<b>108,644</b>	<b>148,714</b>	<b>(29,605)</b>	<b>119,109</b>	<b>135,803</b>	<b>(12,911)</b>	<b>141,357</b>

See accompanying accountant's report.

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**TWO RIVERS HOMEOWNERS ASSOCIATION  
Balance Sheet**

ASSETS	12/31/18	9/30/19
<b>Current Assets:</b>		
Bank Account- Operating	24,061	2,990
Bank Account- Reserve	148,046	143,146
<b>Total Cash in Bank</b>	<b>172,107</b>	<b>146,136</b>
Accounts Receivable	21,325	31,473
Other Receivables	0	500
Allowance for Doubtful Accounts	(13,642)	(13,512)
<b>Total Current Assets</b>	<b>179,790</b>	<b>164,597</b>
<b>TOTAL ASSETS</b>	<b>179,790</b>	<b>164,597</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts Payable	47,131	2,244
<b>Total Liabilities</b>	<b>47,131</b>	<b>2,244</b>
<b>Net Assets</b>		
Working Capital Reserve	24,015	26,550
Fund Balance	108,644	135,803
<b>Total Net Assets</b>	<b>132,659</b>	<b>162,353</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>179,790</b>	<b>164,597</b>

See accompanying accountant's report.

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