

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**January 21, 2015**

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

**ABSENT:** David Reid and 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 (December 17, 2014) and to discuss the BCA's Financial Statements for December 2014 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the December 17, 2014 meeting**

The minutes of the B&F Committee meeting on December 17, 2014 were unanimously approved.

**Review of December 2014 Financial Statements**

For details see enclosed review. In December Reserve Fund balances increased by \$19,315 to \$1,211,839. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$152,829 (up \$14,300). Receivables decreased by \$1,666 to \$4,793.90. Special receivables, due from residential property owners for view fence painting, declined to \$575. The grand total of all funds owed 90 days and more is \$3,845 (up \$430 from last month) or less than ½ % of annual assessments.

**Budget Discussion in Preparation for February 5<sup>th</sup> Meeting**

Viola will present the first built out budget for the next FY at the special meeting on February 5<sup>th</sup> (at 2:00p @ the clubhouse). Marilyn will ask Viola to provide the B&F members with an advance copy of the numbers prior to the meeting. Don will bring an update of the new Reserve Plan as per the special meeting on December 10<sup>th</sup>, 2014. The new budget will contain funding for the new Lone Mountain trail access from Bellasera, etc. The Board is considering replacing several treadmills in the gym, other Bellasera committees may have funding requirements as well as members of our committee may have some suggestions.

**Discussion of Ad Hoc Road Committee Meeting & Impact on Budget**

Marilyn reported on the January 12<sup>th</sup> Ad Hoc Committee meeting. A key element in holding down road deterioration is the clearing of debris that has built up in the culvers over the years. The funding of this needs to be included in the next Budget and Reserve

Plan. In the meantime Michael Ruotolo and Bob Gromko of B&G have inspected the conditions of the culvers and confirmed that there is a need for removal of debris. In an earlier Ad Hoc Committee meeting the issue of a \$20,000 fund as one of the solutions to cover unexpected road related expenses was discussed and Marilyn asked for details which were provided by Carlton. The next Ad Hoc Committee meeting will be held on February 6<sup>th</sup> @ 1:00p at the clubhouse. Mike Frank, the road consultant, will attend.

**Reserve Plan Projects Update**

Don handed out his updated Plan projects which mark the changes that were decided at the December 10<sup>th</sup> special meeting.

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

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 3:45p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for December 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  
JANUARY 21, 2015**

1. Review and approve minutes of December 17<sup>th</sup>, 2014 meeting
2. Review of December financial statements
3. Budget discussion in preparation for Feb. 5<sup>th</sup> meeting
4. Discussion of Ad Hoc Road Committee meeting & impact on budget
5. New business
6. Next meeting date is TUESDAY, Feb. 24th
7. Adjourn

## Review of BCA Financials for December 2014

**Comments:** As of December 31, 2014 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,211,838.98 (all but \$65,067.00 is held in cash or FDIC insured CDs) 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 \$152,828.98. Accounts Receivable decreased by \$1,666 to \$4,793. 90 and more days past due assessments total \$1,645 and Fence Painting related payments total \$575 while 90 days late CC&R violations and other fees total \$1,625 for a grand total of \$3,845 (up from last month by \$430, still less than ½ % of the annual assessments).

**Income:** In line with budget.

**Salaries & Wages:** \$2,020 below budget due to holiday bonuses processed in prior month.

**Administrative & General:** \$5,503 below budget due several line items expensed in other months such as bonuses (see above), holiday lights and taxes.

**Repairs & Maintenance:** \$2,071 under budget, YTD \$18,561 or 61.5% over budget mainly due to Common Area and Clubhouse maintenance.

**Utilities:** 6.4% over budget due to higher gas use.

**Income Taxes:** None due.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$49,980, an increase of \$2,091.

**Reserve Owners' Equity:**

As of December 31, 2014 the Reserve Fund balance as per AAM Statement is \$1,212,185, an increase of \$19,445.

Charles Schroeder, January 17, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**February 24, 2015**

**PRESENT:** Marilyn Lillienfeld, Chuck Roach, Carlton Rooks, Charles Schroeder & Paul Snyder

**ABSENT:** David Reid and Don Bowman

**GUESTS:** Viola Lanam and Steve Barnett (New Bellasera resident)

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 (January 21, 2015) and to discuss the BCA's Financial Statements for January 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the January 21, 2015 meeting**

The minutes of the B&F Committee meeting on January 21, 2015 were unanimously approved.

**Review of January 2015 Financial Statements**

For details see enclosed review. In January Reserve Fund balances increased by \$19,974 to \$1,232,159. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$200,578 (up \$7,749). As per Balance Sheet as of January 31, 2015 Accounts Receivable increased by \$8,485 to \$13,277; however, this amount is overstated by \$3,144. Please see the footnote of the attached review for details. Paul Snyder will be in touch with AAM Accounting to make sure the respective accounts are reclassified accordingly. Special receivables, due from residential property owners for view fence painting, declined to \$405. The grand total of all funds owed 90 days and more is \$3,720 (down \$125 from last month) or less than ½ % of annual assessments. For the month Expenses were \$8,820 below budget.

**Update on Ad Hoc Road Committee Activities**

As per Marilyn the Ad Hoc Committee has recommended that Bellasera award 2 contracts: 1) One for the clearing of debris built up in the culverts and 2) One for the crack sealing of the roads. The cost for the 2 contracts is an estimated amount of \$85,000. Marilyn has recommended that we budget \$100,000 for it. Mike Ruotolo plans to have a meeting with the asphalt people on March 4, 2015.

**Review and Discussion of Budget for FYE 6/30/2016**

Viola presented the new budget figures which reflect some smaller changes and may in the future show an additional line item for drainage work and culvert debris clearing. Depending on the classification of the culvert cleaning expenses and certain BOD decisions, it may be necessary to increase quarterly dues. Marilyn is preparing alternative resolutions pending the BOD decisions. This is preparatory to recommending to the BOD the Budget for the next FY which the current BOD then at their next meeting on March 30, 2015 will act on and recommend to the newly elected BOD.

**Discussion of Reserve Plan Analysis Work**

There is a need to do Reserve Plan analysis work in the future. Harold Levin may be able to help out. We shall see.

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

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

Wednesday, April 22, 2015 at 2:00p at the Clubhouse.

Wednesday, May 27, 2015 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 January 2015.

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  
FEBRUARY 24, 2015**

1. Review and approve minutes of January 21, 2015 meeting
2. Review of January, 2015 financial statements
3. Update on Ad Hoc Road Committee activities
4. Review and discussion of Budget for FYE 6/30/2016\*
5. Discussion of Reserve Analysis work
6. New business
7. Decide on next meeting dates
8. Adjourn

\*Subject to resolution of an accounting issue

## Review of BCA Financials for January 2015

**Comments:** As of January 31, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,231,641.22 (all but \$65,116.00 is held in cash or FDIC insured CDs) 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 \$200,578.18. Accounts Receivable increased by \$8,485 to \$13,277<sup>1</sup> because of several late payments of dues. 90 and more days past due assessments remain at \$1,645 and Fence Painting related payments declined to \$405 while 90 days late CC&R violations and other fees total \$1,670 for a grand total of \$3,720 (down from last month by \$125) The total is less than ½ % of the annual assessments.

**Income:** In line with budget.

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

**Administrative & General:** \$1,869 over budget mainly due to holiday lights budgeted in prior month; YTD under budget \$4,774.

**Repairs & Maintenance:** \$10,443 under budget, YTD \$8,119 or 18% over budget mainly due to Common Area and Clubhouse maintenance.

**Utilities:** 4.4% over budget due to higher gas use.

**Income Taxes:** None due.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$48,430, a decrease of \$1,550.

**Reserve Owners' Equity:**

As of January 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,232,159, an increase of \$19,974.

Charles Schroeder, February 20, 2015

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<sup>1</sup> Subsequently, Paul Snyder informed me that during the course of his preparation of his monthly Summary of Account Receivables he noted that the A/R amount of \$13,277 shown in the balance sheet is overstated by \$3,144 and should be reduced to \$10,133. AAM Accounting treated 21 "Fence Credits" as "Prepaid Assessments" rather than reducing the A/R account. Paul and I recommend reclassification of the aforementioned amount reflecting the fact that the respective 21 Bellasera residences do not owe any money.



**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**March 25, 2015**

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

**ABSENT:** Don Bowman

**GUESTS:** Viola Lanam, Guy Yates and Harold Levin

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 24, 2015) and to discuss the BCA's Financial Statements for February 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the February 24, 2015 meeting**

The minutes of the B&F Committee meeting on February 24, 2015 were unanimously approved.

**Review of February 2015 Financial Statements**

For details see enclosed review. In February Reserve Fund balances increased by \$19,830 to \$1,251,989. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$143,938 (down \$56,640). As per Balance Sheet as of February 28, 2015 Accounts Receivable decreased by \$4,792 to \$8,486; after adjustment of \$3,394. Special receivables, due from residential property owners for view fence painting, remained unchanged at \$405. The grand total of all funds owed 90 days and more is \$3,787 ( up \$67 from last month) or less than ½ of 1% of annual assessments. For the month Expenses were \$1,618 below budget.

**Review of Accounts Receivable at February month-end**

Paul presented his summary table and commented that 2 past due accounts were paid during February and hoped that we can collect a debt outstanding since last year when the respective house is being auctioned in April.

**Update on Asphalt Road Ad Hoc Committee Activities/Decisions**

David provided an update on the meeting of the Ad Hoc Committee with Michael Frank, the road consultant. It was agreed to accept his proposal for BCA's 2015/2016 FY Budget. Michael Frank's plan includes the cleaning of various culverts (there are 12 in Bellasera) and it will be reviewed annually in subsequent years.

**Discussion of Reserve Analysis update**

Harold Levin joined the discussion of this topic and one of the questions he had was why BCA was using two software programs: the program used by the Reserve Fund consultant, *Association Reserves*, and the WinReserve software? There is a lengthy answer to this and therefore this will be discussed at our next meeting.

**Review and Discussion of Budget for FYE 6/30/2016 including projected road expenses**

Marilyn mentioned that upon advice of the CPA firm Butler & Hansen the additional road and culvert cleaning expenses will be borne by the Reserve Fund. As there were no changes necessary to be made as a result of the findings of the Asphalt Road Ad Hoc Committee the Chair then asked for a vote on the B&F Committee's recommendation to the BOD of BCA to accept the new budget proposal dated February 24, 2015: **All B&F Committee members present voted in favor!**

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

Wednesday, April 22, 2015 at 2:00p at the Clubhouse.

Wednesday, May 27, 2015 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 February 2015.

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  
MARCH 25, 2015**

1. Review and approve minutes of February 24, 2015 meeting
2. Review of February, 2015 financial statements
3. Review of Accounts Receivable at February month-end
4. Discussion of Reserve Analysis update
5. Update on Ad Hoc Road Committee activities/decisions
6. Review and discussion of Budget for FYE 6/30/2016 including projected road expenses
7. New business
8. Selection of next meeting dates
9. Adjourn

## **Review of BCA Financials for February 2015**

**Comments:** As of February 28, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,251,356.24 (all but \$65,078.00 is held in cash or FDIC insured CDs) 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 \$143,938.00. Accounts Receivable decreased by \$4,792 to \$8,486 due mainly to an adjustment of \$3,394 discussed during our last meeting and receipt of a couple of late payments of dues. 90 and more days past due assessments at \$1,645 and Fence Painting related payments at \$405 remain unchanged while 90 days late CC&R violations and other fees total \$1,737 for a grand total of \$3,787 (up \$67 from last month). The total is less than ½ of 1% of the annual assessments.

**Income:** In line with budget.

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

**Administrative & General:** In line with budget. YTD under budget \$5,252.

**Repairs & Maintenance:** In line with budget. YTD \$7,636 or 9.6% over budget mainly due to Common Area and Clubhouse maintenance.

**Utilities:** In line with budget.

**Income Taxes:** None due.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$51,358, an increase of \$2,928.

**Reserve Owners' Equity:**

As of February 28, 2015 the Reserve Fund balance as per AAM Statement is \$1,251,989; an increase of \$19,830.

Charles Schroeder, March 23, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**April 22, 2015**

**PRESENT:** Marilyn Lillienfeld, David Reid, Carlton Rooks, Charles Schroeder &  
Paul Snyder

**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 (March 25, 2015) and to discuss the BCA's Financial Statements for March 2015 as well as other matters. For details see enclosed agenda.

**Comments on last Sunday's annual meeting**

There was a consensus that the meeting had been conducted in an efficient and business like manner. Both the Overall Report of the Community by the president and the Financial Report by the treasurer supported the view that the affairs of the Bellasera Community are well managed. David informed the committee that the new Board of Directors in its organizational meeting following the annual meeting had approved the new budget for the Fiscal Year 2015/2016 as recommended by the previous BOD.

**Review & approve minutes of the March 25, 2015 meeting**

The minutes of the B&F Committee meeting on March 25, 2015 were unanimously approved.

**Review of March 2015 Financial Statements**

For details see enclosed review. In March adjusted Reserve Fund balances increased by \$4,855 to \$1,256,845. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$151,918 (up \$7,980). As per Balance Sheet as of March 31, 2015 Accounts Receivable decreased by \$1,948 to \$6,538 due mainly to receipt of late payments. Special receivables, due from residential property owners for view fence painting, remained unchanged at \$405. The grand total of all funds owed 90 days and more is \$4,036 ( up \$249 from last month) or ½ of 1% of annual assessments. For the month Total Expenses were \$8,936 over budget (YTD \$1,290 over budget).

**Report on HOA dues collection**

Paul presented his summary table and commented that 3 past due accounts were paid during March with one remaining. He expressed his hope that we can collect another debt outstanding since last year as the respective house has been auctioned in April at a price in sufficient excess of the lending bank's mortgage balance to satisfy BCA's lien.

**Report on Reserve Analysis project**

Marilyn Lillienfeld and Harold Levin joined in a call to *Association Reserves* (AR) to discuss the possibilities and limitations of AR's spreadsheets that accompany their respective Reserve Studies. It turns out that the spreadsheets allow calculation of various "what if" scenarios but lack the capability of updating replaced or repaired Reserve components over time. This latter function could be performed with the help of the WinReserve software. Marilyn stated that Harold believes the running of WinReserve is quite easy. She will also talk to Viola to see whether AAM can run the Reserve Plan as part of the monthly report.

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

Wednesday, May 27, 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 March 2015.

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  
APRIL 22, 2015**

1. Comments on Sunday's annual meeting
2. Review & approve minutes of March 25, 2015 meeting
3. Review of March 2015 financial statements
4. Report on HOA dues collection
5. Report on Reserve Analysis project
6. New business
7. Set next meeting date
8. Adjourn

## **Review of BCA Financials for March 2015**

**Comments:** As of March 31, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,256,073.61 (all but \$55,080.00 is held in cash or FDIC insured CDs) 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 \$151,917.91. Accounts Receivable decreased by \$1,948 to \$6,538 due mainly to paid late payments of dues. 90 and more days past due assessments at \$1,645 and Fence Painting related payments at \$405 remain unchanged while 90 days late CC&R violations and other fees total \$1,986 for a grand total of \$4,036 (up \$249 from last month). The total is ½ of 1% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 7.7% below budget.

**Administrative & General:** In line with budget. YTD under budget \$5,229.

**Repairs & Maintenance:** \$10,936 (including Trail and Guardhouse roof expenses) over budget for the month. YTD \$18,572 or 34.7% over budget mainly due to Common Area and Clubhouse maintenance.

**Utilities:** 10.9% under budget for the month. YTD \$7,076 or 8.2% under budget.

**Income Taxes:** None due.

**Insurance:** Slightly under budget.

**Operating Owners' Equity:** The balance is now \$43,064, a drop of \$8,294.

**Reserve Owners' Equity:**

As of March 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,256,845; an increase of \$4,855.

Charles Schroeder, April 16, 2015



**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**May 27, 2015**

**PRESENT:** Marilyn Lillienfeld, David Reid, 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 (April 22, 2015) and to discuss the BCA's Financial Statements for April 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the April 22, 2015 meeting**

The minutes of the B&F Committee meeting on April 22, 2015 were unanimously approved.

**Review of April 2015 Financial Statements**

For details see enclosed review. In April adjusted Reserve Fund balances increased by \$2,533 to \$1,258,607. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$193,773 (up \$41,855). As per Balance Sheet as of April 30, 2015 Accounts Receivable increased by \$6,579 to \$13,117 due mainly to receipt of late payments.<sup>1</sup> Special receivables, due from residential property owners for view fence painting, were down \$100 to \$305. The grand total of all funds owed 90 days and more is \$5,778 ( up \$1,742 from last month) or  $\frac{3}{4}$  of 1% of annual assessments. The *Repairs & Maintenance* expenses have reached \$19,488 (FYTD) over budget and Marilyn will discuss with AAM whether or not any amounts need to be reclassified to the Reserve Fund. For the month Total Expenses were \$113 over budget (FYTD \$1,403 over budget).

**Report on HOA dues collection**

Paul had changed the format of his monthly summary table to ease the Committee's calculation of the estimated balance of allowance for doubtful accounts as of April 30, 2015. However, there are several open collection cases for which a decision by the BOD is needed whether to proceed or write off. The Bellasera Board will make a decision during its next meeting on 5/28/2015 and the Committee will subsequently calculate the appropriate amount of the allowance.

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<sup>1</sup> \$3,055 were paid during May.

**Report on Reserve Analysis Status**

David stated that BOD will go with Michael Frank's recommendation for maintaining the roads. Marilyn informed the Committee that Harold Levin has agreed to handle the Reserve Plan updates on a quarterly basis.

**Audit of BCA's Financials**

Bellasera's FYE June 30, 2015 Financials will be audited as the last full audit took place in 2012.

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

Monday, June 22, 2015 at 2:00p at the Clubhouse;  
Wednesday, July 29, 2015 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 4:05p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for March 2015.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
MAY 27, 2015**

1. REVIEW OF MINUTES OF APRIL 22 , 2015 MEETING
2. REVIEW OF APRIL FINANCIAL STATEMENTS
3. BAD DEBT OVERVIEW AND RESERVE RECOMMENDATIONS FOR FYE 6/30/3015
4. UPDATE ON RESERVE ANALYSIS STATUS
5. NEW BUSINESS
6. SET NEXT MEETING DATE
7. ADJOURN

## **Review of BCA Financials for April 2015**

**Comments:** As of April 30, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,258,606.50 (all but \$55,069.14 is held in cash or FDIC insured CDs) 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 \$193,772.51. Accounts Receivable increased by \$6,579 to \$13,117 due mainly to late payments of dues. 90 and more days past due assessments at \$3,320 and Fence Painting related payments at \$305 remain (down \$100) while 90 days late CC&R violations and other fees total \$2,153 for a grand total of \$5,778 (up \$1,742 from last month). The total is less than ¼ of 1% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 7.6% below budget.

**Administrative & General:** Over budget \$1,693 due to road consulting expense of \$1,755. YTD under budget \$3,535.

**Repairs & Maintenance:** \$917 over budget for the month. YTD \$19,488 or 33.6% over budget mainly due to Common Area and Clubhouse maintenance.

**Utilities:** 20.4% under budget for the month. YTD \$8,954 or 9.4% under budget.

**Income Taxes:** \$1,279 (Est. Federal) and \$561 (Est. AZ State) for FY 2014 were paid partially late due to delayed filing of final 2013 Return.

**Insurance:** 75% under monthly budget. Assume lower premium for new year?

**Operating Owners' Equity:** The balance is now \$45,262, a gain of \$2,323.

**Reserve Owners' Equity:**

As of April 30, 2015 the Reserve Fund balance as per AAM Statement is \$1,259,543; an increase of \$2,698.

Charles Schroeder, May 22, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**June 22, 2015**

**PRESENT:** Marilyn Lillienfeld, David Reid, Carlton Rooks, Charles Schroeder & Paul Snyder  
**ABSENT:** Chuck Roach  
**GUEST:** Viola Lanam

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 27, 2015) and to discuss the BCA's Financial Statements for May 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the May 27, 2015 meeting**

The minutes of the B&F Committee meeting on May 27, 2015 were unanimously approved.

**Review of May 2015 Financial Statements**

For details see enclosed review. As of May 31, 2015 adjusted Reserve Fund balances increased by \$15,953 to \$1,274,559. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$124,102 (down \$69,670). As per Balance Sheet as of May 31, 2015 Accounts Receivable decreased by \$3,898 to \$9,220 due mainly to receipt of late payments of dues. Special receivables, due from residential property owners for view fence painting, remain at \$305. The grand total of all funds owed 90 days and more is \$5,868 ( up \$90 from last month) or  $\frac{3}{4}$  of 1% of annual assessments. As to road consulting fees Carlton Rooks maintained that they should all be applied to the Reserve Fund. David Reid stated that there are two types of consulting fees, namely, those that are part of the road consulting contract and those that are outside the scope of the contract, with the former to be applied to the Reserve Fund and the latter to be charged to Operations.

**Report on HOA dues collection and YE recommendations**

Paul presented his monthly summary table as of May 31, 2015 which included a column for suggested write offs. . The change in outstanding receivables has been detailed in the previous paragraph. The Committee has made a determination as to which accounts should be written off or reserved at year-end. Paul and Viola are working with AAM on this so our decisions will be reflected in the year-end financial statements. Separately, Marilyn is working on a rewording of the collection and fines policy but not making any substantive changes. The original policy was written in the form of a

resolution but should have been worded as a policy, then forwarded to the BOD with a resolution for adoption. She is, however, reviewing the section--if there is one--having to do with collection procedures, including placing of liens on property when needed, and similar actions. If there's no section addressing this, Marilyn will be drafting one for review and approval by B&F, which will ultimately be forwarded to the BOD for discussion and, hopefully, approval.

#### **Update on Road repair/culvert cleaning project**

The decision to do the work on the culverts and road repair is final, approved by the BOD. Building & Grounds will act as the liaison between the road consultant, Michael Frank, and BCA on questions and issues which arise during the implementation of the work.

#### **Report on Reserve Analysis Project**

Marilyn informed the Committee that the respective reports of Reserve Plan updates are in the process of being aligned between Associated Reserves, AAM and Harold Levine.

#### **New Business**

As to the issue of potential *Capital Improvement Fees* Marilyn mentioned that some communities in Arizona charge between \$2,000 and \$2,500. Currently, Marilyn and David are investigating the possibility of adopting such a fee on new homeowners, looking at other HOAs and current trends in this area. An example would also be the present reappearance of the Verizon tower project which would create the opportunity of \$18,000 fee income per year and subsequent annual increases of 3%.

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

Wednesday, July 29, 2015 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:50p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for May 2015.

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  
JUNE 22, 2015**

1. Review & approve minutes of May 27<sup>th</sup>, 2015 meeting
2. Review of May 2015 financial statements
3. Report on HOA dues collection & YE recommendations
4. Update on Road repair/culvert cleaning project
5. Report on Reserve Analysis project
6. New business
7. Confirm next meeting date
8. Adjourn

## **Review of BCA Financials for May 2015**

**Comments:** As of May 31, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,274,559.06 (all but \$55,060.55 is held in cash or FDIC insured CDs) 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 \$124,102.25. Accounts Receivable decreased by \$3,898 to \$9,220 due mainly to late payments of dues. 90 and more days past due assessments at \$3,310 and Fence Painting related payments at \$305 remain while 90 days late CC&R violations and other fees total \$2,253 for a grand total of \$5,868 (up \$90 from last month). The total is less than  $\frac{3}{4}$  of 1% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 7.9% below budget.

**Administrative & General:** Over budget \$1,556 due to additional road consulting expense of \$1,010 and \$520 in office supplies. YTD under budget \$1,980.

**Repairs & Maintenance:** \$5,828 over budget for the month. YTD \$25,317 or 40.7% over budget mainly due to Common Area and Clubhouse maintenance and tree pruning of \$6,477 done this FY, but originally scheduled for June 2014.

**Utilities:** In line with budget.

**Income Taxes:** No taxes due or paid.

**Insurance:** Under budget YTD.

**Operating Owners' Equity:** The balance is now \$43,738, a decline of \$1,524.

**Reserve Owners' Equity:**

As of May 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,275,212; an increase of \$15,669.

Charles Schroeder, June 17, 2015



**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**July 29, 2015**

**PRESENT:** Marilyn Lillienfeld, David Reid, Carlton Rooks, Charles Schroeder & Paul Snyder  
**ABSENT:** Chuck Roach  
**GUEST:** Viola Lanam

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 22, 2015) and to discuss the BCA's Financial Statements for June 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the June 22, 2015 meeting**

The minutes of the B&F Committee meeting on June 22, 2015 were unanimously approved.

**Review of June 2015 Financial Statements**

For details see enclosed review. As of June 30, 2015 adjusted Reserve Fund balances increased by \$13,564 to \$1,288,716. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$140,560 (up \$16,458). As per Balance Sheet as of June 30, 2015 Accounts Receivable decreased by \$432 to \$8,788 due mainly to receipt of late payments of dues. The grand total of all funds owed 90 days and more is \$7,215 ( up \$1,347 from last month) or less than 1% of annual assessments. . By authority of the BCA Board the *Allowance of Bad Debts* has been increased by \$800.00 to \$2,685.00 following an recommendation by the B&F Committee to write-off several uncollectible bad debts.

**Report on HOA dues collection and YE adjustments**

Paul presented his monthly summary table as of June 30, 2015. Three accounts totaling \$6,042 remain in delinquency: 1 pending collection under lien; 1 under an accepted payment schedule and 1 pending acceptance of payment plan. Two other accounts in the amount of \$1,692 are new this quarter. The overall total is \$8,639 and amounts to less than 1% of annual assessments.

Marilyn stated that there was enough time to make adjustments of Bellasera's YE financials as of June 30 June 2015 and encouraged everyone to let her know if there is a need for reclassifications (e.g. payments made by Operations that should be charged against the Reserve Fund).

**Update on Road repair/culvert cleaning project**

David provided an update on the work to be done. Road repairs and crack-filling as well as concrete repairs and culvert cleanings will be done as approved by BOD and within the approved budget.

**New Business**

As to the potential establishment of a *Transfer Fee* for buyers of Bellasera properties, BOD would like to receive recommendations from the B&F Committee for discussion at the next Board meeting in September. Information on a potential fee producing Verizon Cell Tower is available and comparative data of how other communities handle this is already being collected.

Marilyn has been working on an *Investment Policy* for Bellasera. The next step will be to get additional inputs and refine the raw information and then circulate a draft among staff and members of B&F.

**The next B&F Meeting Date**

Tuesday, September 22, 2015 at 1:00p 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 June 2015.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
BUDGET AND FINANCE COMMITTEE  
JULY 29<sup>TH</sup>, 2015 MEETING AGENDA**

1. REVIEW & APPROVE MINUTES OF JUNE 22<sup>ND</sup>, 2015 MEETING
2. REVIEW JUNE FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE STATUS; YEAR-END ADJUSTMENTS
4. ROAD AND CULVERT WORK UPDATE
5. RESERVE ANALYSIS
6. NEW BUSINESS
7. SET NEXT MEETING DATE
8. ADJOURN

## Review of BCA Financials for June 2015

**Comments:** As of June 30, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,288,081.90 (all but \$10,057.23 is held in cash or FDIC insured CDs) 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 \$140,560.06. Accounts Receivable decreased by \$432 to \$8,788 while 90 and more days past due assessments at \$5,079 and 90 days late CC&R violations and other fees of \$2,136 add up to a total of \$7,215 (up \$1,347 from last month). The total is less than 1% of the annual assessments. By authority of the BCA Board the *Allowance of Bad Debts* has been increased by \$800.00 to \$2,685.00 following an recommendation by the B&F Committee to write-off several uncollectible bad debts .

**Income:** In line with budget.

**Salaries & Wages:** YTD 7.5% below budget.

**Administrative & General:** Under budget \$1,166. YTD under budget \$3,145.

**Repairs & Maintenance:** \$5,876 under budget for the month. YTD \$19,441 or 27.4%.

**Utilities:** In line with budget.

**Income Taxes:** No taxes paid.

**Insurance:** Under budget for the month and YTD.

**Operating Owners' Equity:** The balance is now \$48,897, a gain of \$5,159.

**Reserve Owners' Equity:**

As of June 30, 2015 the Reserve Fund balance as per AAM Statement is \$1,288,716, an increase of \$13,564.

Charles Schroeder, July 20, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**September 22, 2015**

**PRESENT:** Marilyn Lillienfeld, Carlton Rooks, Charles Schroeder & Paul Snyder

**ABSENT:** Chuck Roach & David Reid

**GUEST:** Viola Lanam

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 (July 29, 2015) and to discuss the BCA's Financial Statements for July and August 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the July 29, 2015 meeting**

The minutes of the B&F Committee meeting on July 29, 2015 were unanimously approved.

**Review of July and August 2015 Financial Statements**

For details see enclosed reviews. The original BCA Balance Sheet as of July 31, 2015 has been revised to show the appropriate balances in the respective Operating and Reserve Owners' Accounts. The July statements also reflect preliminary adjustments to the June 30, 2015 year-end statements which are subject to review in connection with the forthcoming audit. As to the BCA Financials for August 2015 Reserve Fund balances increased by \$21,202 to \$1,331,262. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$127,030 (down \$52,434). As per Balance Sheet as of August 31, 2015 Accounts Receivable decreased by \$5,269 to \$9,328 due mainly to receipt of late payments of dues. The grand total of all funds owed 90 days and more is \$6,142 (down \$561 from last month) or less than 1% of annual assessments.

**Report on HOA dues collection and YE adjustments**

Paul presented his monthly summary table as of August 31, 2015. Only 1 account is delinquent for the current FY (\$710). Three accounts from prior FYs totaling \$6,428 remain in delinquency: 1 pending collection under lien; 1 under an accepted payment schedule and 1 pending acceptance of payment plan. One other account in the amount of \$1,116 has been turned over to attorneys. The overall total is \$8,579 and amounts to about 1% of annual assessments.

As to YE adjustments Paul noted that the gross amount of \$2,585.00 for the Bad Debt Reserve was correct, but that he would send a memo to Marilyn for checking with AAM for some additional accounting action that need to be taken.

**Update on Road repair/culvert cleaning project**

The Reserve Statement shows an amount of \$100,000 set aside for road maintenance. No amount has been charged as yet, but it appears that expenses have reached \$123,000 including "Technical Advisory Fees" which should be charged to Reserve Funds. BOD decided to include *asphalt repair expenses* this year after adoption of the current budget.

**Capital Improvement Fee Discussion**

The previously referred to *Transfer Fee* will from now on be called *Capital Improvement Fee* for buyers of Bellasera properties. Marilyn had a telephone conversation with BCA's accountant and he pointed out that 70-80% of his clients in Arizona apply such a fee. There are different ways of computing such a fee: e.g., as a percentage of assessments or as a flat fee. The proceeds from the fee collection would then be added to the Reserve Fund, helping to enhance the percentage funded amount. A flat fee appears to be the best solution (in the \$2,000 to \$3,000 range). The members of the B&F Committee are principally in favor of the process of data collection on how other communities handle this issue as a basis for a potential recommendation to BOD. Marilyn plans to circulate relative information to B&F Committee members as well as a copy of a draft survey that could be communicated by BOD to Bellasera residents.

**The next B&F Meeting Dates**

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

Thursday, November 19, 2015 at 2:00p at the Clubhouse.

Friday, December 18, 2015 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 2:55p.

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

Review of BCA Financials for July & August 2015.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
BUDGET AND FINANCE COMMITTEE  
SEPT. 22<sup>ND</sup>, 2015 MEETING AGENDA**

1. REVIEW & APPROVE MINUTES OF JULY 29<sup>TH</sup>, 2015 MEETING
2. REVIEW JULY AND AUGUST FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE STATUS
4. ROAD AND CULVERT WORK UPDATE & COSTS
5. CAPITAL IMPROVEMENT FEE DISCUSSION
6. NEW ISSUES
7. SET NEXT MEETING DATES
8. ADJOURN

## Review of BCA Financials for July 2015

**Comments:** As of July 31, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,309,315.92 (all but \$10,053.13 is held in cash or FDIC insured CDs) 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 \$179,464.25. Accounts Receivable increased by \$5,810 to \$14,598 (mainly due to late payments of assessments), while 90 and more days past due assessments were at \$4,200 and 90 days late CC&R violations and other fees at \$2,503 adding up to a total of \$6,703 (down \$512 from last month). The total remains at less than 1% of the annual assessments. **The OPERATING OWNERS' EQUITY ACCOUNT below shows an amount of \$204,763.59, a "decline" of \$459.02. This is a substantial increase from the last balance of \$48,896.79 shown in the Balance Sheet as of June 30, 2015. I would like to see an accounting of the increase; it appears that basically the entire previous surplus in the RESERVE OWNERS' ACCOUNT has been shifted to the OPERATING OWNERS' EQUITY ACCOUNT.<sup>1</sup>**

**Income:** In line with budget.

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

**Administrative & General:** Under budget \$694.

**Repairs & Maintenance:** \$3,821 over budget, due mainly to landscape erosion and Gate repairs.

**Utilities:** \$1,681 or 21% under budget.

**Income Taxes:** No taxes paid.

**Insurance:** Under budget 15%.

**Operating Owners' Equity:** The balance is now \$204,763.59, a gain of **\$155,867**. Pl. see comment above.

**Reserve Owners' Equity:**

As of July 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,153,734, an increase of \$21,284. Please see comments above.

Charles Schroeder, August 19, 2015

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<sup>1</sup> The BCA Financials for July 2015 have subsequently been revised and contain preliminary adjustments to June year-end statements, subject to review.



## **Review of BCA Financials for August 2015**

**Comments:** As of August 31, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,330,424.99 (all but \$10,041.02 is held in cash or FDIC insured CDs) 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 \$127,030.16. Accounts Receivable declined by \$5,269 to \$9,328 (mainly due to late payments of assessments), while 90 and more days past due assessments were at \$3,739 and 90 days late CC&R violations and other fees at \$2,403 adding up to a total of \$6,142 (down \$561 from last month). The total remains at less than 1% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 11% below budget.

**Administrative & General:** YTD 10.8% under budget.

**Repairs & Maintenance:** \$4,398 over budget, due mainly to landscape erosion and gate and pool/spa repairs as well as re-planting of 7 ocotillos.

**Utilities:** In line with budget.

**Income Taxes:** No taxes due.

**Insurance:** Under budget 5.9%.

**Operating Owners' Equity:** The balance is now \$51,669.63, a gain of \$3,232.

**Reserve Owners' Equity:**

As of August 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,331,262, an increase of \$21,202.

Charles Schroeder, September 18, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**October 21, 2015**

**PRESENT:** Marilyn Lillienfeld, David Reid, Chuck Roach, Charles Schroeder & Paul Snyder

**ABSENT:** 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 (September 22, 2015) and to discuss the BCA's Financial Statements for September 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the September 22, 2015 meeting**

The minutes of the B&F Committee meeting on September 22, 2015 were unanimously approved.

**Review of September 2015 Financial Statements**

For details see enclosed review. The BCA Financials for September 2015 Reserve Fund balances increased by \$19,595 to \$1,350,023. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$168,854 (up \$41,824). As per Balance Sheet as of September 30, 2015 Accounts Receivable increased slightly to \$9,353 due mainly to receipt of late payments of dues. However, the grand total of all amounts owed 90 days and more is \$8,487 ( up \$2,753 from last month) or 1.1% of annual assessments.

**Report on HOA dues collection**

Paul presented his monthly summary table as of September 30, 2015. Only 1 account is delinquent for the current FY (\$710). Three accounts from prior FYs totaling \$6,428 remain in delinquency: 1 pending collection under lien; 1 under an accepted payment schedule and 1 pending acceptance of payment plan. One other account in the amount of \$1,116 has been turned over to attorneys. The overall total is \$8,579.

Paul raised the issue of responsibility of AAM to make sure BCA is receiving all dues and CC&R violation fees that are due when ownership of Bellasera residences changes.

Marilyn will follow up this issue with Viola.

**Capital Improvement Fee Discussion**

Marilyn handed out an earlier memo that described in detail her discussion with Paul Hansen of Butler and Hansen, CPAs, Bca's auditors, about the adoption of a "capital improvement fee" (aka impact fee). Butler and Hansen specializes in accounting and auditing of HOAs and has about 600 HOA clients. The capital improvement fee is defined as a one-time fee imposed on the purchaser of a home.

The members of the B&F Committee recommended to the BOD to set the level of such a fee at \$2,500 with provisions that would "grandfather" certain pending transactions. David will present the recommendation of the B&F Committee to the Board at the next meeting.

**Update on Verizon Cell Tower**

Community members had the opportunity to attend a meeting on October 14, 2015 in the Clubhouse about the prospective Verizon Wireless cell tower project which requires only one faux cactus (tower) and operates without generator. The B&F Committee discussed issues related to the presentation by a Verizon representative. Details of the project can be found in a Notice of Board Action dated October 26, 2015 sent to all residents.

**The next B&F Meeting Dates**

Thursday, November 19, 2015 at 2:00p at the Clubhouse.

Friday, December 18, 2015 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 2015.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
OCTOBER 21<sup>ST</sup>, 2015**

1. REVIEW & APPROVE MINUTES OF SEPT. 22<sup>ND</sup> MEETING
2. REVIEW OF SEPTEMBER FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE UPDATE
4. CAPITAL IMPROVEMENT FEE DISCUSSION
5. UPDATE ON VERIZON CELL TOWER
6. NEW BUSINESS
7. NEXT MEETING DATES: THURSDAY, NOV. 19<sup>TH</sup> AND FRIDAY, DEC. 18<sup>TH</sup>
8. ADJOURN

## **Review of BCA Financials for September 2015**

**Comments:** As of September 30, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,350,022.67 (all but about \$10,000 is held in cash or FDIC insured CDs) 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 \$168,853.98. Accounts Receivable remained practically unchanged at \$9,353 (mainly due to late payments of assessments), however, 90 and more days past due assessments increased by \$1,995 to \$5,734 bringing the total, including 90 days late CC&R violations and other fees of \$2,753, to \$8,487 (up \$2,345 from last month). The total is 1.1% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 8.6% below budget.

**Administrative & General:** YTD 26.7% under budget.

**Repairs & Maintenance:** 10.4% over budget, due mainly to electrical repairs.

**Utilities:** YTD 10.5% under budget.

**Income Taxes:** Received \$1,287.58 Federal Income Tax Refund and paid \$261 over budget in State Income Taxes.

**Insurance:** YTD under budget 42.8%.

**Contract Services:** YTD 2% under budget.

**Operating Owners' Equity:** The balance is now \$64,165, a gain of \$12,495.

**Reserve Owners' Equity:** As of September 30, 2015 the Reserve Fund balance as per AAM Statement is \$1,350,950, an increase of \$19,688.

Charles Schroeder, October 20, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**November 19, 2015**

**PRESENT:** David Reid, Charles Schroeder & Paul Snyder

**ABSENT:** Marilyn Lillienfeld, Carlton Rooks and Chuck Roach

**GUEST:** Viola Lanam

The Budget & Finance Committee Meeting was called to order at 2:05 PM. David Reid chaired the meeting.

**Purpose of the Meeting**

To review / approve the minutes of our last meeting (October 21, 2015) and to discuss the BCA's Financial Statements for October 2015 as well as other matters. For details see enclosed agenda.

**Review & approve minutes of the October 21, 2015 meeting**

The minutes of the B&F Committee meeting on October 21, 2015 were unanimously approved.

**Review of October 2015 Financial Statements**

For details see enclosed review. The BCA Financials for October 2015 Reserve Fund balances increased by \$20,391 to \$1,370,414. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$196,409 (up \$27,555). As per Balance Sheet as of October 31, 2015 Accounts Receivable increased by \$4,293 to \$13,647 due mainly to receipt of late payments of dues. The grand total of all amounts owed 90 days and more is \$8,728 ( up \$241 from last month) or 1.1% of annual assessments. As to the \$2,725 50% payment to the CPA it is covered by the \$4,100 budgeted for February 2016.

**Accounts Receivable Update**

Paul presented his monthly summary table as of October 31, 2015. Three new accounts became delinquent for the current FY (\$1,777) of which one was paid in the meantime, bringing the total down to \$1,221. 4 accounts from prior FYs remain in delinquency. In one of those cases there will be an *Excess Process Hearing at the Maricopa County Superior Court* set for 12/16/2015. The Committee discussed BCA representation at that hearing and David will bring the matter up at the BOD meeting. The grand total of assessments and fees past due 90 days and more is \$8,728 or 1.1% of annual assessments. Paul raised the issue of compassionate assistance to residents in financial trouble who may need and will accept advice in financial matters with which they are not familiar e.g. due to the fact that the more knowledgeable spouse has passed away. The Committee members agreed to explore the matter and David will present the issue at the next BOD meeting. David asked whether BCA's Reserve for Bad debts was adequate or needed additional funds. Paul stated that the Reserve was adequate at this

time and the Committee would – as has been the case – review the situation monthly. The Committee members agreed.

**Updates/Discussion on Status of Capital Improvement Fee (CIF), VZN Cell Tower and Road Repairs**

David informed the Committee that BOD has decided that the CIF issue would not be pursued as long as the VZN Cell Tower transaction is pending. As to road repairs they are moving ahead. A group of expert residents headed by Michael Ruotolo made recommendations which have been integrated into the existing plan.

**New Business**

David mentioned that due to a lack of attention on the part of Chase for BCA's business needs BCA may wish to transfer its accounts to Fidelity, a mutual fund company, that seems to be offer more flexibility. The Committee did not discuss any pros or cons in particular credit issues that such a move would entail.

David expects to have the audit of BCA's FYE June 30, 2015 financials ready for distribution after Thanksgiving.

**The next B&F Meeting Dates**

Friday, December 18, 2015 at 10:00a at the Clubhouse.

Wednesday, January 20, 2016 at 2:00p at the Clubhouse.

Wednesday, February 17, 2016 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 2:50p.

**Enclosures:** B&F Committee Meeting Agenda;  
Review of BCA Financials for October 2015.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

David Reid, BCA Treasurer and  
acting Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
AGENDA FOR BUDGET & FINANCE MEETING  
NOVEMBER 19<sup>TH</sup>, 2015**

1. REVIEW & APPROVE MINUTES OF OCT. 21<sup>ST</sup>, 2015 MEETING
2. REVIEW OF OCTOBER FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE UPDATE
4. UPDATES/DISCUSSION ON STATUS OF CAPITAL IMPROVEMENT FEE, VZN CELL  
TOWER, ROAD REPAIRS
5. NEW BUSINESS
6. NEXT MEETING DATE: FRIDAY, DEC. 18<sup>TH</sup>
7. ADJOURN



## **Review of BCA Financials for October 2015**

**Comments:** As of October 31, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,370,413.63 (all but about \$10,045 is held in cash or FDIC insured CDs) 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 \$196,408.68. Accounts Receivable increased \$4,293 to \$13,647 (mainly due to late payments of assessments). 90 and more days past due assessments remained at \$5,734 bringing the total, including 90 days late CC&R violations and other fees of \$2,994, to \$8,728 (up \$241 from last month). The total remains 1.1% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 9.8% below budget.

**Administrative & General:** 18.7% (not 271.9% as per variance report) over budget for the month due to "non-budgeted" expenses of \$2,725 (50%) to CPA. (I thought we budgeted \$4,100?). YTD 14% under budget.

**Repairs & Maintenance:** Under budget for the month 23.3%, but YTD over budget 24.6% due mainly to electrical repairs and landscaping repairs and expenses.

**Utilities:** YTD 11.3% under budget.

**Income Taxes:** No taxes paid.

**Insurance:** YTD under budget 32.9%.

**Contract Services:** YTD 2.6% under budget.

**Operating Owners' Equity:** The balance is now \$65,056, a gain of \$891.

**Reserve Owners' Equity:** As of October 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,371,431, an increase of \$20,481.

Charles Schroeder, November 18, 2015

**BELLASERA COMMUNITY ASSOCIATION**  
**Budget & Finance Committee Meeting Minutes**  
**December 18, 2015**

**PRESENT:** David Reid, Marilyn Lillienfeld, Carlton Rooks, Charles Schroeder & Paul Snyder

**ABSENT:** Chuck Roach

**Community Manager:** Viola Lanam

**Guest:** Harold Levin (participated in Reserve Discussion)

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, 2015) and to discuss the BCA's Financial Statements for November 2015 as well as other matters. For details see enclosed agenda.

**Reserve Analysis and Discussion**

Bellasera resident Harold Levin has kindly agreed to assist the B&F Committee in creating and maintaining a data base for the Reserve Fund. Harold's main concern is to be sure that the data he receives is up to date as to prior projects and plans. This means that completed plans should be indicated as such and pending projects should carry a percentage level of completion. The finished data base will allow to prioritize among various plans.

**Review & approve minutes of the November 19, 2015 meeting**

The minutes of the B&F Committee meeting on November 19, 2015 were unanimously approved.

**Review of November 2015 Financial Statements**

For details see enclosed review. The BCA Financials for November 2015 Reserve Fund balances increased by \$16,661 to \$1,388,064. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$140,361 (down \$56,047). As per Balance Sheet as of November 30, 2015 Accounts Receivable decreased by \$1,155 to \$12,492. The grand total of all amounts owed 90 days and more is \$8,098 (down \$630 from last month) or 1% of annual assessments.

**Accounts Receivable Update**

Paul presented his monthly summary table as of November 30, 2015. Three accounts that became delinquent during the 2<sup>nd</sup> quarter of 2015 have been paid. One residence is being foreclosed and, in another case, the results of an excess proceeds hearing are being expected. Overall the situation remains favorable with only 1% of annual assessments delinquent.

**Budget Discussion and Planning**

This year the roads will be handled differently as there is no special ad-hoc committee and we already have a 10 year plan provided by the consultant. Any changes will be handled by the BOD. There will be a meeting during the earlier part of January with B&G about the new budget except roads. A second meeting with B&G will take place in early February where B&G members can bring their ideas based on plan figures received earlier including roads.

**New Business**

The transfer of Bellasera's business with Chase to Fidelity is proceeding and will take some time to complete.

A draft of the audit of BCA's Financial Statements for FYE June 30, 2015 is expected to be ready for distribution later this week.

The B&F Committee suggested a new Reserve Study to be completed in FYE 2017 and David will take it up with BOD today. Most likely it will be prepared by A/R.

**The next regular B&F Meeting Dates**

Wednesday, January 20, 2016 at 2:00p at the Clubhouse.

Wednesday, February 17, 2016 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 11:25a.

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

Review of BCA Financials for November 2015.

Prepared by:

Approved by:

Charles Schroeder  
Member, B&F Committee

Marilyn Lillienfeld  
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION  
BUDGET & FINANCE MEETING AGENDA  
DECEMBER 18, 2015**

1. RESERVE ANALYSIS & DISCUSSION
2. REVIEW & APPROVE MINUTES OF NOVEMBER 19, 2015 MEETING
3. REVIEW OF NOVEMBER FINANCIAL STATEMENTS
4. ACCOUNTS RECEIVABLE ANALYSIS
5. BUDGET DISCUSSION AND PLANNING
6. POSSIBLE REVISION OF MEETING SCHEDULE
7. PROPOSED RESERVE STUDY DURING FYE 6/30/2017
8. NEW BUSINESS
9. ADJOURN

## **Review of BCA Financials for November 2015**

**Comments:** As of November 30, 2015 the balances in the four accounts (all of BCA's Reserve Funds) at JPMorganChase totaled \$1,388,063.59 (all but about \$10,013 is held in cash or FDIC insured CDs) 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 \$140,361.40. Accounts Receivable declined \$1,155 to \$12,492. Ninety and more days past due assessments declined \$780 to \$4,954 bringing the total, including 90 days late CC&R violations and other fees of \$3,094, to \$8,098 (down \$630 from last month). The total is 1.0% of the annual assessments.

**Income:** In line with budget.

**Salaries & Wages:** YTD 8.6% below budget.

**Administrative & General:** 3% under budget. YTD 12.2% under budget.

**Repairs & Maintenance:** Under budget for the month 10.8%, but YTD over budget 16.5% due mainly to electrical repairs and landscaping repairs and expenses.

**Utilities:** 3.8% over budget for the month; but YTD 8.8% under budget.

**Income Taxes:** No taxes paid.

**Insurance:** 20.9% over budget; but YTD under budget 25.6%.

**Contract Services:** 19% over budget, however, YTD only 1.7% over budget.

**Operating Owners' Equity:** The balance is now \$61,880, a decline of \$3,175.

**Reserve Owners' Equity:** As of November 30, 2015 the Reserve Fund balance as per AAM Statement is \$1,388,093, an increase of \$16,661.

Charles Schroeder, December 17, 2015