

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**January 16, 2013**

**PRESENT:** Marilyn Lillienfeld, Don Bowman, Carlton Rooks, Charles Schroeder

**ABSENT:** Joe Pruess, Paul Snyder

**GUEST:** Gregg Dittoe

The Budget & Finance Committee Meeting was called to order at 2:05 PM. A quorum was present shortly after the call.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (December 11, 2012) and to discuss the BCA Financial Statements for November 2012. For other items see enclosed agenda.

**Minutes of the December 11, 2012 B&F Committee Meeting**

The Minutes of the December 11, 2012 B&F Committee Meeting were approved unanimously.

**Review of BCA Financials for November 2012**

See attached copy of the review of the November financials for details. As of November 30, 2012 the total of all three accounts opened with JPMorganChase is \$1,004,121.44. All investments follow strict guidelines established by the Board. Due to late receipt of statements from Chase AAM did not update the prior month figure of \$1,000,065.66. Marilyn and Charles will meet with Chase to eliminate this problem.

**Status Report of Delinquent HOA Dues**

Paul will present his detailed monthly report at our next meeting. Assessment arrears declined by \$4,287 to \$6,453 during the month of November.

**Outside Proposals for Reserve Plan Review**

The Committee discussed the proposals from Advanced Reserve Solutions(ARS) and Association Reserves(AR). Don proposed to accept the offer of AR for a Reserve Study Update with Site Visit within an eight week time span for \$3,120. Besides the highly competitive price the AR reserve specialist has known Bellasera and its reserve components for years and also accepts the road study commissioned by the Board. The B&F Committee agrees and recommends to the Board to accept the above AR proposal.

(The dollar amount is within the approval authority of the BCA President). The Committee will have the right to review the report in draft form; and is asking AR if there is any attachment to the proposal in the form of additional contract language. Don to follow-up on this.

### **Cost of Dog Park**

The park will be completed during this month and the cost will be approximately \$80,000 offset largely by accumulated reserve funds. Marilyn is expecting to hear from AAM in response to her memo about the accounting treatment of this expense.

### **Reserve Fund Investments**

In the absence of the yearend December Financials Marilyn calculated the total value of the \$300,000 investment in Fixed Income and Cash as of 1/16/2013 which is slightly down to \$296,930. On the other hand we gained \$4,606 in yearend distributions which we earned during the 1.5 months since the assets were acquired. After the meeting with Chase we will include a table in our monthly reviews of the BCA financials that keeps track of the performance of the investments. To keep in line with new FDIC rules the Committee recommends that the Board instructs AAM to transfer the funds in the Money Market Account at MOB to Chase.

### **Update for Budget Preparation**

The following meetings were set:

Tuesday, February 19th @ 3PM for the first budget draft meeting with Viola;

Tuesday, February 26th @ 3PM for the regular monthly B&F meeting;

Monday, March 4th @ 3PM for the second budget draft meeting with Viola (subsequently postponed).

### **The next Meeting Date**

Tuesday, February 26, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:15 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for November 2012.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
JANUARY 16, 2013 @ 2PM @ CLUBHOUSE**

1. Review & approve minutes of December 11, 2012 meeting
2. Review of November, 2012 financial statements
3. Report on status of HOA dues collection
4. Discuss outside proposals for Reserve Fund review
5. Report on status of costs of dog park
6. Review of Reserve Fund investments and cash in bank
7. Discuss any updates on budget planning
8. Confirm February 27<sup>th</sup> date for next regular meeting and Feb. 21<sup>st</sup> and Feb. 29<sup>th</sup> dates for budget planning meetings
9. New business
10. Adjourn

## Review of BCA Financials for November 2012

**Comments:** As of November 30, 2012 the balances at JPMorganChase show the following: the Investment A/C \$503,406.44 and the Brokerage A/C 500,715.00 for a total of \$1,004,121.44. In the Balance Sheet, however, AAM shows no change from the prior month. At the beginning of next year the expanded FDIC coverage of bank deposits will revert back to the previously existing \$250,000 limit. The B&F Committee has already recommended appropriate adjustments in current arrangements by limiting the exposure to MOB to the new \$250,000 ceiling.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) as a whole have decreased by \$3,414 or 27% from the prior month to \$9,026 mainly due to the collection of late dues.

### DEVELOPMENT OF BELLASERA'S A/R's

FY	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Oct. 31	Nov. 30
<b>2011/12</b>	18,820	19,124	13,993	13,780	23,611	18,117
<b>2012/13</b>	15,066	12,107	13,230	6,080	12,440	9,026
% of ¼ Dues	8	6	7	3	7	5
<b>YOY</b>	-20 %	-37%	-5.5%	-55.9%	-47.3%	-50.2%

**Income:** In line with budget.

**Salaries & Wages:** In line with budget.

**Administrative & General:** In line with budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** In line with budget.

**Utilities:** 14% under budget.

**Income Taxes:** None due.

**Insurance:** 7% under budget.

**Operating Owners' Equity:** The balance is now \$57,749, an increase of \$1,595.

**Reserve Owners' Equity:**

As of November 30, 2012 the total balance as per AAM Statement is \$1,205,411, a decrease of \$6,159.

Charles Schroeder, December 26, 2012

# **BELLASERA COMMUNITY ASSOCIATION**

## **Budget & Finance Committee Meeting Minutes**

### **February 26, 2013**

**PRESENT:** Marilyn Lillienfeld, Don Bowman, Carlton Rooks, Charles Schroeder and Paul Snyder

**ABSENT:** Joe Pruess

**GUESTS:** Gregg Dittoe, Viola Lanam, Butch Gaberman<sup>1</sup> and Chuck Roach<sup>2</sup>

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

#### **Purpose of the Meeting**

To review / approve the minutes of our last meeting (January 16, 2013) and to discuss the BCA's Financial Statements for December 2012 and January 2013. For other items see enclosed agenda.

#### **Minutes of the January 16, 2013 B&F Committee Meeting**

The Minutes of the January 16, 2013 B&F Committee Meeting were approved unanimously.

#### **Review of BCA's Financials for December 2012 and January 2013**

See attached copies for details. As of January 31, 2013 Chase showed a combined total of \$1,251,922.86 in all 3 of BCA's accounts. It represents the total of BCA's Reserve Funds and includes the balance previously held in the money market account at Mutual of Omaha Bank. The move was in response to changes in FDIC insurance rules.

#### **Status Report of Delinquent HOA Dues**

Paul presented his detailed monthly report. Five delinquent accounts were added in January increasing accounts receivable by \$2,925 and bringing assessment arrears to \$8,182 as of the middle of February.

#### **Independent Reserve Plan Study**

Don Bowman presented the *Reserve Projects – Status Summary* as of January 31, 2013 and the Committee discussed the potential need for an update of the currently available *Road Study*. Gregg will check what the date of the latest study is that was done. In any case the latest study should be made available to Association Reserves (AR) for inclusion in the reserve study along with the last reserve study based on *Win Reserve*. Viola Lanam stated that, otherwise, AR has all the information they need. Viola will call AR to set up a date for review of the draft study. Don will calculate estimated reserve fund totals at FYE 6/30/2013 including accumulated expenses for the roads of \$82,609.

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<sup>1</sup> Candidate for B&F Committee member.

<sup>2</sup> Candidate for B&F Committee member.

### **Cost of Dog Park**

The park is now completed and operational. The cost of \$82,713 will not be capitalized but instead paid with accumulated reserve funds. The monthly maintenance cost of \$190 will be budgeted for in the next fiscal year. The park will be closed during re-seeding for a month. Chuck mentioned that there were several options to fund enhancements of the surrounding common areas: the use of Operation Funds, Reserve Funds, Loans and Special Assessments.

### **Reserve Fund Investments**

The chair informed the Committee that BCA has opened a Savings-Account at Chase for the purpose of investing in CD's of FDIC insured and otherwise acceptable financial institutions. Charles inquired about a *management fee* charge on January 18, 2013 of \$1,198.29 in the Chase managed investment account. Marilyn stated that Chase will only charge BCA a quarterly fee of 1% for the investment in the \$500,000 *Sage Fund* of about \$5,000 per year. The yield of this fund is between 6-8% p.a. The Board would like to get from Chase a monthly statement that simply shows the position total and cash and gains/losses of the BCA investments. The difficulty seems to be the fact that JPMorgan handles the account on a cash basis while BCA's accounting is conducted on an accrual basis. A meeting to solve this issue will be scheduled with Chase. A date for review of our investments with Chase will also be set for March or early April.

### **Update for Budget Preparation**

The following meeting was set:

Monday, March 11th @ 3PM for the second budget draft meeting with Viola.

### **The next Meeting Date**

Tuesday, March 27, 2013 at 3:00 PM at the Clubhouse. (Date changed from 2/26/2013).

There being no other business the meeting was adjourned at 5:10 PM.

**Enclosures:** B&F Committee Meeting Agenda;

Review of BCA Financials for December 2012;

Review of BCA Financials for January 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
FEBRUARY 26, 2013 @ 3PM @ CLUBHOUSE**

1. Review & approve minutes of January 16, 2013 meeting
2. Review of December, 2012 and January, 2013 financial statements
3. Report on status of HOA dues collection
4. Update on status of independent reserve study
5. Discussion of status of budget for FYE 6/30/2014
6. Review of reserve fund investments
  - a. Chase review presentation in late March/early April?
7. Discuss need for physical inventory of assets covered by reserve plan
8. Set regular B&F and budget meeting dates
9. New business
10. Adjourn

## Review of BCA Financials for December 2012

**Comments:** As of December 31, 2012 the balances in the three accounts at JPMorganChase total \$1,001,737.18 and are slightly larger than the total of \$1,000,065.18 shown in the balance sheet by AAM. To avoid non-coverage of BCA's Reserve Funds at Mutual of Omaha bank under currently prevailing FDIC insurance rules the Bellasera Board has approved the transfer of these funds to the Chase Manhattan Bank. At the same time the Board has also approved an increase in the upper limit of the funds to be held at Chase to \$1,400,000.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) as a whole have decreased by \$3,464 or 38% from the prior month to \$5,562. Collection efforts continue to show great success. The number of residences at Bellasera that are past due in payment of assessments is below 2%.

### DEVELOPMENT OF BELLASERA'S A/R's

<b>FY</b>	<b>Mar. 31</b>	<b>Jun. 30</b>	<b>Sep. 30</b>	<b>Oct. 31</b>	<b>Nov. 30</b>	<b>Dec. 31</b>
<b>2011/12</b>	19,124	13,993	13,780	23,611	18,117	15,066
<b>2012/13</b>	12,107	13,230	6,080	12,440	9,026	5,511
<b>% of ¼ Dues</b>	6	7	3	7	5	3
<b>YOY</b>	-37%	-5.5%	-55.9%	-47.3%	-50.2%	-63.4%

**Income:** About \$2,000 over budget due mainly to insurance recovery.

**Salaries & Wages:** \$2,230 over budget due mainly to bonuses.

**Administrative & General:** \$1,345 over budget due to increased office expenses.

**Contract Services:** Slightly over budget.

**Repairs & Maintenance:** Over budget due to repairs but well within YTD budget.

**Utilities:** 14% under budget.

**Income Taxes:** None due.

**Insurance:** 7% under budget.

**Operating Owners' Equity:** The balance is now \$49,845, a decrease of \$7,903.

**Reserve Owners' Equity:**

As of December 31, 2012 the total balance as per AAM Statement is \$1,199,916, a decline of \$5,494.

Charles Schroeder, February 3, 2013



## Review of BCA Financials for January 2013

**Comments:** As of January 31, 2013 the balances in the three accounts (all of BCA's Reserve Funds) at JPMorganChase total \$1,251,922.86 which is \$5,637.58 below the total of \$1,257,560.44 shown in the balance sheet prepared by AAM. Recent efforts by the B&F Committee will hopefully result soon in more timely reporting by Chase to AAM to avoid such discrepancies.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) as a whole have again increased by \$6,629 or 119% from the prior month to \$12,190. This is mainly due to 3.6% of residences paying assessments late. As to hard core delinquency resolution progress continues quite satisfactory.

### DEVELOPMENT OF BELLASERA'S A/R's

FY	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Jan. 31
<b>2011/12</b>	19,124	13,993	13,780	15,066	20,432
<b>2012/13</b>	12,107	13,230	6,080	5,562	12,191
% of ¼ Dues	6	7	3	3	6
<b>YOY</b>	-37%	-5.5%	-55.9%	-63.4%	-40.3%

**Income:** In line with budget. The cell tower lease payment of \$6,753.70 was already received last September.

**Salaries & Wages:** In line with budget.

**Administrative & General:** 26% under budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** Under budget.

**Utilities:** 100% over budget due to budgeting error in gas use. YTD over budget 3%.

**Income Taxes:** None due.

**Insurance:** YTD 7% under budget.

**Operating Owners' Equity:** The balance is now \$50,522, an increase of \$421.

**Reserve Owners' Equity:**

As of January 31, 2013 the total balance as per AAM Statement is \$1,257,560, an increase of \$36,250 (see also above comments).

Charles Schroeder, February 23, 2013

# **BELLASERA COMMUNITY ASSOCIATION**

## **Budget & Finance Committee Meeting Minutes**

### **March 27, 2013**

**PRESENT:** Marilyn Lillienfeld, Joe Pruess, Don Bowman, Butch Gaberman, Chuck Roach Carlton Rooks, Charles Schroeder and Paul Snyder

**GUESTS:** Gregg Dittoe, Viola Lanam

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

#### **Purpose of the Meeting**

To review / approve the minutes of our last meeting (February 26, 2013) and to discuss the BCA's Financial Statements for February 2013. For other items see enclosed agenda.

#### **Minutes of the February 26, 2013 B&F Committee Meeting**

The Minutes of the February 26, 2013 B&F Committee Meeting were approved unanimously.

#### **Review of BCA's Financials for February 2013**

See attached copies for details. As of February 28, 2013 Chase showed a combined total of \$1,236,291.86 in all 4 of BCA's accounts. It represents the total of BCA's Reserve Funds. An additional amount of \$2,962 represents accrued interest and is carried as account receivable. Viola will look into the reasons why the *Security Contract* is 14% or \$11,038 over YTD budget.

#### **Status Report of Delinquent HOA Dues**

Paul presented his detailed monthly report. Delinquent accounts declined to 3 from 5 in January, bringing assessment arrears down to \$5,478 by the middle of March.

#### **Independent Reserve Plan Study**

Don Bowman presented the *Reserve Projects – Status Summary* as of February 28, 2013. Viola set up a meeting with the Reserve Plan consultant for 4/4/2013 at 9AM at the Clubhouse and provided him with a lot of data. Once the Financials for March are available we will also make our estimate of the closing Reserve Balance as of 6/30/2013 available to Association Reserves (AR).

#### **Estimated Income Taxes**

Marilyn has made detailed calculations of BCA's Federal and State Income Taxes estimated for the FY 2013/2014 to be included in BCA's budget. According to the computation \$5,000 is payable in Federal taxes and no payment of State taxes is due because of the sizeable amount of US-Treasuries held by BCA in the investment account.

**Budget Completion and Recommendation to the Board**

The Budget process has been completed and as a result the Association Dues will be increased for the next FY from \$530 to \$540 per quarter or 1.9%. The B&F Committee Chair asked the members to vote for or against the recommendation to the Board to accept the new Budget. The result is: 6 members voted in favor and 2 members voted against an increase of \$10 per quarter.

**The next Meeting Date**

Wednesday, April 24, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:50 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for February 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
MARCH 27, 2013 @ 3PM @ CLUBHOUSE**

1. Review & approve minutes of February 26, 2013 meeting
2. Review of February, 2013 financial statements
3. Report on status of HOA dues collection
4. Update on status of independent reserve study
5. Finalization of budget for FYE 6/30/2014
6. Insurance coverage review
7. Discussion of information to be provided for annual meeting
8. Investment status
  - a. Set date for Chase review
9. Set next meeting date
10. New business
11. Adjourn

## Review of BCA Financials for February 2013

**Comments:** As of February 28, 2013 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase total \$1,236,291.86 reflecting the month-end account statements of the bank and do not include accrued interest of \$2,962 which, by the way, is carried now separately as account receivable. The four accounts are: A checking account, two investment accounts and one *sweep* account. Besides the reserve accounts BCA continues to maintain its operational transaction account at Mutual of Omaha Bank and a small petty cash account.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) as a whole have decreased by \$4,228 or 34.7% from the prior month to \$7,963. Mainly due to collection of late assessments. Hard core delinquency resolution progresses satisfactorily.

### DEVELOPMENT OF BELLASERA'S A/R's

FY	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Jan. 31	Feb. 28
2011/12	19,124	13,993	13,780	15,066	20,432	12,370
2012/13	12,107	13,230	6,080	5,562	12,191	7,963
% of 1/4 Dues	6	7	3	3	6	4
YOY	-37%	-5.5%	-55.9%	-63.4%	-40.3%	-35.6%

**Income:** In line with budget. However, *Dog Park Income* of \$2,425 was received and should be tagged as not taxable.

**Salaries & Wages:** In line with budget.

**Administrative & General:** 7% over budget due to non-budgeted reserve study. YTD under budget.

**Contract Services:** 22% over budget mainly due to *Security* which is 14% over budget YTD.

**Repairs & Maintenance:** Over budget, mainly due to *trail maintenance* and *landscape*.

**Utilities:** under budget. YTD in line with budget.

**Income Taxes:** None due.

**Insurance:** YTD 7.7% under budget.

**Operating Owners' Equity:** The balance is now \$42,957, a decline of \$7,572.

**Reserve Owners' Equity:**

As of February 28, 2013 the total balance as per AAM Statement (adjusted) is \$1,199,023, a decrease of \$6,631.

# **BELLASERA COMMUNITY ASSOCIATION**

## **Budget & Finance Committee Meeting Minutes**

### **April 24, 2013**

**PRESENT:** Marilyn Lillienfeld, Joe Pruess, Don Bowman, Butch Gaberman, Chuck Roach, Carlton Rooks, Charles Schroeder and Paul Snyder

**GUESTS:** Richard Hoffman, Viola Lanam

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

#### **Purpose of the Meeting**

To hear the presentation of financial review of investment accounts by Messrs. Bernard and Smith of JP Morgan Chase.

Followed by our review / approval of the minutes of our last meeting (March 27, 2013) and to discuss the BCA's Financial Statements for March 2013. For other items see enclosed agenda.

#### **Review of BCA Investment Accounts**

Darren Bernard stated in his review that BCA's investments began about 4 + months ago and needed additional time to show anticipated levels of return. Current returns are affected, among others, by payments of bond premiums which are amortized over time and will be covered when more semi-annual interest payments are received. Overall, Darren recommends to stay the course with our current investment strategies.

#### **Minutes of the March 27, 2013 B&F Committee Meeting**

The Minutes of the March 27, 2013 B&F Committee Meeting were unanimously approved.

#### **Review of BCA's Financials for March 2013**

See attached copy for details. As of the end of March 2013 Chase showed a combined total of \$1,182,456. in all 4 of BCA's accounts. It represents the total of BCA's Reserve Funds and does not include accrued revenues of \$3,065. *Security* is back to a more normal overage of about two weeks of pay. The *A&G Account* is 22% below budget and benefited from a release of \$1,500 from the *Bad Debt Reserve* due to declining delinquent accounts.

#### **Status Report of Delinquent HOA Dues**

Paul presented his detailed monthly report. Delinquent accounts from the Jan-Mar 2013 quarter have further declined to 2 accounts which - when also overdue for the Apr - Jun 2013 quarter assessment - should be turned over to the attorney. BCA may receive funds from *excess proceeds* in the case of delinquent unit 2137 (\$2,638) and Richard Hoffman has offered to review this case personally.

### **Independent Reserve Plan Study**

On April 4, 2013 D.J. Vlaming, Reserve Specialist of Association Reserves – Arizona LLC, met with Messrs. Ditto, Bowman and Anetsberger of BCA and subsequently proceeded with his *Site-Visit* for the Reserve Study Update. In the meantime we have received his draft Reserve Plan Update.<sup>1</sup>

### **Comments on Annual Meeting.**

Comments included the words: “harmonious”, “informative” as well as “appreciative” of the work done by the Board and the various BCA committees.

### **Accounting for Investments**

Marilyn and Joe met with Paul Hansen, CPA, and Christina Vaaler, AAM Staff Accountant, to discuss how to best account for BCA’s Reserve Fund investments as well as the format of annual compilations or audits of BCA’s financials. As an HOA BCA does not get 1099s from Chase, so a footnote on the monthly statements that no State tax is due on US Treasuries would be welcome.

### **Approved BCA Budget for FY 2013-2014**

Viola distributed copies of the new Budget which was approved by the new Board in line with the recommendations of the previous Board.

### **The next Meeting Date**

Wednesday, May 22, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:45 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for March 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

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<sup>1</sup> A discussion of the draft with D.J. Vlaming by phone will take place @ the Clubhouse at 1:00p on 5/17/13. Members of the B&F Committee will meet ½ hr. before for preparation.

**BELLASERA COMMUNITY ASSOCIATION**  
**AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING**  
**APRIL 24, 2013 @ 3PM @ CLUBHOUSE**

1. Financial review of investment accounts by Darren Bernard from Chase Bank
2. Review & approve minutes of March 27<sup>th</sup> meeting
3. Review of March 2013 financial statements
4. Report on status of HOA dues collection
5. Update on outside Reserve Fund study & April 4<sup>th</sup> onsite visit
6. Comments on annual meeting
7. Discuss meeting with CPA firm & AAM about accounting for investments
8. Set date for next meeting
9. New business
10. Adjourn



## Review of BCA Financials for March 2013

**Comments:** As of March 31, 2013 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase total \$1,182,456.15 reflecting the month-end account statements of the bank (adjusted for \$71,074.44 in expenses) and do not include accrued revenue of \$3,065, but do include a \$200,000 CD with Discover Bank.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) as a whole have decreased by \$3,575 or 44.9% from the prior month to \$4,388. Hard core delinquency resolution continues to progress very well.

### DEVELOPMENT OF BELLASERA'S A/R's

FY	Jun. 30	Sep. 30	Dec. 31	Jan. 31	Feb. 28	Mar. 31
2011/12	13,993	13,780	15,066	20,432	12,370	12,107
2012/13	13,230	6,080	5,562	12,191	7,963	4,388
% of ¼ Dues	7	3	3	6	4	2
YOY	-5.5%	-55.9%	-63.4%	-40.3%	-35.6%	-63.8%

**Income:** In line with budget.

**Salaries & Wages:** In line with budget.

**Administrative & General:** 22% under budget aided by release of \$1,500 from *Bad Debt Reserve*. YTD also under budget.

**Contract Services:** In line with budget. *Security* is back to a more normal overage of about two weeks pay.

**Repairs & Maintenance:** 49% under budget. YTD 1.7% under budget.

**Utilities:** 26% under budget. YTD 5% under budget.

**Income Taxes:** March 15, 2013 was tax day for estimated income taxes. Need to check carry-over from last year to determine if any taxes were due.<sup>2</sup>

**Insurance:** YTD 7.2% under budget.

**Operating Owners' Equity:** The balance is now \$52,687, an increase of \$4,730.

**Reserve Owners' Equity:**

As of March 31, 2013 the total balance as per AAM Statement is \$1,164,490, a decrease of \$34,533.

Charles Schroeder, April 19, 2013

<sup>2</sup> Subsequently it was determined that no taxes were payable due to carry-over from prior FY.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**May 22, 2013**

**PRESENT:** Marilyn Lillienfeld, Joe Pruess, Don Bowman, Butch Gaberman,  
Carlton Rooks, Charles Schroeder and Paul Snyder

**GUESTS:** Gregg Ditto, Paul Anetsberger and Viola Lanam

**ABSENT:** Chuck Roach,

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (April 24, 2013) and to discuss the BCA's Financial Statements for April 2013. For other items see enclosed agenda.

**Minutes of the April 24, 2013 B&F Committee Meeting**

The Minutes of the April 24, 2013 B&F Committee Meeting were unanimously approved.

**Review of BCA's Financials for April 2013**

See attached copy for details. As of the end of March 2013 Chase showed a combined total of \$1,246,776 in all 4 of BCA's accounts including a \$200,000 CD at Discover Bank. It represents the total of BCA's Reserve Funds and does not include accrued revenues of \$3,778. AAM will reclassify an amount of \$530 booked as assessment income to credit *Accounts Receivable*. All operating accounts are either in line or below budget, except *Salaries & Wages* (+28%) due to extra work in connection with the BCA Annual Meeting.

**Review of BCA Investment Results**

Darren Bernard, V.P. and Private Client Advisor of J.P. Morgan Chase, recommended at our April meeting to stay the course as to BCA's current investments at Chase. The Committee agrees and suggests to give Chase one year of additional time to show that anticipated levels of returns will be reached.

**Status Report of Delinquent HOA Dues**

Paul presented his detailed monthly report as of April 30, 2013. The good news is that only 3 "new" unpaid accounts were recorded for the current quarter. This is the lowest number in several years. Also, the total of delinquent assessments (90 or more days past due) including late, demand and lien fees has fallen to below of \$4,000. Of this amount \$2,638 is currently held by attorneys for potential distribution to BCA.

### **Independent Reserve Plan Study**

On April 4, 2013 D.J. Vlaming, Reserve Specialist of Association Reserves – Arizona LLC, met with Messrs. Ditto, Bowman and Anetsberger of BCA and subsequently proceeded with his *Site-Visit* for the Reserve Study Update. In the meantime we have received his draft Reserve Plan Update and had a subsequent phone discussion with D.J. about it. The draft contains a new reserve component *View Fence Replacement* and D.J. has used a 50% replacement cost of between \$650,000 and \$795,000 divided into three phases of 19, 20 and 21 years of remaining life. It should be noted that BCA's CC&Rs state that 100% of the cost is the responsibility of the HOA. Furthermore, the author of the Reserve Study Update disagrees with PMIS' 2010 report as to the condition of the roads and believes they are in worse condition.

Don Bowman will update the road portion of the Win Reserve analysis and provide AR with the latest Win Reserve analysis.

### **BCA Insurance**

The Board has decided to change the general liability coverage to \$2 million with a \$15 million umbrella and to add flood insurance for both the club house and the guard house. This will add net about \$3,600 (20%) to the current annual insurance cost.

### **The next Meeting Date**

Thursday, June 20, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:50 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for April 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE  
COMMITTEE MEETING  
MAY 22, 2013 @ 3PM @ CLUBHOUSE**

1. Review & approve minutes of April 24, 2013 meeting
2. Review of April, 2013 financial statements
3. Review of investment results
4. Report on status of HOA dues collection
5. Discuss budget changes needed for Reserve Fund FYE  
6/30/2014
6. Discuss Associated Reserves draft report on Reserve  
adequacy----see attached sheet on Talking Points
7. New business
8. Set next meeting date
9. Adjourn

## Review of BCA Financials for April 2013

**Comments:** As of April 30, 2013 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase total \$1,246,775.77 reflecting the month-end account statements of the bank (adjusted for \$13,374.44 net in expenses) and do not include accrued revenue of \$3,778, but do include a \$200,000 CD with Discover Bank.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have increased by \$3,930 or 89.6% from the prior month to \$8,318. The rise is due entirely to late/non payment of assessments and related fees..

### DEVELOPMENT OF BELLASERA'S A/R's

FY	Jun. 30	Sep. 30	Dec. 31	Jan. 31	Feb. 28	Mar. 31	Apr. 30
2011/12	13,993	13,780	15,066	20,432	12,370	12,107	21,622
2012/13	13,230	6,080	5,562	12,191	7,963	4,388	8,318
% of ¼ Dues	7	3	3	6	4	2	4
YOY	-5.5%	-55.9%	-63.4%	-40.3%	-35.6%	-63.8%	-61.5%

**Income:** 2.6% over budget due to fees/charges as well as receipts of past due assessments.<sup>1</sup>

**Salaries & Wages:** 28% over budget (possibly due in part for extra work for Annual Meeting?).

**Administrative & General:** Inline with budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** 17% under budget. YTD 3.2% under budget.

**Utilities:** 14% under budget. YTD 5% under budget.

**Income Taxes:** No taxes due.

**Insurance:** YTD 7.1% under budget.

**Operating Owners' Equity:** The balance is now \$55,055, an increase of \$2,368.

**Reserve Owners' Equity:**

As of April 30, 2013 the total balance as per AAM Statement is \$1,191,123, an increase of \$26,633.

Charles Schroeder, May 18, 2013

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<sup>1</sup> An amount of \$530 booked under assessment income will be reclassified by AAM to accounts receivable.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**June 20, 2013**

**PRESENT:** Marilyn Lillienfeld, Joe Pruess, Don Bowman,  
Carlton Rooks and Charles Schroeder

**GUEST:** Viola Lanam

**ABSENT:** Butch Gaberman, Chuck Roach and Paul Snyder

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (May 22, 2013) and to discuss the BCA's Financial Statements for May 2013. For other items see enclosed agenda.

**Minutes of the May 22, 2013 B&F Committee Meeting**

The Minutes of the April 24, 2013 B&F Committee Meeting were unanimously approved.

**Review of BCA's Financials for May 2013**

See attached copy for details. As of the end of May 2013 Chase showed a combined total of \$1,199,341 in all 4 of BCA's accounts representing the total of BCA's Reserve Funds and does not include accrued revenues of \$3,518. The operating accounts at Mutual of Omaha Bank ended the month of May with a balance total of \$121,292. Accumulated *Dog Park Income* was applied to *Landscape other*. All operating accounts are either in line or below budget, except *Administrative & General* (+16%) due to an unbudgeted 50% payment for Reserve Study and *Contract Services* (+11%) for extra pay period.

**Review of BCA Investment Results**

CD rates are currently very low. As a result a \$200,000 is earning 0.20% p.a. and \$240,000 in a Savings Account at Chase is earning 0.05% p.a.. We hope to see better returns as the economy gains strength.

**Status Report on Delinquent HOA Dues Collection**

We did not have Paul Snyder's update. But it appears that the good news of a decline in delinquencies and success in the collection of outstandings continue. Unit 2137's \$2,638 - outstanding for more than 2 years - has been fully collected as per Status Report of lawfirm P B & J.

**Independent Reserve Plan Study and related issues**

Viola is waiting for several answers with regard to the View Fence issue.

The Board will consider a change in the funding goal from 100% to 80% at the next Board meeting.<sup>1</sup>

Don presented his update of the FY 2012/13 Status of Reserve Projects. He eliminated the category *Bank Charges* as it is not a Reserve component and should be considered an offset against earnings from the *Sage Fund* investments at Chase.

**The next Meeting Date**

Thursday, July 25, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:15 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for May 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

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<sup>1</sup> BOD approved 80% funding goal at their June 27, 2013 meeting.

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
JUNE 20, 2013 @ 3PM @ CLUBHOUSE**

1. REVIEW & APPROVE MINUTES OF MAY 22, 2013 MEETING
2. REVIEW OF MAY, 2013 FINANCIAL STATEMENTS
3. REVIEW OF INVESTMENT RESULTS
4. REPORT ON STATUS OF HOA DUES COLLECTION
5. REVIEW AMENDED RESERVE FUND BUDGET FOR FYE  
6/30/2014
6. DISCUSS STATUS OF ASSOCIATED RESERVE DRAFT REPORT  
ON RESERVE ADEQUACY
7. NEW BUSINESS
8. SET NEXT MEETING DATE
9. ADJOURN



## Review of BCA Financials for May 2013

**Comments:** As of May 31, 2013 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase total \$1,199,341.44 reflecting the month-end account statements of the bank (adjusted for \$33,614.68 of withdrawals in transit) and do not include accrued revenue of \$3,518. The operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$121,291.82.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have declined by \$1,843 or 22.2% from the prior month to \$6,475. The decline is further evidence of continued substantial improvement in the level of delinquencies.

### DEVELOPMENT OF BELLASERA'S A/R's

FY	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Apr. 30	May 31
<b>2011/12</b>	13,993	13,780	15,066	12,107	21,622	14,505
<b>2012/13</b>	13,230	6,080	5,562	4,388	8,318	6,475
% of ¼ Dues	7	3	3	2	4	3
<b>YOY</b>	-5.5%	-55.9%	-63.4%	-63.8%	-61.5%	-55.4%

**Income:** In line with budget. Accumulated *Dog Park Income* applied to *Landscape other*.

**Salaries & Wages:** Slightly over budget.

**Administrative & General:** 16% over budget due to 50% payment for Reserve Study.

**Contract Services:** 11% over budget due to extra pay period under *Security Contract*.

**Repairs & Maintenance:** 92% under budget due to application of Dog Park Funds and *Tree Pruning* scheduled for other time.

**Utilities:** 13% under budget. YTD 5% under budget.

**Income Taxes:** No taxes due.

**Insurance:** 6.5% under budget.

**Operating Owners' Equity:** The balance is now \$55,055, an increase of \$382.

**Reserve Owners' Equity:**

As of May 31, 2013 the total balance as per AAM Statement is \$1,162,628, a decrease of \$28,494.

Charles Schroeder, June 18, 2013

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**July 25, 2013**

**PRESENT:** Marilyn Lillienfeld, Joe Pruess, Don Bowman,  
Carlton Rooks, Charles Schroeder and Paul Snyder

**GUEST:** Gregg Ditto, Viola Lanam and Paul Anetsberger

**ABSENT:** Butch Gaberman, Chuck Roach

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (June 20, 2013) and to discuss the BCA's Financial Statements for June 2013. For other items see enclosed agenda.

**Minutes of the June 20, 2013 B&F Committee Meeting**

The Minutes of the June 20, 2013 B&F Committee Meeting were unanimously approved.

**Review of BCA's Financials for June 2013**

See attached copy for details. As of the end of June 2013 Chase showed a combined total of \$1,218,239 in all 5<sup>1</sup> of BCA's accounts representing the total of BCA's Reserve Funds and does not include accrued revenues of \$4,145. The operating accounts at Mutual of Omaha Bank ended the month of May with a balance total of \$111,460. Marilyn stated that she will write a memo to Viola with regard the amount of \$3,377.95 related to bank charges for reserve fund investments and \$33,614.68 which are due to Operations from Reserves. Also, we will review FYE 2012/13 adjustments once we receive the July 2013 financials.

**Review of BCA Investment Results**

Current market conditions do not offer any relief from the very low levels of investment yields. We hope to see better returns as the economy gains strength.

**Status Report on Delinquent HOA Dues Collection**

Paul presented his report on delinquencies. The good news of a decline in past due accounts and success in the collection of outstandings continue.

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<sup>1</sup> A fifth account (Savings) has just been opened to hold excess Reserve Funds earning a slightly higher interest rate.

**The Issue of View Fences as Part of the Reserve Plan.**

Gregg Ditto informed the Committee that the Board intends to form an *Ad Hoc Committee* as currently there is not enough information available to make a decision on how to treat View Fences in the Plan.

**Holiday Lights**

The Board has enough information about the replacement of current holiday decorations and will make a decision on how to handle future holiday lighting requirements.

**The next Meeting Date**

Thursday, September 19, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:30 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for June 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
JULY 25, 2013 @ 3PM @ CLUBHOUSE**

1. REVIEW & APPROVE MINUTES OF JUNE 20<sup>th</sup>, 2013  
MEETING
2. REVIEW JUNE, 2013 FINANCIAL STATEMENTS
3. DISCUSS NEEDED ADJUSTMENTS TO FINANCIAL  
STATEMENTS FOR FYE 6/30/2013
4. REVIEW OF INVESTMENT RESULTS
5. REPORT ON STATUS OF HOA DUES COLLECTION
6. NEW BUSINESS
7. SET NEXT MEETING DATE
8. ADJOURN

## Review of BCA Financials for June 2013

**Comments:** As of June 30, 2013 the balances in the five accounts<sup>2</sup> (all of BCA's Reserve Funds) at JPMorganChase total \$1,218,238.89 reflecting the month-end account statements of the bank and include a newly opened 60 day \$200,000 CD at Alley Bank but do not include accrued revenue of \$4,145. The operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$111,460.35.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have declined by \$250 or 3.9% from the prior month to \$6,225. This amount represents 0.8% of the current annual assessment of the Bellasera Community and is at a low point in several years.

### STATUS OF BELLASERA'S A/R's

FY	Sep. 30	Dec. 31	Mar. 31	Apr. 30	May 31	Jun. 30
2011/12	13,780	15,066	12,107	21,622	14,505	13,230
2012/13	6,080	5,562	4,388	8,318	6,475	6,225
% of ¼ Dues	3	3	2	4	3	3
YOY	-55.9%	-63.4%	-63.8%	-61.5%	-55.4%	-52.9%

**Income:** In line with budget.

**Salaries & Wages:** Slightly over budget.

**Administrative & General:** 14% under budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** 68% over budget essentially due to *Tree Pruning* which was budgeted for prior month.

**Utilities:** In line with budget.

**Income Taxes:** No taxes due.

**Insurance:** Slightly over budget due to revision of *BCA Insurance* to include floods.

**Operating Owners' Equity:** The balance is now \$55,252, a decrease of \$185.

**Reserve Owners' Equity:**

As of June 30, 2013 the total balance as per AAM Statement is \$1,167,748, a increase of \$5,120.

Charles Schroeder, July 20, 2013

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<sup>2</sup> A fifth account (Savings) has just been opened to hold excess Reserve Funds earning a slightly higher interest rate.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**September 19, 2013**

**PRESENT:** Marilyn Lillienfeld, Don Bowman, Butch Gaberman  
Carlton Rooks, Charles Schroeder and Paul Snyder

**GUEST:** Viola Lanam

**ABSENT:** Joe Pruess and Chuck Roach

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (July 25, 2013) and to discuss the BCA's Financial Statements for July 2013. For other items see enclosed agenda.

**Minutes of the July 25, 2013 B&F Committee Meeting**

The Minutes of the July 25, 2013 B&F Committee Meeting were unanimously approved.

**Review of BCA's Financials for July 2013**

See attached copy for details. As of the end of July 2013 Chase showed a combined total of \$1,238,415 in all 5 of BCA's accounts representing the total of BCA's Reserve Funds and includes a \$199,976 CD at Ally Bank, but does not include accrued revenues of \$3,335. The operating accounts at Mutual of Omaha Bank ended the month of July with a balance total of \$143,438. Overall the *BCA Budget Comparison Statement* reflects below budget performance of 12.3%.

**Status Report on Delinquent HOA Dues Collection**

Paul Snyder presented his report on delinquencies. The good news is that the decline in past due accounts continues. Marilyn suggested that Paul receive a copy of the monthly report on *Accounts Receivables and Prepayments*. (Viola took note). Viola had the 90 days and more past due figure for the month of August handy and they show "only" \$1,350.00 some of which are for violations.

**Review of BCA Investment Results**

Current market conditions continue to offer little relief from the very low levels of investment yields. Paul inquired about where we stand with regard to our investments at Chase. Marilyn stated that during the month of October BCA will review with Chase the performance of its investments during the year since inception.

**Comments on Status of Report from Association Reserves (AR)**

The response from *Association Reserves* was not reviewed as it had only been received a few hours before the meeting. The chairman informed the Committee that the Board had decided to go ahead with the update of the road study by an independent outside consultant other than the one used before.

**The Issue of View Fences as Part of the Reserve Plan.**

The Board intends to charter an *Ad Hoc Committee* to investigate a number of open technical questions and likely address basic information needed for incorporation of the view fences into the Reserve Plan. Marilyn Lillienfeld and Carlton Rooks are expected to represent the B&F Committee at the Ad Hoc Committee.

**Status of Review of FYE 6/30/2013 Financial Statements**

The review will be finalized next week. BCA's accountant, Butler, Jones & Hansen PC, are currently working on the review.

**The next Meeting Date**

Wednesday, October 23, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:30 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for July 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
SEPTEMBER 19, 2013 @ 3PM @ CLUBHOUSE**

1. Review & approve minutes of July 25, 2013 meeting
2. Review of July 2013 financial statements
3. Report on status of HOA dues collection
4. Comments on status of report from Association Reserves
5. Comments on status of review of FYE 6/30/2013 financial statements
6. Comments on Ad Hoc Committee
7. New business
8. Set next meeting date
9. Adjourn



## Review of BCA Financials for July 2013

**Comments:** As of July 31, 2013 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase total \$1,238,415.36 reflecting the month-end account statements of the bank and include a 60 day \$200,000 CD at Alley Bank but do not include accrued revenue of \$3,335. The operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$143,438.38.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have increased by \$1,110 or 17.8% from the prior month to \$7,335 despite the receipt of previously past due assessments. The reason is several late payments and a number of remittances did not include the \$10 increase in the assessments effective July 1, 2013.

### STATUS OF BELLASERA'S A/R's

FY	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Jul. 31
2011/12	13,780	15,066	12,107	13,230	15,613
2012/13	6,080	5,562	4,388	6,225	7,335
% of ¼ Dues	3	3	2	3	4
YOY	-55.9%	-63.4%	-63.8%	-52.9%	53%

**Income:** \$440 below budget mainly due to refund of violation charges.

**Salaries & Wages:** Slightly below budget.

**Administrative & General:** 11.6% under budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** 49% under budget.

**Utilities:** In line with budget.

**Income Taxes:** No taxes due.

**Insurance:** 26% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$60,040, an increase of \$4,788.

**Reserve Owners' Equity:**

As of July 31, 2013 the total balance as per AAM Statement is \$1,179,617, an increase of \$11,869.

# **BELLASERA COMMUNITY ASSOCIATION**

## **Budget & Finance Committee Meeting Minutes**

### **October 22, 2013**

**PRESENT:** Marilyn Lillienfeld, Don Bowman, Chuck Roach,  
Charles Schroeder and Paul Snyder

**GUESTS:** Viola Lanam and Darren Bernard of JPMorganChase

**ABSENT:** Joe Pruess, Butch Gaberman and Carlton Rooks

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

#### **Purpose of the Meeting**

To hear Darren Bernard's presentation of Chase's 2<sup>nd</sup> Quarter 2013 Portfolio Review and subsequent Q+A session. Also review / approve the minutes of our last meeting (September 19, 2013) and to discuss the BCA's Financial Statements for August and September 2013. For other items see enclosed agenda.

#### **Chase 2<sup>nd</sup> Quarter 2013 Portfolio Review**

Darren Bernard handed out the Quarterly Portfolio Review as of June 30, 2013, the latest available. It reflects the difficult conditions of the general economy and the fixed income market, in particular, during the past year. As a result, it is expected that BCA's investment at Chase will incur a loss of about \$20,000 or 2.7% by year end, rather than earning a positive return. Several Committee members expressed their disappointment and stressed the fact that the original decision to open an investment account was predicated on Chase's expectations that over one year's time or so a return greater than prevailing CD rates would be achieved. Also, more than necessary turnover in treasuries seem to have contributed to the negative results. Once the 3<sup>rd</sup> Quarter 2013 Portfolio Review is available, another presentation by Darren Bernard will be scheduled, including a discussion of how to improve the investment performance in the future.

#### **Minutes of the September 19, 2013 B&F Committee Meeting**

The Minutes of the September 19, 2013 B&F Committee Meeting were unanimously approved.

#### **Review of BCA's Financials for August and September 2013**

See attached copies for details. As of the end of September 2013 Chase showed a combined total of \$1,293,239 in all 5 of BCA's accounts representing the total of BCA's Reserve Funds not including accrued revenues of \$3,568. The operating accounts at Mutual of Omaha Bank ended the month of September with a balance total of \$96,689. Overall the *BCA Budget Comparison Statement* reflects continued below budget performance.

**Status Report on Delinquent HOA Dues Collection**

Paul Snyder presented his September report on delinquencies. The good news is that the decline in past due accounts continues. During August the *Reserve for BAD DEBT* had been reduced by \$1,500 to \$2,538.19.

**Comments on Status of Report from Association Reserves (AR)**

The BOD Ad Hoc committee met on October 21 under the chairmanship of Dennis Corbett to discuss the AR response. We will receive a final version of the reserve study soon. Its road data will then be compared to the results of the new road study. The Ad Hoc committee will provide the necessary inputs for potential future integration of View Fence criteria into BCA's reserve plan.

**Annual Joint Budget Preparation Meeting of the B&F and B&G Committees**

The meeting is planned for early December.

**Begin of the next Budget Process**

Viola will start the process in early January.

**Status of Review of FYE 6/30/2013 Financial Statements**

The draft of the review is expected to be received next week. BCA's accountants, Butler, Jones & Hansen PC, are currently working on it.

**The next Meeting Date**

Tuesday, November 19, 2013 at 3:00 PM at the Clubhouse.

There being no other business the meeting was adjourned at 4:30 PM.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for August 2013;  
Review of BCA Financials for September 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
October 22<sup>nd</sup> @ 3PM @ CLUBHOUSE**

1. Presentation/ review by Chase Bank personnel on BCA's Investment Accounts
2. Review & approve minutes of Sept. meeting
3. Review of Aug. and Sept. financial statements
4. Reports on status of HOA dues collection and Reserve for Bad Debts account
5. Update on Association Reserves report, including road study, view fence issues and status of BOD Ad Hoc committee to address view fence issue
6. Discuss annual joint meeting with Buildings & Grounds
7. Discuss timing to begin budget preparation for FYE 6/30/2015
8. New business
9. Set next meeting date
10. Adjourn

Note: The draft review of BCA's financial statements for FYE 6/30/2013 is expected sometime during the next week. The road study has been received; however, it lacked figures for useful life, replacement cost and other needed data and is being revised to include this information.

## Review of BCA Financials for August 2013

**Comments:** As of August 31, 2013 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,233,404.83 reflecting the month-end account statements of the bank. They do not include accrued revenue of \$3,337. The operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$110,022.12.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have declined by \$4,280 or 58.4% from the prior month to \$3,055 due to receipt of late payments and of previously past due assessments. The substantial improvement in the balances of delinquent assessments has warranted a further reduction of \$1,500 in the *Reserve for BAD DEBT* which now stands at \$2,538.19.

### STATUS OF BELLASERA'S A/R's

Year	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Jul. 31	Aug. 31
2011/12	13,780	15,066	12,107	13,230	15,613	10,567
2012/13	6,080	5,562	4,388	6,225	7,335	3,055
% of ¼ Dues	3	3	2	3	4	2
YOY	-55.9%	-63.4%	-63.8%	-52.9%	-53%	-71.1%

**Income:** In line with budget.

**Salaries & Wages:** Slightly below budget.

**Administrative & General:** Overall 32% under budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** 35% under budget.

**Utilities:** 6% under budget.

**Income Taxes:** No taxes due.

**Insurance:** Overall 27% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$65,945, an increase of \$5,905.

**Reserve Owners' Equity:**

As of August 31, 2013 the total balance as per AAM Statement is \$1,194,991, an increase of \$15,373.

Charles Schroeder, October 16, 2013

## Review of BCA Financials for September 2013

**Comments:** As of September 30, 2013 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,293,238.53 reflecting the month-end account statements of the bank. They do not include accrued revenue of \$3,568. The operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$96,688.86.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have declined by \$65 from the prior month to \$2,990. Delinquent assessments alone have declined to \$860 or about one tenth of one percent of annual dues.

### STATUS OF BELLASERA'S A/R's

Year	Dec. 31	Mar. 31	Jun. 30	Jul. 31	Aug. 31	Sep. 30
<b>2011/12</b>	15,066	12,107	13,230	15,613	10,567	6,080
<b>2012/13</b>	5,562	4,388	6,225	7,335	3,055	2,990
% of ¼ Dues	3	2	3	4	2	1.5
<b>YOY</b>	-63.4%	-63.8%	-52.9%	-53%	-71.1%	-50.8%

**Income:** In line with budget.

**Salaries & Wages:** Slightly below budget.

**Administrative & General:** 21% over budget due to \$1,847.06 (50%) downpayment of non-budgeted holiday lights, but overall 6% under budget

**Contract Services:** In line with budget.

**Repairs & Maintenance:** Overall 48% under budget.

**Utilities:** Overall 13% under budget.

**Income Taxes:** No taxes due.

**Insurance:** Overall 27% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$75,792, an increase of \$9,847.

**Reserve Owners' Equity:**

As of September 30, 2013 the total balance as per AAM Statement is \$1,216,656, an increase of \$21,665.

Charles Schroeder, October 19, 2013

# **BELLASERA COMMUNITY ASSOCIATION**

## **Budget & Finance Committee Meeting Minutes**

### **November 19, 2013**

**PRESENT:** Marilyn Lillienfeld, Don Bowman, Butch Gaberman, Chuck Roach, Carlton Rooks, Charles Schroeder and Paul Snyder

**GUEST:** Gregg Ditto

**ABSENT:** Joe Pruess

The Budget & Finance Committee Meeting was called to order at 3:05 PM. A quorum was present.

#### **Purpose of the Meeting**

To review / approve the minutes of our last meeting (October 22, 2013) and to discuss the BCA's Financial Statements for October 2013. For other items see enclosed agenda.

#### **Minutes of the October 22, 2013 B&F Committee Meeting**

The Minutes of the October 22, 2013 B&F Committee Meeting were unanimously approved.

#### **Review of BCA's Financials for October 2013**

See attached copy for details. As of the end of October 2013 Chase showed a combined total of \$1,295,243 in all 5 of BCA's accounts representing the total of BCA's Reserve Funds. The operating accounts at Mutual of Omaha Bank ended the month of October with a balance total of \$156,427. An investigation, as suggested by Marilyn, showed that the BCA P&L contained an error in the AAM calculation of income from Chase investments. This has been corrected and interest income is now positive, not negative. Marilyn will also discuss with Viola another error, this time in the BCA September Balance Sheet, when a wire transfer of \$57,600 from MOB to Chase was recorded, but not executed. Overall the *BCA Budget Comparison Statement* reflects continued below budget performance.

#### **Status Report on Delinquent HOA Dues Collection**

Paul Snyder presented his October report on delinquencies. The good news of declining past due accounts continue. The majority of past due accounts, the total is \$4,035, are the result of late dues payments and include fines for violations. Paul will write a memo to Viola Lanam to turn over one delinquency case to the lawyers.

#### **Update on Ad Hoc Committee Review of View Fence Issue**

Board member Gregg Ditto gave an update. Bellasera resident, Mike Ruotolo, has written a very professional report on the subject of whether the part of the view fences in Bellasera, which are the responsibility of BCA, need to be replaced (estimated replacement cost close to \$1,500,000) or have a useful life that is equal to or past the life of the Bellasera Community. After extensive consulting with the original manufacturer of the fences and experts in the field Mike recommends in his report that an intensive and strict maintenance program of properly preparing and painting the fences every 5 years will avoid the need for replacement. The Board is expected to approve the recommendations of the Ad Hoc committee that follow Mike's report. The next step for

the Board is to plan the painting of the community wide view fences during February and March 2014. The project requires full cooperation from all residents. A special community meeting will be held in January to inform home-owners..

#### **Update of CPA Review of FYE 6/30/2013 Financial Statements & Road Study**

BCA's accountants, Butler, Jones & Hansen PC, are still working on the review. – Chuck said the new 28 page road study and data tables look very good. The useful life of the roads extends to 30 years (longer than our current 27/28 years). Marilyn handed out the data spread sheets. A detailed review of the study will be held until February.

#### **Chase Investment Status**

A lively discussion was under way on the subject of Chase's performance as to BCA's investments. The members agreed that the losses incurred under JPMorganChase's management are not warranted under the concept of preservation of value of the invested funds. All members recall Chase's representations during the initial meetings last year that they envision returns in excess of current CD rates. Suggestions during the discussion ranged from "selling the portfolio as soon as practicable" to "await collection of year-end distributions and to hear Chase's recommendation to remedy the situation first". The principal manager of our investments at Chase, Darren Berard, has been asked to make a presentation as to what is the best way "to stop the bleeding" before the next meeting of the B&F Committee on December 9, 2013. The meeting will also be attended by several BCA Board members.

#### **Reserve Policy Update**

Marilyn suggested that BCA should have a new Reserve Policy and offered to come up with a proposal. She also distributed a memo about accounting for acquisition of new gym equipment and sidewalk repairs.

#### **Annual Joint Budget Preparation Meeting of the B&F and B&G Committees**

The meeting is planned for January 6, 2014 at 2:00p @ the Clubhouse.

#### **The next Meeting Dates**

Monday, December 9, 2013 at 2:00p at the Clubhouse with Darren/Chase.  
Monday, January 6, 2014 at 2:00p with B&G Committee.  
Monday, January 13, 2014 at 2:00p to review Reserve Plan line items.

There being no other business the meeting was adjourned at 5:15p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for October 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Marilyn Lillienfeld  
Chairman of B&F Committee



**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
NOVEMBER 19<sup>th</sup> @ 3PM @ CLUBHOUSE**

1. Review & approve minutes of Oct. 22<sup>nd</sup>, 2013 meeting
2. Review of Oct. financial statements
3. Report on status of HOA dues collection
4. Update on Ad Hoc committee review of view fence issue
5. Update on CPA review of financial statements & Road Study
6. Set Dec./Jan. dates for meeting with Budget & Grounds Committee
7. Set 2014 dates to begin budget preparation
8. Discuss Chase investment status
9. Update on accounting advice from CPA firm and need for updated Reserve Fund policy
10. New business
11. Set next meeting date
12. Adjourn

## Review of BCA Financials for October 2013

**Comments:** As of October 31, 2013 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,295,242.74 reflecting the month-end account statements of the bank as adjusted by AAM. The two operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$156,426.92. The reserve fund P&L Table shows negative interest income of \$2,276.59 which does not seem to be reflected in the Chase statements and Marilyn has asked Viola to investigate. I have also a question as to the accounting for the transfers of \$57,600 of Reserve Funds from MOB to Chase both in September and October. The Month-To-Month Variance Report for October 2013 should show **Over Budget** for category totals of Maintenance, Contracts and Total Operating Expenses. Year-To-Year all categories are **under** Budget.

**Balance Sheet Items:** *Accounts Receivable* (A/R's) have increased by \$1,045 from the prior month to \$4,035 mainly, due to late payments. However, delinquent assessments (i.e., 90 days or older) alone have declined to \$540.

### STATUS OF BELLASERA'S A/R's

Year	Dec. 31	Mar. 31	Jun. 30	Jul. 31	Aug. 31	Sep. 30	Oct. 31
2011/12	15,066	12,107	13,230	15,613	10,567	6,080	9,026
2012/13	5,562	4,388	6,225	7,335	3,055	2,990	4,035
% of ¼ Dues	3	2	3	4	2	1.5	2.1
YOY	-63.4%	-63.8%	-52.9%	-53%	-71.1%	-50.8%	-55.3%

**Income:** In line with budget.

**Salaries & Wages:** Slightly below budget.

**Administrative & General:** 14% under budget.

**Contract Services:** In line with budget.

**Repairs & Maintenance:** 66% or \$2,840 over budget due to various repairs, overall under budget.

**Utilities:** Overall 11% under budget.

**Income Taxes:** \$110 fees.

**Insurance:** Overall 27% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$73,918, a decrease of \$1,874.

**Reserve Owners' Equity:**

As of October 31, 2013 the total balance as per AAM Statement is \$1,234,292, an increase of \$17,637.

Charles Schroeder, November 18, 2013

# **BELLASERA COMMUNITY ASSOCIATION**

## **Budget & Finance Committee Meeting Minutes**

### **December 19, 2013**

**PRESENT:** Gregg Dittoe, Don Bowman, Butch Gaberman, Carlton Rooks, and Charles Schroeder

**GUEST:** Viola Lanam

**ABSENT:** Joe Pruess, Marilyn Lillienfeld, Chuck Roach, and Paul Snyder

The Budget & Finance Committee Meeting was called to order at 2:05 PM. A quorum was present. Gregg Dittoe informed the Committee that Joe Pruess had resigned from the Board and that he (Gregg) had taken on the additional function of Treasurer of the BCA Board. He also advised that he had been asked by Marilyn Lillienfeld to chair today's meeting during her absence.

#### **Purpose of the Meeting**

To review / approve the minutes of our last meeting (November 19, 2013) and to discuss the BCA's Financial Statements for November 2013. For other items see enclosed agenda.

#### **Minutes of the November 19, 2013 B&F Committee Meeting**

The Minutes of the November 19, 2013 B&F Committee Meeting were unanimously approved.

#### **Review of BCA's Financials for November 2013**

See attached copy for details which include footnotes to line items discussed at the meeting. As of the end of November 2013 Chase showed a combined total of \$1,293,502 in all 5 of BCA's accounts representing the total of BCA's Reserve Funds. The operating accounts at Mutual of Omaha Bank ended the month of November with a balance total of \$108,552. Two accounting errors discussed during the last meeting - one in the calculation of investment income and the other in the recording of a wire transfer - have been corrected.

Overall the *BCA Budget Comparison Statement* reflects continued below budget performance.

#### **Status Report on Delinquent HOA Dues Collection**

As per Viola the good news of declining past due accounts continue.

#### **Chase Investment Status**

For the 5 month period ending November 30, 2013 interest income from Reserve Fund investments totaled \$8,317. These gains were offset, however, by investment losses of \$13,526. For this reason, the B&F Committee recommended to the Board<sup>1</sup> to

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<sup>1</sup> The BCA Board subsequently adopted a resolution accepting the B&F Committee recommendation. Also, steps have been taken to liquidate various assets of the Chase investments.

immediately sell most of the assets that were exposed to substantial interest rate risks in the current economic environment and to concentrate, henceforth, on investing in FDIC insured CD's with maturities up to 3 years.

#### **CPA Review of Financial Statements**

Viola reported that the review should be received soon.

#### **Discussion of Budget Preparation**

The aim is to have at least one less working session this year. This means to have more input and information at the start, i.e., at the end of January/beginning of February when Viola has completed the first run. This includes a forecast of what projects still need to be funded by June 30, 2014. Final Budget figures should be ready for the March 2014 Board meeting.

#### **Annual Joint Budget Preparation Meeting of the B&F and B&G Committees and Reserve Study Review**

The meeting originally planned for January 6, 2014 will now be merged with the Reserve Budget meeting scheduled for January 13 and begin at 12:00p @ the Clubhouse with lunch being provided by BCA.

#### **BCA "Town Hall" Meeting January 16<sup>th</sup> @ 7PM at the Clubhouse**

Discussion will center on the "View Fence" Painting Project which is already fully funded in the current budget, as well as the proposed Cell Tower Project by Verizon.

#### **Other Business**

The Annual BCA Meeting is scheduled for April 13, 2014. Board members Hoffmann and Johnson are up for reelection and a replacement for Joe Pruess is required. B&F Committee member Don Bowman is looking for an assistant in working with the Reserve Plan.

#### **The next Meeting Date**

Monday, January 13, 2014 at 12:00p (see above) with lunch provided..

There being no other business the meeting was adjourned at 3:45p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for November 2013.

Prepared by:

Approved by:

Charles Schroeder  
Recording Secretary, B&F Committee

Gregg Dittoe  
VP & Treasurer

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
DECEMBER 19, 2013; 2PM AT CLUBHOUSE**

1. Review & approve minutes of Nov. 19, 2013 meeting
2. Review of November 2013 financial statements
3. Report on status of HOA dues collection
4. Update on status of Chase investment accounts
5. Update on CPA review of financial statements
6. Discuss issues for January meetings with Building & Grounds
7. Discuss budget preparation
8. BCA "Town Hall" meeting January 16<sup>th</sup> @ 7PM
9. New business
10. Set next meeting date
11. Adjourn

2013DECEMBERAGENDAB&FMEETINHG

## Review of BCA Financials for November 2013

**Comments:** As of November 30, 2013 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,293,501.61 reflecting the month-end account statements of the bank as adjusted by AAM. The two operating accounts at the Mutual of Omaha Bank ended the month with a balance total of \$108,552.08. For the 5 month period ending November 30, 2013 interest income from Reserve Fund investments totaled \$8,317. These gains were offset, however, by investment losses of \$13,526. For this reason, the B&F Committee recommended to the Board<sup>2</sup> to immediately sell most of the assets that were exposed to substantial interest rate risks in the current economic environment and to concentrate, henceforth, solely on investing in FDIC insured CD's with maturities up to 3 years.

**Income:** In line with budget.

**Salaries & Wages:** Slightly below budget.

**Administrative & General:** 7.6% under budget.

**Contract Services:** Slightly below budget.

**Repairs & Maintenance:** 110% or \$5,192 over budget due to various repairs, YTD under budget 3.9%. Should sidewalk and curb repairs (\$6,521) be charged against Reserves?<sup>3</sup>

**Utilities:** 9% over budget due to \$1,128<sup>4</sup> or 64% overage in water bill. It was caused by re-filling of pool.

**Income Taxes:** None due

**Insurance:** Overall 26% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$65,228, a decrease of \$8,690.

**Reserve Owners' Equity:**

As of November 30, 2013 the total balance as per AAM Statement is \$1,255,390, an increase of \$21,098.

Charles Schroeder, December 18, 2013

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<sup>2</sup> The BCA Board subsequently adopted a resolution accepting the B&F Committee recommendation.

<sup>3</sup> The answer is no. However, a new line item will be inserted in OPS budget for "Concrete Repairs".

<sup>4</sup> Includes down-payment to City of Scottsdale of which \$625.00 have been refunded.