

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**February 13, 2014**

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

**GUESTS:** Dennis Corbett and Viola Lanam

**ABSENT:** Don Bowman, Marilyn Lillienfeld, Chuck Roach, and Paul Snyder

The Budget & Finance Committee Meeting was called to order at 2:05 PM. A quorum was present. Charles Schroeder chaired the meeting .

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (December 19, 2013) and to discuss the BCA's Financial Statements for December 2013 and work on first draft of 2014-2015 Built Out Budget. For details see enclosed agenda.

**Review & approve minutes of Dec. 19, 2013 meeting**

The minutes of the B&F Committee meeting of December 19, 2013 were unanimously approved.

**Review of December 2013 Financial Statements**

See attached copy for details. Marilyn has been in discussions with Viola as to the timing of the quarterly contributions to the Reserve Fund. Nothing unusual was noted.

**Report on status of HOA dues collection**

Viola stated that the amount of past due assessments was down to \$50.

**Update on status of Chase investment accounts**

Prior to leaving on vacation Marilyn had a meeting with Darren Bernard of Chase and he informed her that of the original \$800,000 investment \$782,000 were cleared and of that \$125,000 is invested in investment grade bonds/US obligations maturing this year and next. The rest is held in cash with the securities in the JPMorgan Securities account covered by SIPC insurance. Currently we are earning 15 basis points. Charles distributed a current list of Chase Brokered CD Rates as well as the rates for Mutual of Omaha Bank's FDIC insured CDARS program for up to 3 years. All of them are not very attractive and reflect the current state of the economy. Gregg mentioned that he would meet next Tuesday with his financial advisor of Schwab and explore also whether there are other opportunities for HOAs such as Bellasera. In any event, an increase in the size of our investment income is very important and will continue to be pursued.

### Update on CPA review of financial statements

Marilyn had circulated a draft of the BCA financial statements which had been produced by Butler & Hansen, CPAs, based on their review of the financial condition of BCA as of 6/30/2013 and as requested by BCA (i.e., not an audit). Not included is the firm's opinion letter which – according to accounting rules – will only be issued with the final copy. Marilyn has not only closely, but also professionally as a CPA, reviewed the statements and believes they are in good form, reflect positively on BCA's operations, and should be accepted as proposed. She has noted some of the major points a copy of which is enclosed.

After a brief discussion the members of the B&F Committee unanimously voted in favor of recommending to the Bellasera Board of Directors to accept BCA's financial statements for the FYE 6/30/2013 as prepared by Butler & Hansen, CPAs. (Copy of recommendation enclosed).

### Budget Working Session with Community Manager

The rest of the meeting was used to review the first draft of the *2014-2015 Built Out Budget for BCA* which Viola had prepared and handed out. She also handed out a very useful comparison table for actual and budgeted figures of all line items for the FYE June 30 2012, 2013 and up to now plus 12 months actuals for calendar year 2013. This allowed the committee to move ahead efficiently. Viola will distribute the updated next draft shortly. During the next B&F Committee meeting on March 19, 2014 the members agreed to an addendum to this paragraph as follows:

**Addendum:** The *Budget Working Session* concluded with only 2 B&F Committee members present (Carlton Rooks and Charles Schroeder). The Committee had concentrated on the key line items of the budget to either increase or decrease the current figures as needed and completed that task. What followed was a brief discussion of what would be the new amount of the quarterly dues. Several amounts were mentioned including \$555.00. Gregg Dittoe said he would like to see a history of the Bellasera dues since its beginning and asked Viola to search the archives. (The next day Charles provided Gregg and Viola with a dues list beginning with fiscal year 1999-2000). Due to the fact that a majority of B&F Committee members was not present, there was no vote taken to approve the budget nor to recommend approval of it to the Board. It turned out that the net result of the line item changes comes out to be exactly an increase in the quarterly dues per resident of \$15.00, given that contributions to the Reserve Fund would remain unchanged.

### The next Meeting Date

Thursday, March 19, 2014 at 2:00p at the Clubhouse.

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

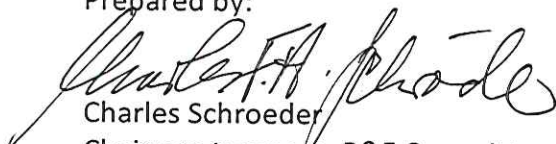
### Enclosures: B&F Committee Meeting Agenda;

Review of BCA Financials for December 2013;

Notes on BCA Statements for FYE June 30, 2013;

B&F Committee Recommendation to BCA Board

Prepared by:

  
Charles Schroeder  
Chair pro tempore, B&F Committee

Approved by:

  
Gregg Dittoe  
VP & Treasurer

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
FEBRUARY 13, 2014; 2PM AT CLUBHOUSE**

1. Review & approve minutes of Dec. 19, 2013 meeting
2. Review of December 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. Budget Working Session with Community Manager
7. New business
8. Set next meeting and working session date
9. Adjourn

## Review of BCA Financials for December 2013

**Comments:** As of December 31, 2013 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,332,756.94 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 \$98,957.16. The January statement will show the liquidation of various positions of Reserve Fund investments at JPMorgan/Chase Manhattan Bank as requested by the BCA Board. I noted that the quarterly contribution to the Reserve Fund of \$57,600 for the final quarter of the Calendar Year 2013 was only made on December 31, 2013 instead of at the beginning of the quarter. The amount was part of a transfer of \$109,115 from the Operations Account at the Mutual of Omaha Bank to Chase.

**Income:** In line with budget.

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

**Administrative & General:** 21.5% over budget due mainly to new road study. YTD OK.

**Contract Services:** 4% below budget.

**Repairs & Maintenance:** 20.7% or \$880 over budget due to various repairs, YTD OK.

**Utilities:** 11.9% under budget.

**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 \$60,053, a decrease of \$4,714.

**Reserve Owners' Equity:**

As of December 31, 2013 the total balance as per AAM Statement is \$1,256,919, an increase of \$1,529.



**Marilyn Lillienfeld noted several major points as a result of her review of the BCA financials for FYE June 30, 2013 prepared by Butler & Hansen, CPA's:**

1. Per the report, at year-end we are reserved at almost 85%.
2. The bad debt reserve was reduced approximately \$3000 based on BCA's greatly improved collection record of the last full fiscal year. Should this situation change, we can increase the bad debt reserve as needed.
3. The only major adjusting entry to the statements was to record a receivable due the Operating Fund from the Reserve Fund for the \$85,000 asphalt repair bill paid by Operating but not yet reimbursed by Reserve at year-end.
4. The Chase investments show a \$28,000 unrealized loss at 6/30/2013. By the time the accounts were liquidated in December/January, the loss had been reduced to \$19,000.
5. The statements still contain language about the "concentration of credit risk" related to the collection of Bellasera's assessments. We've beat this to death with the auditor for the last two years and gotten nowhere; the language is somewhat standard for a common interest community and set by accounting regulation. The few past due accounts and minimal bad debts speak for themselves on this issue. Therefore, I suggest we accept this language and not engage in another fruitless discussion with the auditors.

### **RECOMMENDATION**

Following the close review and opinion given by its chair, Marilyn Lillienfeld, the BCA Budget and Finance Committee, at its meeting held on February 13, 2014, unanimously voted to recommend to the Board of Directors of the Bellasera Community Association (BCA) to accept the BCA financial statements for the fiscal year ending June 30, 2013 as prepared by Butler & Hansen, CPA's.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**March 19, 2014**

**PRESENT:** Marilyn Lillienfeld, Gregg Dittoe, Don Bowman, Chuck Roach, and Charles Schroeder

**GUEST:** Viola Lanam

**ABSENT:** Butch Gaberman, Carlton Rooks and Paul Snyder

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

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (February 13, 2014) and to discuss the BCA's Financial Statements for January 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of Feb. 13, 2014 meeting**

The minutes of the B&F Committee meeting on February 13, 2014 were unanimously approved after addition of an addendum following the paragraph entitled "Budget Working Session with Community Manager".<sup>1</sup>

**Review of January 2014 Financial Statements**

See attached copy for details. The revised version of the January statements show an amount of \$85,708 due from the Reserve Fund to OPS. This will be dealt with later.

**Report on status of HOA dues collection**

There are currently no delinquent dues (90 days or longer past due) outstanding.

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<sup>1</sup> **Addendum:** The *Budget Working Session* concluded with only 2 B&F Committee members present (Carlton Rooks and Charles Schroeder). The Committee had concentrated on the key line items of the budget to either increase or decrease the current figures as needed and completed that task. What followed was a brief discussion of what would be the new amount of the quarterly dues. Several amounts were mentioned including \$555.00. Gregg Dittoe said he would like to see a history of the Bellasera dues since its beginning and asked Viola to search the archives. (The next day Charles provided Gregg and Viola with a dues list beginning with fiscal year 1999-2000). Due to the fact that a majority of B&F Committee members was not present, there was no vote taken to approve the budget nor to recommend approval of it to the Board. It turned out that the net result of the line item changes comes out to be exactly an increase in the quarterly dues per resident of \$15.00, given that contributions to the Reserve Fund would remain unchanged.

**Review of proposed Reserve Fund Budget**

View fences and stucco walls will henceforth be painted every 5 years and carry a 6 year warranty. The new Board will review the status of the roads. Contribution to the Reserve Fund will remain unchanged.

**Discussion of Status of Operations Budget**

Since the approval by the current Board a number of changes occurred such as lower legal fees and insurance. The B&F Committee unanimously voted to recommend to the Board to approve the new budget.

**Update on status of Chase investment accounts**

Up to \$500,000 are available for investments in the form of laddering, i.e., spreading the amount over different maturities within the 3 year period as guided by the Board. More information as to current and future interest rates is needed and Darren Bernard at Chase and others will be consulted.

**The next Meeting Date**

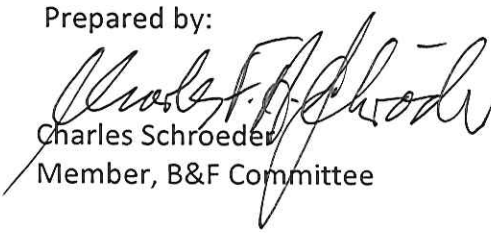
Wednesday, April 23, 2014 at 2:00p at the Clubhouse.

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

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

Review of BCA Financials for January 2014

Prepared by:

  
Charles Schroeder  
Member, B&F Committee

Approved by:

  
Marilyn Lillienfeld  
Chair



**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
MARCH 19, 2014 @ 2PM**

1. Review & approve minutes of February 13, 2014 meeting
2. Review of January 2014 financial statements as revised
3. Report on status of HOA dues collection
4. Review of proposed Reserve Fund budget
5. Discussion of status of Operating Fund budget
6. Discussion of CD investment program
7. New business
8. Set next meeting date
9. Adjourn

## Review of BCA Financials for January 2014

**Comments:** As of January 31, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,323,526.85 (of which \$1,208,833.85 is held in cash) 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 \$155,629.30. The January statement reflects the liquidation of various positions of Reserve Fund investments at JPMorgan/Chase Manhattan Bank as requested by the BCA Board. Currently we are earning 0.15% on the aforementioned amount of cash. The next step will be to invest at least \$500,000 in 1 to 3 year CDs.

**Income:** 2.6% over budget including new income from *Self Help* (\$700) and Lease Fees (\$445.14).

**Salaries & Wages:** Below budget.

**Administrative & General:** 12.6% over budget due mainly to Legal & Insurance Expenses. YTD OK.

**Contract Services:** 7.5% below budget.

**Repairs & Maintenance:** 50.3% or \$2,231 under budget.

**Utilities:** 2% over budget. YTD OK.

**Income Taxes:** None due.

**Insurance:** Overall 26.3% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$63,181, an increase of \$3,128.

**Reserve Owners' Equity:**

As of January 31, 2014 the total balance as per AAM Statement is \$1,263,482, an increase of \$6,563.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**April 23, 2014**

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

**GUESTS:** Gregg Dittoe, Vice President of BCA; Viola Lanam, Kevin DeBolske, CFO, Frank Puma, Area Mgr. and Michael Yniguez, new Accounting Manager, all AAM staff members.

**ABSENT:** Chuck Roach

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

**Introductions of David Reid and AAM Accounting Staff and Purpose of the Meeting**

Gregg Dittoe (formerly Treasurer) introduced David Reid, the newly appointed Treasurer of the Bellasera Community Association, to the members of the Committee. Viola introduced the members of the AAM Accounting staff, who had been invited to discuss accounting issues. Then to review / approve the minutes of our last meeting (March 19, 2014) and to discuss the BCA's Financial Statements for February and March 2014 as well as other matters. For details see enclosed agenda.

**Discussion of Accounting Issues**

Key point was material delay in reimbursements of OPS expenditures on behalf of the Reserve Fund. The Committee would like to see all reimbursements between the funds to be done on a timely basis, with no more than a month lag. Marilyn suggested that in the case of larger contracts, such as the current fence painting contract, the total expense should be accrued into the financials, not delayed being shown as an expense until they are paid. Kevin stated that AAM will try not to delay any reimbursements and accruals. The investment account loss at the end of March of about \$35,000 should be adjusted by the gain of about \$13,000 to show a net loss of about \$22,000. Marilyn asked AAM to have a more senior person review the Bellasera financial statements before they are distributed. Current BCA policy is to have financial statements audited every 3 years. AAM was asked to review the balance in the *Reserve for Bad Debt* account (# 1201) which shows an incorrect balance of - \$45.19.

**Review & approve minutes of Mar. 19, 2014 meeting**

The minutes of the B&F Committee meeting on March 19, 2014 included an addendum following the paragraph entitled "Budget Working Session with Community Manager" in the minutes of the prior meeting on February 13, 2014 and were unanimously approved.

### **Review of February and March 2014 Financial Statements**

See attached copy (February) for details. The revised version of the February statements show an amount of \$85,708 due from the Reserve Fund to OPS. This amount continues to be shown in the March 2014 financials. Viola stated that it has been reimbursed to OPS from Reserves on April 4, 2014.

### **Report on status of HOA dues collection**

There are currently no delinquent dues (90 days or longer past due) outstanding. The past due amount of assessments totals \$1030.00 and is outstanding 60 days. Paul handed out a detailed summary as of March 31, 2014 and also suggested to maintain a level of \$1,000 to \$1,500 as allowance for doubtful accounts. This will be discussed at the next meeting.

### **Report on BCA Review Report from Butler & Hansen, CPAs**

The final version has been distributed to the B&F Committee members. A cover letter concentrates on the HOA's investment policy and its use of the term *non-equity securities* pointing out that the Federal Accounting Standards Board's (FASB) definition of *equity securities* is rather broad and includes a number of security types that were considered non-equity by the current investment policy. BCA does not currently have a comprehensive investment policy and David offered to work on one. Don handed out an updated table of Reserve Plan projects. He needs additional input to come up with the estimated final FY ending Reserve balance. Marilyn will provide an estimated inflation rate. We will go with an anticipated investment rate of return of 1% p.a.

### **New Business**

New signing authorities have to be put in place for the Chase investment accounts for David Reid, Treasurer, and Richard Hoffman, President. Short term investments will be discussed at the next meeting.

### **The next Meeting Date**

Wednesday, May 21, 2014 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 4:20p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for February 2014

Prepared by:

  
Charles Schroeder  
Member, B&F Committee

Approved by:

  
Marilyn Lillienfeld  
Chair

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
APRIL 23, 2014 @ 2PM**

1. Introduction of new BCA treasurer, David Reid
2. Discussion of accounting issues with AAM personnel Kevin DeBolske, CFO; Frank Puma, area manager; and Michael Yniguez, accounting manager
3. Review & approve minutes of March 19, 2014 meeting
4. Review of February 2014 and March 2014 financial statements as revised
5. Report on status of HOA dues collection
6. Report on BCA Review Report from Butler & Hansen, CPAs
7. Discussion of CD investment program
8. New business
9. Set next meeting date
10. Adjourn



## Review of BCA Financials for February 2014

**Comments:** As of February 28, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,313,429.85 (of which \$1,198,900.85 is held in cash) 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 \$72,648.17. The balance sheet reflects the fact that the Reserve Fund still has to reimburse Operations for an expense of \$85,708 (substantially the cost of the Dogpark)<sup>1</sup> paid during the past fiscal year. It is a strong reminder of the basic rule that the intermingling of the two funds should be avoided and occasional reimbursements handled promptly.

**Income:** In line with budget.

**Salaries & Wages:** Below budget.

**Administrative & General:** 60.8% over budget due mainly to CPA, Legal & Insurance Expenses. YTD 8% over budget.

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

**Repairs & Maintenance:** 132.6% or \$5,646 over budget, YTD +7.9%. Mainly due to gate accident repair (\$2,538) and purchase of handheld remotes (\$4,646).

**Utilities:** 6.5% over budget. YTD 6.1% under budget.

**Income Taxes:** None due.

**Insurance:** Overall 26.3% over budget due to revision of *BCA Insurance* to include flood coverage plus one time fees.

**Operating Owners' Equity:** The balance is now \$53,311, a decrease of \$9,870.

**Reserve Owners' Equity:**

As of February 28, 2014 the total balance as per AAM Statement is \$1,235,163, a decrease of \$28,319.

Charles Schroeder, April 5, 2014

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<sup>1</sup> It was later learned that the funds were actually part of earlier road repair expenses.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**May 21, 2014**

**PRESENT:** Marilyn Lillienfeld, David Reid, Don Bowman, , Paul Snyder and Charles Schroeder

**GUESTS:** Gregg Dittoe and Viola Lanam

**ABSENT:** Chuck Roach and Carlton Rooks

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

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (April 23, 2014) and to discuss the BCA's Financial Statements for April 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of Apr. 23, 2014 meeting**

The minutes of the B&F Committee meeting on March 19, 2014 were unanimously approved.

**Review of April 2014 Financial Statements**

See attached copy for details. The review contains the current yields of our reserve accounts reflecting the very low market rates. The Committee's difficult efforts continue to come up with investment options that will try to stay ahead of inflation within the existing risk parameters. Outstanding reimbursements due to Operations from Reserves were completed during the month.

**Report on status of HOA dues collection**

\$2,760 (equal to 0.4% of annual assessment of \$777,600) have just been turned over to the collection attorney. Another \$1,920 became delinquent during the current quarter. The remaining \$2,300 are mainly CC&R violation fees.

**Review of Proposed Reserve Plan for FYE 6/30/2015**

Don handed out the updated list of Reserve Projects for the current FY. The proposed Reserve Plan for FYE 6/30/2015 used the following parameters: 1% contributions to reserves, 1% rate of inflation and 1% of return on invested reserves. Under this scenario projections show that beginning with FY 2033-2034 the percentage funded will reach

100% and as of July 1, 2014 is estimated to be 75%. Gregg mentioned that a remaining \$10,000 for the stucco wall painting needed to be expended for the current FY. As to the approximate amount of \$54,000 for Fitness equipment collectively contained in the Reserve fund for the next two Fiscal years, Gregg stated that he believes not all of that would necessarily be spent.<sup>1</sup>

#### **New Business**

Gregg informed the Committee that lawyers are still debating the new Lone Mountain trail and that the builder would only be available after the summer season.<sup>2</sup>

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

Wednesday, June 25, 2014 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:20p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for April 2014

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair

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<sup>1</sup> The Board subsequently approved the purchase of one new Elliptical machine (ca. \$4,800) and a monitor for the new Pulley machine (ca. \$1,800), as well as anticipates the purchase of 3 new TVs for the Fitness Center (ca. \$2,000).

<sup>2</sup> By now the legal terms of the easement have been finalized and construction will begin in the fall.

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
MAY 21, 2014 @ 2PM**

1. Review and approve minutes of April 23, 2014 meeting
2. Review of April financial statements
3. Report on status of HOA dues collection
4. Review and proposed approval of Reserve Plan for FYE 6/30/2015
5. Discussion of CD investment program
6. New business
7. Set next meeting date
10. Adjourn

## Review of BCA Financials for April 2014

**Comments:** As of April 30, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,47,676.72 (all but \$74,266.00 is held in cash) 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 \$189,560.11. The yields of our cash balances have come down in line with market conditions. The return on our three Reserve cash accounts (Savings and the 2 Money Market accounts) totaling \$948,285.37 is currently 0.03%. We do not earn any interest on the Reserve Checking Account, but we pay no transaction fees, and the Reserve Investment account currently earns about 1% p.a. Outstanding reimbursements due to Operations from Reserves were completed during the month and the monthly transfer to Reserves for March was combined with the April transfer.

**Income:** In line with budget.

**Salaries & Wages:** Below budget.

**Administrative & General:** 12% over budget due mainly to CPA & Legal Expenses. YTD 7.8% over budget.

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

**Repairs & Maintenance:** 379.4% or \$16,822 over budget, YTD -45.8%. Mainly due to preparation for fence painting of common and private areas and rabbit fence removal/re-setup. (Assume the work on private areas is reimburseable).

**Utilities:** 8.7% under budget. YTD 6.3% under budget.

**Income Taxes:** None due.

**Insurance:** YTD 18.6% or \$2,613 over budget after adjustment.

**Operating Owners' Equity:** The balance is now \$32,171, a decrease of \$17,073.

**Reserve Owners' Equity:**

As of April 30, 2014 the total balance as per AAM Statement is \$1,096,665, an increase of \$18,257.



**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**June 25, 2014**

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

**GUEST:** Viola Lanam

**ABSENT:** Chuck Roach

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

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (May 21, 2014) and to discuss the BCA's Financial Statements for May 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of May 21, 2014 meeting**

The minutes of the B&F Committee meeting on May 21, 2014 were unanimously approved.

**Review of May 2014 Financial Statements**

See attached copy for details. During the month Reserve Fund balances declined by \$41,424 reflecting expenditures for the Community Fence Painting. Related to that is the increase in Receivables by \$13,131 (net) owed by residential property owners for view fence painting. Marilyn is in touch with the AAM accounting staff with regard to income taxes due for the prior fiscal year, year-end accounting/fund reimbursement and other issues.

**Report on status of HOA dues collection**

Of the prior month past due \$2,760 one \$1,380 has been turned over to the collection attorney and the other \$1,380 has been paid in full. Another \$2,220 became delinquent during the current quarter. The remaining \$1,750 are mainly CC&R violation fees. As mentioned above during the month Receivables increased net by \$13,131 for view fence painting services. The overall bill by the vendor of the Community Fence Painting Project will be reviewed including charges for individual services to owners and the possibility of discounts. As this may affect the amount of Receivables due from owners a decision of how much to assess for establishing a bad debt reserve will be postponed.

**Discussion of Reserve Plan Issues**

Don handed out the updated list of Reserve Projects for the current FY. An amount of \$10,000 planned for the stucco wall painting during the current FY will be accrued while the actual painting will be done during the next FY. We do need a Reserve Plan update and Don suggested to soon meet with the members of the B&G Committee to discuss mainly road and related issues. Carlton suggested that to follow an orderly procedure we need to have a full year schedule of impacted Reserve components in place by the time the next budget process begins.

**New Business**

David handed out an informative table of various investment portfolio allocations showing different rates of return when considering risk trade-offs. This will be helpful in B&F's effort to optimize the returns of the Reserve Fund. The discussion included options and limitations of alternatives of Reserve Fund investments.

**The next Meeting Date**

Wednesday, August 27, 2014 at 2:00p at the Clubhouse.

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

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for May 2014

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
JUNE 25, 2014**

1. Review and approve minutes of May 21, 2014 meeting
2. Review of May financial statements
3. Report on status of HOA dues collection & discussion of related YE issues
4. Discuss Reserve Plan issues
5. Discussion of year-end accounting/fund reimbursement/other issues
6. Discussion of Reserve Fund investment alternatives
7. New business
8. Distribution list for financial statements & attachments
9. Set next meeting date
10. Adjourn

## Review of BCA Financials for May 2014

**Comments:** As of May 31, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,106,252.98 (all but \$74,266.00 is held in cash) 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 combined total of \$144,767.70. Accounts Receivable increased by \$13,131 which appears to be due to the addition of the total of Fence Painting related charges of \$17,151 (minus payments collected) to be received from residents. Judging from the number of reclassifications related to the Fence Painting Project involving the following accounts: *Common Area Maintenance* (# 5305), *Special Assessments* (# 4018) and *Self Help* (# 4026.01), it seems the project and its components generated quite a challenge for the accountants staff.

**Income:** 14% above budget due to Legal Fee Reimbursements and Clubhouse Rentals.

**Salaries & Wages:** Slightly above budget but below YTD.

**Administrative & General:** In line with budget. YTD 7.1% over budget.

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

**Repairs & Maintenance:** After reclassification of the \$17,151, charged to the account in April, the overage is down to 11% over budget YTD.

**Utilities:** 9.5% over budget. YTD 5.1% under budget.

**Income Taxes:** None due. **Line Item missing: (Account 5162 – Income Taxes – State).**

**Insurance:** YTD 19.8% or \$3,066 over budget.

**Operating Owners' Equity:** The balance is now \$44,821, an increase of \$12,774.

**Reserve Owners' Equity:**

As of May 31, 2014 the total balance as per AAM Statement is \$1,113,161, an increase of \$16,496.

Charles Schroeder, June 19, 2014

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**August 27, 2014**

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

**GUEST:** Viola Lanam

**ABSENT:** Chuck Roach and Paul Snyder

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

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (June 25, 2014) and to discuss the BCA's Financial Statements for June and July 2014 as well as other matters. For details see enclosed agenda.

**Administrative Issues**

Marilyn Lillienfeld handed out a schedule of B&F Committee meetings for the rest of 2014. She also distributed a list of three options for monthly Financial Packages from AAM for Committee members to select a choice.

**Review & approve minutes of June 25, 2014 meeting**

The minutes of the B&F Committee meeting on June 25, 2014 were unanimously approved.

**Review of June and July 2014 Financial Statements**

See attached copies for details. During the month of June Bellasera paid \$1,588 in income and estimated taxes to the State of Arizona, however, no mention was made of this in the Budget Comparison Statement as the line item for State taxes is missing. In July Reserve Fund balances increased by \$11,267 to \$1,143,717. Receivables increased by \$2,690 mainly due to late payment of assessments. Special receivables, due from residential property owners for view fence painting, are down to \$6,807.

**Report on status of HOA dues collection**

Paul Snyder had distributed his monthly Summary of Receivables as of July 31, 2014. It shows a total of \$16,832 and includes \$4,240 of 30 days late assessments, the above mentioned special receivables of \$6,807 (now 60 days late) and at least \$750 of CC&R violations. In other words, Bellasera's receivables are in excellent shape.



**Discussion of Reserve Plan Issues**

Don Bowman suggested that we need to meet with Michael Frank, the author of the Road Study, to work out a schedule for the road repairs needed. It may be necessary to plan four phases instead of two. David Reid will talk to Gregg Dittoe about forming a group together to come up with a proposal that will then be decided by the Board.

**Discuss Meeting Dates with B&G Committee for upcoming Budget Preparation**

The target for a meeting with B&G is a day during the second week of November 2014.

**New Business**

David Reid reported on meetings with Fidelity to sound out options for the investment of Reserve Plan Funds. Not much has changed as to the interest rate environment. Therefore, it will take some more time to come up with an investment proposal.

**The next Meeting Date**

Wednesday, September 24, 2014 at 1:00p at the Clubhouse.

There being no other business the meeting was adjourned at 4:00p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for June 2014;  
Review of BCA Financials for July 2014.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
AUGUST 27, 2014**

1. Review and approve minutes of June 25, 2014 meeting
2. Review of June and July financial statements
3. Report on status of HOA dues collection
4. Discuss Reserve Plan issues
5. Set schedule of meeting dates for B&F
6. Discuss meeting dates with B&G for upcoming budget preparation
7. Update on Reserve Fund investment alternatives
8. Distribution list for monthly financial statements & attachments
9. New business
10. Set next meeting date
11. Adjourn

## Review of BCA Financials for June 2014

**Comments:** As of June 30, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,132,449.76 (all but \$74,199.00 is held in cash) 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 combined total of \$142,253.14. Accounts Receivable declined by \$6,559 mainly due to receipt of outstanding Fence Painting related payments from residents. The Reserve for Bad Debt has been increased by \$540 to \$1,635. Line item *Income Taxes – State* is still missing and needs to be re-installed (G.L. Account # 5162). During June Bellasera paid \$1,588.00 in income and estimated taxes to the State of Arizona. The separation of Federal and State income taxes also avoids intermingling of the two accounts.

**Income:** In line with budget.

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

**Administrative & General:** \$2,118 or 25% over budget due to increase in Bad Debt Reserve and Fed.Taxes, the latter within budget YTD.

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

**Repairs & Maintenance:** \$1,454 under budget, but \$5,148 or 8% over budget YTD.

**Utilities:** Under budget. YTD 5.2% under budget.

**Income Taxes:** \$2,970 paid to IRS as per *Budget Comparison Statement* (BCS), however, financials show that only \$2,885 were actually paid in federal income taxes. The above mentioned State income taxes of \$1,588.00 were not listed in the BCS.

**Insurance:** Slightly over budget.YTD 18.7% or \$3,151 over budget.

**Operating Owners' Equity:** The balance is now \$46,921, an increase of \$2,100.

**Reserve Owners' Equity:**

As of June 30, 2014 the total balance as per AAM Statement is \$1,132,450, an increase of \$19,289.

Charles Schroeder, August 1, 2014

## Review of BCA Financials for July 2014

**Comments:** As of July 31, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,143,716.81 (all but \$74,124.00 is held in cash) 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 combined total of \$184,597.87. Accounts Receivable increased by \$2,690 due to about \$5,345 in late payments of dues partially offset by receipt of outstanding Fence Painting related payments of \$2,965. The Reserve for Bad Debt has been increased by \$125 to \$1,760. (Recommend to review BCA's policy on Reserve for Bad Debt). The line item *Income Taxes – State* has been re-instated following the beginning of the new budget year.

**Income:** In line with budget.

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

**Administrative & General:** Slightly below budget.

**Repairs & Maintenance:** Slightly below budget.

**Utilities:** 17.8% under budget mainly due to lower *Water & Sewer* expenses.

**Income Taxes:** None due.

**Insurance:** 15.8% under budget.

**Operating Owners' Equity:** The balance is now \$50,721, an increase of \$3,800.

**Reserve Owners' Equity:**

As of July 31, 2014 the total balance as per AAM Statement is \$1,143,966, an increase of \$11,516.

Charles Schroeder, August 24, 2014

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**September 24, 2014**

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

**ABSENT:** Chuck Roach

The Budget & Finance Committee Meeting was called to order at 1:05 PM. A quorum was present.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (August 27, 2014) and to discuss the BCA's Financial Statements for August 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of August 27, 2014 meeting**

The minutes of the B&F Committee meeting on August 27, 2014 were unanimously approved.

**Review of August 2014 Financial Statements**

See attached copy for details. In August Reserve Fund balances declined by \$3,713 to \$1,140,253. Receivables declined by \$3,695 mainly due to late payment of assessments. Special receivables, due from residential property owners for view fence painting, declined by \$825 to \$5,982. A replacement charge for an air-conditioning compressor of \$4,275 should be charged against the Reserve Fund. There are some questions as to the validity of the budget impact figures shown in the comment section of both the Month-To-Date and Year-To-Date Variance Reports for August 2014. Marilyn will talk about that with AAM. Bellasera is obligated to pay a new SESAC Performance License fee of \$437 per year for the privilege of being able to listen to music from TVs at the Clubhouse. It needs to be included in next year's budget.

**Report on status of HOA dues collection**

Paul Snyder had distributed his monthly Summary of Receivables as of August 31, 2014. It shows a total of \$11,442 and includes \$1,365 of 60 days late assessments, the above mentioned special receivables of \$5,982 (now 90 days late) and at least \$750 of CC&R violations. Delinquent accounts from prior fiscal years were down to \$2,985 and have been further reduced to \$1,290 in September. In other words, Bellasera's receivables continue to be in excellent shape.



**Proposed Meetings with B&G and Michael Frank (Roads) for next Budget Process**

Don Bowman has offered to prepare a catalogue of Reserve Plan issues B&F needs input to from B&G as to the state of condition of several important Reserve Plan components and proposed actions to be taken, so that B&G has enough time for review before the meeting – now scheduled for December 10, 2014 at 12:00p @ the Clubhouse. A separate meeting is planned with roads consultant, M. Frank, in October. The discussion will be about his study and how the results can best be integrated into our Reserve Plan and what would be the best guidance to give to the contractor. The group of participants should be small but should include key persons of B&G.

**Update on Fencing/Landscaping Issue**

David Reid stated that residents who have paid the original higher amounts for rabbit fence removal and/or re-installment, etc. have been credited with the announced discounts. Discussions with the respective company for a lower price are still ongoing.

**New Business**

David Reid also reported on the status of potential investments of the Reserve Plan funds. The Board would be supportive of conservative investments which include laddering of CD's. Currently, discussions with Chase are under way. David Cohn will be asked for advice. David Reid, Treasurer of BOD, and Marilyn Lillienfeld, Chairperson of B & F Committee, will draft an Investment Policy to be reviewed by B & F Committee for subsequent recommendation to BOD.

**The next Meeting Date**

Wednesday, October 29, 2014 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 2:45p.

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

Review of BCA Financials for August 2014.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
SEPTEMBER 24, 2014 1PM**

1. Review and approve minutes of August 27<sup>th</sup>, 2014 meeting
2. Review of August financial statements
3. Report on status of HOA dues collection
4. Propose meeting dates with B&G to begin budget process, including a meeting with Michael Frank (roads consultant)
5. Distribution of financials
6. Update on Fencing/landscaping issue
7. Confirmation of October 29<sup>th</sup> for next meeting date
8. New business
9. Adjourn

## Review of BCA Financials for August 2014

**Comments:** As of August 31, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,140,182.48 (all but \$65,126.00 is held in cash) 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 combined total of \$135,731.35. Accounts Receivable declined by \$3,695 mainly due from late payments of dues and included \$825 received from outstanding Fence Painting related payments. The Reserve for Bad Debt has been increased by \$100 to \$1,860. (I still recommend reviewing BCA's policy on Reserve for Bad Debt).

**Income:** In line with budget.

**Salaries & Wages:** 13% below budget.

**Administrative & General:** Slightly below budget.

**Repairs & Maintenance:** 28.5% over budget due mainly to HVAC repair.

**Utilities:** 10% under budget.

**Income Taxes:** None due.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$53,081, an increase of \$2,360.

**Reserve Owners' Equity:**

As of August 31, 2014 the Reserve Fund balance as per AAM Statement is \$1,140,253, a decrease of \$3,713.

Charles Schroeder, September 19, 2014

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**October 29, 2014**

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

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

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (September 24, 2014) and to discuss the BCA's Financial Statements for September 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of September 24, 2014 meeting**

The minutes of the B&F Committee meeting on September 24, 2014 were unanimously approved.

**Review of September 2014 Financial Statements**

See attached copy for details. In September Reserve Fund balances increased by \$14,985 to \$1,155,181. Receivables declined by \$8,592 and remain in excellent shape. Special receivables, due from residential property owners for view fence painting, declined to \$1,980. The Reserve for Bad Debt has been increased by \$25 to \$1,885.

**Report on status of HOA dues collection**

Paul Snyder had distributed his monthly Summary of Receivables as of September 30, 2014. It shows a total of \$4,545 of which \$3,970 represent outstandings that are 90 days or more past due. The above mentioned amount of \$1,980 due for view fence painting related work is now over 90 days outstanding and involves 13 homes. David Reid said he would follow up on the collection of these funds.

**Update on Reserve Plan including input from B&G**

Don Bowman distributed an update of the Reserve Projects through September 2014. He has also sent a catalogue of Reserve Plan issues to B&G asking for input on the state of condition of several important Reserve Plan components and proposed actions to be taken to be returned by November 30, 2014 in time for the meeting on December 10, 2014 at 12:00p @ the Clubhouse<sup>1</sup>.

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<sup>1</sup> Meanwhile, Don has already received very useful information.

**Proposed Meeting with Michael Frank (Roads) for next Budget Process**

On Friday, November 7<sup>th</sup> at 10:00a, Mike Frank of Frank Civil Consulting will join us as well as members of the Board and the B&G Committee to discuss what and how we can amend/change/recast his road study to bring it more in line with the priorities of our next annual budget. Road maintenance and repair comprises approximately 85% of the Reserve Fund budget. A consensus and design of the best possible plan to keep our roads in excellent condition is essential to the financial health of Bellasera. The B&F Committee recognizes Mr. Frank's excellent expertise in how to build a road, however, our Community has to deal with the roads as they are. It may be necessary to obtain a second opinion.

**Miscellaneous Accounting Issues**

Marilyn Lillienfeld will be talking to AAM on various accounting and tax issues.

**New Business**

David Reid, Treasurer of BOD, and Marilyn Lillienfeld, Chairperson of B & F Committee, continue drafting an Investment Policy to be reviewed by B & F Committee for subsequent recommendation to BOD.

A total of \$450,000 has been invested in two new short term CD's.

Work has started on the new Lone Mountain Trail.

**The next B&F Meeting Date**

Wednesday, November 19, 2014 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:30p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for September 2014.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
OCTOBER 29, 2014@ 2PM**

1. Review and approve minutes of September 24<sup>th</sup>, 2014 meeting
2. Review of September financial statements
3. Report on status of HOA dues collection
4. Update on reserve plan including input to date from B&G
5. Nov. 7<sup>th</sup> meeting with Mike Frank to review road
6. Dec. 10<sup>th</sup> meeting with B&G and BOD to begin budget process
7. Miscellaneous accounting issues
8. Update on Fencing/landscaping issue
9. Confirmation of Nov. 19<sup>th</sup> and Dec. 17<sup>th</sup> for next meeting dates
10. Reserve Fund investments
11. New business
12. Adjourn

## **Review of BCA Financials for September 2014**

**Comments:** As of August 31, 2014 the balances in the five accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,155,180.64 (all but \$65,140.39 is held in cash) 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 combined total of \$163,009.63. Accounts Receivable declined by \$8,592 and remain in excellent shape. 90 days past due assessments and related fees total \$890 and Fence Painting related payments total \$1,980 while 90 days late violations and late fees total \$1,100 for a grand total of \$3,970 (merely ½ % of the annual assessments). The Reserve for Bad Debt has been increased by \$25 to \$1,885.

**Income:** In line with budget.

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

**Administrative & General:** 32% below budget.

**Repairs & Maintenance:** \$13,221 over budget due to \$6,477 for tree trimming budgeted in June and \$8,236 for rabbit fencing.

**Utilities:** 22% under budget.

**Income Taxes:** None paid.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$52,866, a decrease of \$266.

**Reserve Owners' Equity:**

As of September 30, 2014 the Reserve Fund balance as per AAM Statement is \$1,155,181, an increase of \$14,985.

Charles Schroeder, October 26, 2014

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**November 19, 2014**

**PRESENT:** David Reid, Don Bowman, Carlton Rooks, Charles Schroeder & Paul Snyder

**ABSENT:** Marilyn Lillienfeld and Chuck Roach

The Budget & Finance Committee Meeting was called to order at 1:05 PM. A quorum was present. David Reid headed the meeting in the absence of the Chair.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (October 29, 2014) and to discuss the BCA's Financial Statements for October 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of October 29, 2014 meeting**

The minutes of the B&F Committee meeting on October 29, 2014 were unanimously approved.

**Review of October 2014 Financial Statements**

Charles did not have time to prepare a written review.<sup>1</sup> In October Reserve Fund balances increased by \$17,912 to \$1,173,151. Receivables increased by \$6,894 due mainly to late dues payments. Special receivables, due from residential property owners for view fence painting, declined to \$1,527. Paul questioned the cost overrun of \$7,036 in *Repairs & Maintenance* which were caused by Clubhouse and roof repairs and higher cost of re-seeding and seasonal flower exchanges.

**Report on status of HOA dues collection**

Paul Snyder had distributed his monthly Summary of Receivables as of October 31, 2014. It shows a total of \$11,439 (including fees and violations) of which \$3,687 represent outstandings that are 90 days or more past due and also include an amount of \$1,527 due for view fence painting related work. The number of residences that owe the latter amount dropped to 10.

**Road Repair and Maintenance Discussion**

David stated that Board had created a new Ad-Hoc Committee on Roads to develop and make recommendations to BOD with regards to an action plan for ongoing road repair and maintenance of Bellasera's Roads. The new Committee is composed of 2 members of the B&G and 3 members of the B&F committees as well as the Board Member representative of each. It has just been announced that the first meeting will take place on Monday, December 15, 2014 at 1:00 pm @ the Clubhouse with road consultant,

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<sup>1</sup> Meanwhile, the financial review for October has been distributed (see attached).



Michael Frank. Carlton suggested that an effective road program would concentrate on three important components:

- 1) Maintenance
- 2) Drainage repairs and
- 3) Structural etc. repairs that prolong the life of the roads.

Carlton also said that based on our own experience in the past it would be more productive to keep the number of members of the Ad-Hoc Committee small.

**December 10, 2014 Budget Meeting with B&G Committee**

This meeting has been scheduled to discuss input and proposals received from other committees to kick off and facilitate the process of the budget for FY 2015/2016.

**New Business**

David Reid, Treasurer of BOD, and Marilyn Lillienfeld, Chairperson of B & F Committee, are continuing drafting an Investment Policy to be reviewed by B & F Committee for subsequent recommendation to BOD.

A total of \$450,000 has been invested on November 7 in two new short term CD's. This will show up in the next financial report.

**The next B&F Regular Meeting Date**

Wednesday, December 17, 2014 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 2:45p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for October 2014.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

David Reid, Treasurer & Ex-officio  
Member, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
NOVEMBER 19, 2014 @ 1PM**

1. Review and approve minutes of October 29<sup>th</sup>, 2014 meeting
2. Review of October financial statements
3. Report on status of HOA dues/landscaping cost collection
4. Road Maintenance discussion
5. Reserve Fund Investments
6. Comments on Dec. 10<sup>th</sup> budget meeting
7. Confirmation of Dec. 17<sup>th</sup> for next meeting date
8. New business
9. Adjourn

## Review of BCA Financials for October 2014

**Comments:** As of October 31, 2014 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,173,069.72 (all but \$65,117.00 is held in cash) 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 combined total of \$190,413.53. Accounts Receivable increased by \$6,894, mainly due to several late assessment payments. 90 days past due assessments and related fees total \$885 and Fence Painting related payments total \$1,527 while 90 days late CC&R violations and late fees total \$2,802 for a grand total of \$3,687 (down by \$283 and less than ½ % of the annual assessments).

**Income:** Slightly above budget due to increased late fees.

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

**Administrative & General:** 2.8% below budget.

**Repairs & Maintenance:** \$7,036 over budget due mainly to \$6,410 for Clubhouse and roof repairs as well as \$1,054 cost overrun for re-seeding and seasonal flower exchange.

**Utilities:** 15.5% under budget.

**Income Taxes:** \$240 interest and fees paid for 2013 FY late payment<sup>2</sup>.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$46,597, a decrease of \$6,269.

**Reserve Owners' Equity:**

As of October 31, 2014 the Reserve Fund balance as per AAM Statement is \$1,173,151, an increase of \$17,912.

Charles Schroeder, November 21, 2014

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<sup>2</sup> The delayed Tax Payment within IRS rules resulted in a \$3,000 gain for Bellasera.

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**December 17, 2014**

**PRESENT:** Marilyn Lillienfeld, David Reid, Don Bowman, Chuck Roach, Carlton Rooks, Charles Schroeder & Paul Snyder

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

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (November 19, 2014) and to discuss the BCA's Financial Statements for November 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the November 19, 2014 meeting**

The minutes of the B&F Committee meeting on November 19, 2014 were unanimously approved.

**Review of November 2014 Financial Statements**

Charles did not have time to prepare a written review.<sup>1</sup> In November Reserve Fund balances increased by \$19,589 to \$1,192,524. Two CDs were established of \$225,000 each. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$138,529.37. Receivables decreased by \$4,979 due mainly to late received dues payments. Special receivables, due from residential property owners for view fence painting, declined to \$1,155. The grand total of all funds owed 90 days and more is \$3,415 (down \$272 from last month) or less than ½ % of annual assessments.

**Report on status of HOA dues/landscaping cost collection**

Paul Snyder had distributed his monthly Summary of Receivables as of November 30, 2014. It shows a total of \$6,459 (including fees and violations). The number of residences that owe for view fence related services dropped by 2 to 8. Marilyn will follow up with AAM as to one residence that is currently on the market for a pending short sale to assure collection of past due assessments<sup>2</sup>. Overall, Paul's report confirms the excellent status of the HOA dues collection.

**Discussion of Ad Hoc Road Committee Meeting**

David reported about the first meeting of the new Ad-Hoc Committee on December 15, 2014. A good part of the discussions was about providing info on how the roads were handled in the past for the benefit of the newcomers. Generally there was a consensus

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<sup>1</sup> Meanwhile, the financial review for November has been distributed (see attached).

<sup>2</sup> Meanwhile, Viola confirmed the filing of a lien on the property last September.

not to simply spend \$500,000 per year for the next 10 years but rather continue with rigorous maintenance and repairs and, as appropriate, structural improvements to prolong the useful life of the roads. As to some of the drainage issues Chuck suggested to bring in an expert engineer. After 15 years there are really no serious water built up problems in Bellasera. There will be another meeting of the Ad Hoc Committee (on January 12, 2015 at 1:00p) before a meeting is scheduled with Michael Frank, the road consultant.

#### **New Business**

David Reid, Treasurer of BOD, and Marilyn Lillienfeld, Chairperson of B & F Committee, are continuing drafting an Investment Policy to be reviewed by B & F Committee for subsequent recommendation to BOD. There will be input received from CAA.

#### **The next B&F Regular Meeting Dates**

Wednesday, January 21, 2015 at 2:00p at the Clubhouse.

Tuesday, February 24, 2015 at 2:00p at the Clubhouse.

Wednesday, March 25, 2015 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:15p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for November 2014.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING  
DECEMBER 17<sup>th</sup>, 2014**

1. Review and approve minutes of November 19<sup>th</sup>, 2014 meeting
2. Review of October & November financial statements
3. Report on status of HOA dues/landscaping cost collection
4. Discussion of Budget meeting of December 10<sup>th</sup>
5. Discussion of Ad Hoc Road Committee meeting
6. Set up meeting dates for early 2015
7. New business
8. Adjourn

## Review of BCA Financials for November 2014

**Comments:** As of November 30, 2014 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,192,523.68 (all but \$65,115.00 is held in cash or FDIC insured CDs) reflecting the month-end account statements of the bank as adjusted by AAM. Two CDs were established of \$225,000 each, maturing in 6 months and one year respectively. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$138,529.37. Accounts Receivable decreased by \$4,979, mainly due to several late assessment payments. 90 and more days past due assessments and related fees total \$985 and Fence Painting related payments total \$1,155 while 90 days late CC&R violations and late fees total \$1,275 for a grand total of \$3,415 (down from last month by \$272 and less than ½ % of the annual assessments).

**Income:** Slightly above budget due to increased late fees and legal fee reimbursements.

**Salaries & Wages:** \$1,805 above budget due to holiday bonuses.

**Administrative & General:** Additional \$1,413 above budget for CPA & road-study consultant.

**Repairs & Maintenance:** \$1,252 under budget.

**Utilities:** 1.2% under budget but 20% higher water use.

**Income Taxes:** None due.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$47,899, a increase of \$1,293.

**Reserve Owners' Equity:**

As of November 30, 2014 the Reserve Fund balance as per AAM Statement is \$1,192,524, an increase of \$19,589.

Charles Schroeder, December 17, 2014