

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
January 20, 2016

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

Community Manager: Viola Lanam

The Budget & Finance Committee Meeting was called to order at 2:00 PM. A quorum was present.

Purpose of the Meeting

To review / approve the minutes of our last meeting (December 18, 2015) and to discuss the BCA's Financial Statements for December 2015 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the December 18, 2015 meeting

The minutes of the B&F Committee meeting on December 18, 2015 were unanimously approved.

Review of December 2015 Financial Statements

For details see enclosed review. The BCA Financials for December 2015 show Reserve Fund balances – now carried at the Fidelity Investment Company - increased by \$11,183 to \$1,399,276. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$104,735 (down \$35,627). As per Balance Sheet as of December 31, 2015 Accounts Receivable decreased by \$1,196 to \$11,296. The grand total of all amounts owed 90 days and more is \$10,523 (up \$2,425 from last month) or 1.3% of annual assessments. Viola discussed the need for granite replacements around the clubhouse and at mail boxes. Replacements for all areas of BCA would cost about \$30,000 and the suggestion is to break it up between this year and next. It may qualify to include the funding in the Reserve Plan, however, this is the first replacement in nearly 15 years.

Accounts Receivable Update

Paul presented his monthly summary table as of December 31, 2015 including cash collections received so far this year. These collections had the beneficial effect of reducing the above mentioned amount of Accounts Receivable by \$4,828 to \$6,468. Overall a great report!

Update on Audit Status.

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.

Budgeting Process and Meetings

Harold Levin has done a lot of work in creating a Reserve Fund Database. He will be able to dump the prospective A/R data into it and then generate "what if" scenarios for planning purposes.

The question rose as to what is a desirable *Funding Percentage* for the total of all of Bellasera's Reserve Plan components including roads and the answer would fall between 70% and 90%. The B&F Committee is willing to recommend to BOD a suitable Percentage Funding rate once all data inputs and reports have been completed.

Viola believes the draft of the new budget figures will be ready for the B&F Committee meeting scheduled for February 17, 2016 at 1:00p. Following that, a meeting of the B&F and B&G committees has been scheduled for February 19th, 2016 at 1:00p to review the new budget including roads. Marilyn distributed a handy table Harold Levin had prepared summarizing the maintenance and replacement expenses of all of Bellasera's Reserve Plan components for the next 30 years beginning with the current fiscal year.

New Business

David will present to BOD, at tomorrow's meeting, a proposal to invest \$1,100,000 of the Reserve Fund cash, maintained at Fidelity, in CD's at various acceptable banks in amounts up to \$240,000. This action will earn more interest and, importantly, also provide FDIC insurance coverage.

The next regular B&F Meeting Dates

Wednesday, February 17, 2016 at 1:00p at the Clubhouse.

Wednesday, March 23, 2016 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:25p.

Enclosures: B&F Committee Meeting Agenda;

Review of BCA Financials for December 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
JANUARY 20, 2016**

1. REVIEW & APPROVE MINUTES OF DEC. 18TH, 2015 MEETING
2. REVIEW DECEMBER, 2015, FINANCIAL STATEMENTS
3. UPDATE ON ACCOUNTS RECEIVABLE STATUS
4. UPDATE ON AUDIT STATUS
5. BUDGETING PROCESS AND MEETINGS
6. NEW BUSINESS
7. NEXT MEETING DATES
8. ADJOURN

Review of BCA Financials for December 2015

Comments: Bellasera's Reserve Funds held at the Chase Manhattan Bank have been moved to the Fidelity Investments Company and as of December 31, 2015 totaled \$1,399,275.81. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$104,734.58. Accounts Receivable declined \$1,196 to \$11,296. Ninety and more days past due assessments increased \$2,225 to \$7,179 bringing the total, including 90 days late CC&R violations and other fees of \$3,344, to \$10,523 (up \$2,425 from last month). The total is 1.3% of the annual assessments.

Income: In line with budget.

Salaries & Wages: In line with budget.

Administrative & General: 9.9% over budget. YTD 7.7% under budget.

Repairs & Maintenance: Under budget for the month 46.4%, but YTD over budget 7.4%.

Utilities: 16.6% under budget for the month and YTD 9.8% under budget.

Income Taxes: No taxes paid nor due.

Insurance: 20.9% over budget; but YTD under budget 20.1%.

Contract Services: in line with budget.

Operating Owners' Equity: The balance is now \$61,029, a decline of \$852.

Reserve Owners' Equity: As of December 31, 2015 the Reserve Fund balance as per AAM Statement is \$1,399,276, an increase of \$11,183.

Charles Schroeder, January 19, 2016

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
February 17, 2016

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

Community Manager: Viola Lanam

Absent: Chuck Roach

The Budget & Finance Committee Meeting was called to order at 1:00 PM. A quorum was present.

Purpose of the Meeting

To review / approve the minutes of our last meeting (January 20, 2016) and to discuss the BCA's Financial Statements for January 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the January 20, 2016 meeting

The minutes of the B&F Committee meeting on January 20, 2016 were unanimously approved.

Review of January 2016 Financial Statements

For details see enclosed review. The BCA Financials for January 2016 show Reserve Fund balances held at the Fidelity Investment Company increased by \$19,697 to \$1,418,937. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$212,538 (up \$107,804). Accounts Receivable are flat at \$11,338. Ninety and more days past due assessments declined \$3,560 to \$3,619 bringing the total, including 90 days late CC&R violations and other fees of \$2,680, to \$6,299 (down \$4,224 from last month). The total is 0.8% of the annual assessments.

Accounts Receivable Analysis

Paul presented his monthly summary table as of January 31, 2016 including cash collections received so far this year. \$4,837 of those was received in February and has reduced the above mentioned amount of Accounts Receivable to \$6,501.

Overall a great report!

Review of Audit for FYE 6/30/2015.

Marilyn had distributed her comments on the Audit Report and Governance Letter for FYE 6/30/2015 earlier this month. She stated that the Butler Hansen CPA's audit opinion does not include any negative comments and no changes were made to BCA's bad debt analysis or Reserve for Bad Debts accounts as stated in the financial statements presented to them. Financial statement disclosures are stated as being neutral, consistent and clear and there were no disagreements with management as to accounting issues. The Committee did not raise any objections to the Audit.

Review and Discuss Budget for FYE 6/30/2017

Viola handed out the new built out budget and we had a very productive meeting. Preliminary indications are that we are short about \$24,000 and additional work is needed to bring this amount down. As an example, Viola will try to work with the landscaper to spread the substantial increase they have proposed over three years instead of a one time billing rise. As to deciding the details of a new Reserve Study we are awaiting the results of the meeting on February 19, 2016.

The next regular B&F Meeting Dates

Wednesday, March 23, 2016 at 2:00p at the Clubhouse

Wednesday, April 20, 2016 at 2:00p at the Clubhouse

The next working sessions of B&F

Friday, February 19, 2016 at 1:00p @ Clubhouse with B&G Committee, BOD & M. Frank

Wednesday, March 9, 2016 at 1:00 @ 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 2016.

Prepared by:

Approved by:

Charles Schroeder
Member, B&F Committee

Marilyn Lillienfeld
Chair, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE MEETING
FEBRUARY 17, 2016 @ 1PM**

1. REVIEW & APPROVE MINUTES OF JANUARY 20, 2016 MEETING
2. REVIEW OF JANUARY FINANCIAL STATEMENTS
3. REVIEW OF AUDIT FOR FYE 6/30/2015
4. ACCOUNTS RECEIVABLE ANALYSIS
5. PROPOSED RESERVE STUDY
6. SET MEETING SCHEDULE
7. REVIEW & DISCUSS BUDGET FOR FYE 6/30/2017
8. NEW BUSINESS
9. ADJOURN

Review of BCA Financials for January 2016

Comments: Bellasera's Reserve Funds held at the Fidelity Investments Company as of January 31, 2016 totaled \$1,418,936.59 (an increase of \$19,697.16). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$212,538.10 (an increase of \$107,803.52). Accounts Receivable are flat at \$11,338. Ninety and more days past due assessments declined \$3,560 to \$3,619 bringing the total, including 90 days late CC&R violations and other fees of \$2,680 to \$6,299 (down \$4,224 from last month). The total is 0.8% of the annual assessments.

Income: In line with budget.

Salaries & Wages: In line with budget.

Administrative & General: 23.4% under budget. YTD 10.1% under budget.

Repairs & Maintenance: Under budget for the month 46.9% and even YTD.

Utilities: 67.3% over budget for the month, mainly Gas & Water, and roughly even YTD.

Income Taxes: No taxes paid nor due.

Insurance: 20.1% over budget; but YTD under budget 15.7%.

Contract Services: MTD \$4,514 (17.8%) over budget and \$6,085 (3.5%) over budget YTD.

Operating Owners' Equity: The balance is now \$57,587, a decline of \$3,442.

Reserve Owners' Equity: As of January 31, 2016 the Reserve Fund balance as per AAM Statement is \$1,418,937, an increase of \$19,661.

Charles Schroeder, February 16, 2016

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
March 23, 2016

PRESENT: David Reid, Carlton Rooks, Charles Schroeder and Paul Snyder

Community Manager: Viola Lanam

ABSENT: Marilyn Lillienfeld and Chuck Roach

The Budget & Finance Committee Meeting was called to order at 2:35 PM. A quorum was present. David Reid chaired the meeting.

Purpose of the Meeting

To review / approve the minutes of our last meeting (February 17, 2016) and to discuss the BCA's Financial Statements for February 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the February 17, 2016 meeting

The minutes of the B&F Committee meeting on February 17, 2016 were unanimously approved.

Review of February 2016 Financial Statements

For details see enclosed review. The BCA Financials for February 2016 show Reserve Fund balances held at the Fidelity Investment Company decreased by \$88,344 to \$1,330,592 due mainly to road maintenance expenses listed in the foot note of the review. I had previously given the amount of \$11,340 of expenses for Wash Maintenance during the November 2015 – January 2016 period to Marilyn L. as well as \$4,683 for Railings in December 2015. Viola will be in touch with Marilyn when making adjustments between the two maintenance line items of Wash and Roads.

The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$146,602 (down \$65,936). Accounts Receivable are down \$2,886 at \$8,452. Ninety and more days past due assessments declined \$765 to \$2,854 bringing the total, including 90 days late CC&R violations and other fees of \$2,680 (unchanged), to \$5,534. The total is 0.7% of the annual assessments.

Accounts Receivable Analysis

Paul presented his monthly summary table as of February 29, 2016 including cash collections received so far this year. \$2,561 of those were received in March and have reduced the above mentioned amount of Accounts Receivable to \$5,891.

Overall, again, a great report!

Comments on Combined Road Study Meeting

There were no comments and there have been no changes since the meeting.

Investments/CD Status

There have been no changes since our last discussion.

Review of Proposed Budget for FYE 6/30/2017

Viola handed out the new budget plan figures which end the fiscal year with an income of \$1,714.00. This includes an increase of \$16.00 or 2.9% to \$571.00 per quarter per residence.

The next regular B&F Meeting Date

Wednesday, April 20, 2016 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 February 2016.

Prepared by:

Approved by:

Charles Schroeder
Member, B&F Committee

David Reid
Treasurer & Member, B&F Committee

**BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
MARCH 23, 2016**

1. REVIEW & APPROVE MINUTES OF FEBRUARY 17, 2016 MEETING
2. REVIEW OF FEBRUARY FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE STATUS
4. COMMENTS ON COMBINED ROAD STUDY MEETING
5. INVESTMENTS/CD STATUS
6. REVIEW OF PROPOSED BUDGET FOR FYE 6/30/2017
7. NEW ITEMS
8. NEXT MEETING DATES
9. ADJOURN

Review of BCA Financials for February 2016

Comments: Bellasera's Reserve Funds held at the Fidelity Investments Company as of February 29, 2016 totaled \$1,330,592.48 (a decline of \$88,344.11 mainly due to Road, Drainage Correction and Metal Railings expenses)¹. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$146,602.49 (a decrease of \$65,935.61). Accounts Receivable are down by \$2,886 to \$8,452. Ninety and more days past due assessments declined by \$765 to \$2,854 bringing the total, including 90 days late CC&R violations and other fees of \$2,680 (unchanged) to \$5,534. The total is 0.7% of the annual assessments.

Income: In line with budget.

Salaries & Wages: 5% under budget.

Administrative & General: 20.8% over budget mainly due to unbudgeted Audit and Consulting expenses. YTD 5.3% under budget.

Repairs & Maintenance: Over budget for the month 32.3% and YTD 6.6%.

Utilities: 60.3% over budget for the month, mainly Gas & Water, and 7.8% YTD.

Income Taxes: \$2,383 Federal taxes paid no details in financial package.

Insurance: 20.9% over budget; but YTD under budget 12.2%.

Contract Services: MTD \$5,987 (24.3%) under budget and in line with budget YTD.

Operating Owners' Equity: The balance is now \$46,017, a decline of \$11,570.

Reserve Owners' Equity: As of February 29, 2016 the Reserve Fund balance as per AAM Statement is \$1,330,592, a decline of \$88,344.

Charles Schroeder, March 21, 2016

¹ The February 2016 Reserve Statement shows an expense of \$110,091 for "Wash Maintenance" which was not budgeted. However, of this amount \$89,470 was for Crack Filling and Asphalt Patching and only \$3,400 were expensed for Drainage Corrections while the line item Road Maintenance reflects a budget of \$100,000 but no expenses. This needs to be adjusted.

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
April 20, 2016

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

ABSENT: David Reid

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 23, 2016) and to discuss the BCA's Financial Statements for March 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the March 23, 2016 meeting

The minutes of the B&F Committee meeting on March 23, 2016 were unanimously approved.

Review of March 2016 Financial Statements

For details see enclosed review. The BCA Financials for March 2016 show Reserve Fund balances held at the Fidelity Investment Company increased by \$16,606 to \$1,347,198. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$157,651 (up \$11,048). Accounts Receivable is down \$2,312 to \$6,140. Ninety and more days past due assessments increased by \$236 to \$3,090 bringing the total, including 90 days late CC&R violations and other fees of \$1,878 (down by \$802), to \$4,968 (down by \$566). The total is 0.6% of the annual assessments. Charles noted that the prior month's review pointed out that the Reserve Statement for March showed \$121,902 in expenses in line item *Wash Maintenance* but contained a substantial portion of expenses for *Roads*. This had not been adjusted. Marilyn will explain later in this report. (See paragraph 2 *Reserve Funds Concept*).

Accounts Receivable Analysis

Paul presented his monthly summary table as of March 31, 2016 including cash collections received so far this year. \$225 of those was received in April and has reduced the above mentioned amount of Accounts Receivable to \$5,915. Overall, again, a great report!

Comments on Annual Meeting

The meeting was harmonious and everybody seemed pleased with the financial presentation and the reports on the management of Bellasera's assets.

Year-End Issues

There were no special issues.

Investments/CD Status

As David Reid, BCA Treasurer, mentioned during the Annual Meeting, BCA has invested in March \$400,000 in CDs maturing in one year and \$800,000 in CDs that mature in 6 months.

Two Reserve Funds Concept

Marilyn informed the members of the committee about an accounting change that is planned to begin on July 1, 2016 and involves the splitting of the current Reserve Fund into two: One reserve fund to cover solely the roads and the other to cover all other assets of Bellasera. She asked what the committee members thought about it and it appears that the response was a bit tepid. Perhaps, because for the last 18 years the community has done quite well with just one fund which is simple to handle. Perhaps, because the benefits of a 2-fund-concept are not entirely clear yet. Going forward it was suggested that we take a look at a *pro and con summary* and possibly try out the new concept for 2 months as a test.

The next regular B&F Meeting Date

Wednesday, May 25, 2016 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 March 2016.

Prepared by:

Approved by:

Charles Schroeder
Member, B&F Committee

Marilyn Lillienfeld
Chair, B&F Committee

*) Meeting later postponed to Wednesday, June 22, 2016 at 2:00p at the Clubhouse

Review of BCA Financials for March 2016

Comments: Bellasera's Reserve Funds held at the Fidelity Investments Company as of March 31, 2016 totaled \$1,347,198.32 (an increase of \$16,605.84). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$157,650.96 (an increase of \$11,048.47). Accounts Receivable are down by \$2,312 to \$6,140. Ninety and more days past due assessments increased by \$236 to \$3,090 bringing the total, including 90 days late CC&R violations and other fees of \$2,680 (down by \$802) to \$4,968 (down by \$566). The total is 0.6% of the annual assessments.

Income: In line with budget.

Salaries & Wages: 8% under budget, however, FYTD 7.3% over budget.

Administrative & General: 9% over budget mainly due to additional expenses for printing and mailing annual meeting correspondence. FYTD 37.2% over budget.

Repairs & Maintenance: \$3,044 over budget for the month or 74.5% and FYTD 13.8%.

Utilities: 60.3% over budget for the month, mainly Gas & Water, and 7.8% YTD.

Income Taxes: No Federal and State income taxes paid or due.

Insurance: 20.8% over budget; but FYTD under budget 9.3%.

Contract Services: MTD \$4,691 (19%) over budget and FYTD 13.8% over budget.

Operating Owners' Equity: The balance at month-end is \$45,018, a decline of \$999.

Reserve Owners' Equity: As of March 31, 2016 the Reserve Fund balance as per AAM Statement is \$1,347,198, a gain of \$16,606.

**BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
MARCH 23, 2016**

1. REVIEW & APPROVE MINUTES OF FEBRUARY 17, 2016 MEETING
2. REVIEW OF FEBRUARY FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE STATUS
4. COMMENTS ON COMBINED ROAD STUDY MEETING
5. INVESTMENTS/CD STATUS
6. REVIEW OF PROPOSED BUDGET FOR FYE 6/30/2017
7. NEW ITEMS
8. NEXT MEETING DATES
9. ADJOURN

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
June 22, 2016

PRESENT: Marilyn Lillienfeld, David Reid, Carlton Rooks, Charles Schroeder and 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 (April 20, 2016) and to discuss the BCA's Financial Statements for April and May 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the April 20, 2016 meeting

The minutes of the B&F Committee meeting on April 20, 2016 were approved without objection.

Hi-Lites of Review of April and May 2016 Financial Statements

For details see enclosed reviews. The BCA Reserve Fund balances held at the Fidelity Investment Company increased by a total of \$38,062.50 during the 2 months to \$1,385,369.25. The two operating accounts at the Mutual of Omaha Bank ended the 2 month period with a decline of \$32,380.67. Accounts Receivable at \$8,503 and Ninety and more days past due assessments as well as 90 and more days late CC&R violations and other fees at \$4,909 show a declining trend. The total is unchanged at 0.6% of the annual assessments.

Accounts Receivable Analysis

Paul presented his monthly summary table as of May 31, 2016 including cash collections received so far this year. \$2,246 of those were received in June and have reduced the above mentioned amount of Accounts Receivable to \$6,257. Overall, again, a great report!

Year-End Finance & Accounting Issues

There were no special issues.

Establishment of Road & Wash Reserve Fund

Following the discussion during our last meeting and agreement to test the concept of splitting the existing Reserve Fund into a *Road & Wash Reserve Fund* and *Other Reserve Fund* Marilyn provided an elaborate Pro Forma BCA Balance Sheet to reflect the split as of July 1, 2016 based on preliminary and estimated data and AAM's B/S as of May 31, 2016. Paul suggested that it would be necessary to account for the deferral of funds such as quarterly transfers to the Reserve as well as the receipt of quarterly assessments. David recommended a meeting between Paul, Marilyn and AAM to work out the details.

Investments/CD Status

David mentioned that he is regularly in contact with Fidelity and there is nothing new at this time.

New Items

There was no new business.

The next regular B&F Meeting Date

Wednesday, August 24, 2016 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:00p.

Enclosures: B&F Committee Meeting Agenda;
Review of BCA Financials for April 2016;
Review of BCA Financials for May 2016.

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, 2016**

1. REVIEW & APPROVE MINUTES OF APRIL 20, 2016 MEETING
2. REVIEW OF APRIL & MAY FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE STATUS
4. YEAR-END FINANCE & ACCOUNTING ISSUES
5. INVESTMENTS/CD STATUS
6. ESTABLISHMENT OF ROAD & WASH RESERVE FUND
7. NEW ITEMS
8. NEXT MEETING DATES
9. ADJOURN

Review of BCA Financials for April 2016

Comments: Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company as of April 30, 2016 totaled \$1,363,552.75 (an increase of \$16,246.00). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$193,435.76 (an increase of \$35,784.80). Accounts Receivable are up by \$5,470 to \$11,610, mainly due to late payments of assessments. Ninety and more days past due assessments decreased by \$225 to \$2,865 bringing the total, including 90 days late CC&R violations and other fees of \$2,100 (up by \$222) to \$4,965 (down by \$3). The total is unchanged at 0.6% of annual assessments.

Income: In line with budget.

Salaries & Wages: 9.2% under budget, FYTD 7.5% under budget.

Administrative & General: 9.6% under budget, FYTD 4.2% under budget.

Repairs & Maintenance: \$7,048 over budget for the month or 193.9% and FYTD \$15,842 or 41.3%.

Utilities: 13.7% under budget for the month and 4.8% under FYTD.

Income Taxes: No Federal and State income taxes paid or due.

Insurance: 27.6% over budget, but FYTD under budget 6.4%.

Contract Services: MTD \$1,399 (5.5%) under budget and FYTD 1.4% over budget.

Operating Owners' Equity: The balance at month-end is \$42,955, a decline of \$2,063.

Reserve Owners' Equity: As of April 30, 2016 the Reserve Fund balance as per AAM Statement is \$1,363,553, a gain of \$16,354.

Charles Schroeder, May 28, 2016

Review of BCA Financials for May 2016

Comments: Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company as of May 31, 2016 totaled \$1,385,369.25 (an increase of \$21,816.50). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$125,270.29 (a decrease of \$68,165.47). Accounts Receivable are down by \$3,107 to \$8,503. Ninety and more days past due assessments decreased by \$90 to \$2,775 bringing the total, including 90 days late CC&R violations and other fees of \$2,134 (up by \$34) to \$4,909 (down by \$56). The total is unchanged at 0.6% of annual assessments.

Income: In line with budget.

Salaries & Wages: 8.8% under budget, FYTD 7.6% under budget.

Administrative & General: 15.3% over budget due to new computer and annual meeting correspondence, FYTD 2.8% under budget.

Repairs & Maintenance: \$6,495 over budget for the month or 189.1% and FYTD \$18,837 or 41.6%. We seem to have a new a/c # 5338 *Landscape Enhancement* and it received a credit of \$6,000. It is not part of the budget and needs an explanation.

Utilities: In line with budget for the month and FYTD 4.8% under budget.

Income Taxes: No Federal and State income taxes paid or due, but small penalty paid to IRS, no details.

Insurance: 27.6% over budget, but FYTD under budget 3.8%.

Contract Services: MTD in line with budget and FYTD 1% over budget.

Operating Owners' Equity: The balance at month-end is \$39,077, a decline of \$3,878.

Reserve Owners' Equity: As of May 31, 2016 the Reserve Fund balance as per AAM Statement is \$1,385,369, a gain of \$21,817.

Charles Schroeder, June 18, 2016

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
June 22, 2016

PRESENT: Marilyn Lillienfeld, David Reid, Carlton Rooks, Charles Schroeder and 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 (April 20, 2016) and to discuss the BCA's Financial Statements for April and May 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the April 20, 2016 meeting

The minutes of the B&F Committee meeting on April 20, 2016 were approved without objection.

Hi-Lites of Review of April and May 2016 Financial Statements

For details see enclosed reviews. The BCA Reserve Fund balances held at the Fidelity Investment Company increased by a total of \$38,062.50 during the 2 months to \$1,385,369.25. The two operating accounts at the Mutual of Omaha Bank ended the 2 month period with a decline of \$32,380.67. Accounts Receivable at \$8,503 and Ninety and more days past due assessments as well as 90 and more days late CC&R violations and other fees at \$4,909 show a declining trend. The total is unchanged at 0.6% of the annual assessments.

Accounts Receivable Analysis

Paul presented his monthly summary table as of May 31, 2016 including cash collections received so far this year. \$2,246 of those were received in June and have reduced the above mentioned amount of Accounts Receivable to \$6,257. Overall, again, a great report!

Year-End Finance & Accounting Issues

There were no special issues.

Establishment of Road & Wash Reserve Fund

Following the discussion during our last meeting and agreement to test the concept of splitting the existing Reserve Fund into a *Road & Wash Reserve Fund* and *Other Reserve Fund* Marilyn provided an elaborate Pro Forma BCA Balance Sheet to reflect the split as of July 1, 2016 based on preliminary and estimated data and AAM's B/S as of May 31, 2016. Paul suggested that it would be necessary to account for the deferral of funds such as quarterly transfers to the Reserve as well as the receipt of quarterly assessments. David recommended a meeting between Paul, Marilyn and AAM to work out the details.

Investments/CD Status

David mentioned that he is regularly in contact with Fidelity and there is nothing new at this time.

New Items

There was no new business.

The next regular B&F Meeting Date

Wednesday, August 24, 2016 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:00p.

Enclosures: B&F Committee Meeting Agenda;
Review of BCA Financials for April 2016;
Review of BCA Financials for May 2016.

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, 2016**

1. REVIEW & APPROVE MINUTES OF APRIL 20, 2016 MEETING
2. REVIEW OF APRIL & MAY FINANCIAL STATEMENTS
3. ACCOUNTS RECEIVABLE STATUS
4. YEAR-END FINANCE & ACCOUNTING ISSUES
5. INVESTMENTS/CD STATUS
6. ESTABLISHMENT OF ROAD & WASH RESERVE FUND
7. NEW ITEMS
8. NEXT MEETING DATES
9. ADJOURN

Review of BCA Financials for April 2016

Comments: Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company as of April 30, 2016 totaled \$1,363,552.75 (an increase of \$16,246.00). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$193,435.76 (an increase of \$35,784.80). Accounts Receivable are up by \$5,470 to \$11,610, mainly due to late payments of assessments. Ninety and more days past due assessments decreased by \$225 to \$2,865 bringing the total, including 90 days late CC&R violations and other fees of \$2,100 (up by \$222) to \$4,965 (down by \$3). The total is unchanged at 0.6% of annual assessments.

Income: In line with budget.

Salaries & Wages: 9.2% under budget, FYTD 7.5% under budget.

Administrative & General: 9.6% under budget, FYTD 4.2% under budget.

Repairs & Maintenance: \$7,048 over budget for the month or 193.9% and FYTD \$15,842 or 41.3%.

Utilities: 13.7% under budget for the month and 4.8% under FYTD.

Income Taxes: No Federal and State income taxes paid or due.

Insurance: 27.6% over budget, but FYTD under budget 6.4%.

Contract Services: MTD \$1,399 (5.5%) under budget and FYTD 1.4% over budget.

Operating Owners' Equity: The balance at month-end is \$42,955, a decline of \$2,063.

Reserve Owners' Equity: As of April 30, 2016 the Reserve Fund balance as per AAM Statement is \$1,363,553, a gain of \$16,354.

Charles Schroeder, May 28, 2016

Review of BCA Financials for May 2016

Comments: Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company as of May 31, 2016 totaled \$1,385,369.25 (an increase of \$21,816.50). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$125,270.29 (a decrease of \$68,165.47). Accounts Receivable are down by \$3,107 to \$8,503. Ninety and more days past due assessments decreased by \$90 to \$2,775 bringing the total, including 90 days late CC&R violations and other fees of \$2,134 (up by \$34) to \$4,909 (down by \$56). The total is unchanged at 0.6% of annual assessments.

Income: In line with budget.

Salaries & Wages: 8.8% under budget, FYTD 7.6% under budget.

Administrative & General: 15.3% over budget due to new computer and annual meeting correspondence, FYTD 2.8% under budget.

Repairs & Maintenance: \$6,495 over budget for the month or 189.1% and FYTD \$18,837 or 41.6%. We seem to have a new a/c # 5338 *Landscape Enhancement* and it received a credit of \$6,000. It is not part of the budget and needs an explanation.

Utilities: In line with budget for the month and FYTD 4.8% under budget.

Income Taxes: No Federal and State income taxes paid or due, but small penalty paid to IRS, no details.

Insurance: 27.6% over budget, but FYTD under budget 3.8%.

Contract Services: MTD in line with budget and FYTD 1% over budget.

Operating Owners' Equity: The balance at month-end is \$39,077, a decline of \$3,878.

Reserve Owners' Equity: As of May 31, 2016 the Reserve Fund balance as per AAM Statement is \$1,385,369, a gain of \$21,817.

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
September 21, 2016

PRESENT: Marilyn Lillienfeld, David Reid, Carlton Rooks, Charles Schroeder and 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 (August 24, 2016) and to discuss the BCA's Financial Statements for August 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the August 24, 2016 meeting

The minutes of the B&F Committee meeting on August 24, 2016 were approved without objection.

Hi-Lites of Review of August 2016 Financial Statements

For details see enclosed reviews. The BCA Reserve Fund balances held at the Fidelity Investment Company increased by a total of \$19,681.68 during the month to \$1,393,473.70. The two operating accounts at the Mutual of Omaha Bank ended the month with a decrease of \$80,886.49, which include usual expenses and about \$20,000 of accrued payables from the prior month.. Accounts Receivable at \$8,446 (down \$2,121) and Ninety and more days past due assessments as well as 90 and more days late CC&R violations and other fees at \$5,318 (unchanged). The total stands at 0.6% of the annual assessments.

Update on Accounts Receivable

Paul presented his monthly summary table as of August 31, 2016 including cash collections received so far this year. \$2,905 of those were received in September and have reduced the above mentioned amount of Accounts Receivable to \$5,541. Overall, again, a great report!

Update on Association Reserves (AR) Report & Related Split of Reserve Fund

Following our special meeting on August 21, 2016 during which we identified several issues including missing updates and differences in assessments of Reserve Plan components, Marilyn reported on discussions with the AR author of the report. Essentially, he was receptive of Bellasera's viewpoints, though there are a number of points in the report for which additional information and discussion are needed. There are two versions of the report: One including the replacement of view fences and one without. The latter will be used to make the changes so far agreed upon as well as other adjustments. The Board will be presented with the recommended changes and then will make the final decision. Once the final version of the Reserve Fund report is available the processing of the split of the Reserve Fund will resume.

Investments/CD Status

David mentioned that he will be in contact with Fidelity during the first week in October to discuss with them options for re-investment of our maturing CDs.

New Items

There was no new business.

Upcoming B&F Committee Meeting Dates

Wednesday, October 19, 2016 at 2:00p at the Clubhouse.

Monday, November 21, 2016 at 2:00p at the Clubhouse.

Wednesday, December 21, 2016 at 2:00p at the Clubhouse.

There being no other business the meeting was adjourned at 3:00p.

Enclosures: B&F Committee Meeting Agenda;
Review of BCA Financials for August 2016.

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 21,2016**

1. REVIEW AND APPROVE MINUTES OF AUGUST 24, 2016
2. REVIEW AUGUST FINANCIAL STATEMENTS
3. REPORT ON STATUS OF ACCOUNTS RECEIVABLE
4. UPDATE ON ASSOCIATION RESERVES REPORT & RELATED SPLIT OF RESERVE FUND
5. NEW BUSINESS
6. CONFIRM MEETING DATES FOR BALANCE OF YEAR
7. ADJOURN

Review of BCA Financials for August 2016

Comments: Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company as of August 31, 2016 totaled \$1,393,473.70 (an increase of \$19,681.68). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$126,296.48 (a decrease of \$80,886.49). Accounts Receivable are down by \$2,121 to \$8,446, essentially, a reduction in late payments of dues. For the month, ninety and more days past due assessments as well as 90 days late CC&R violations and other fees remained unchanged. The total of \$ 5,319 remains at 0.6% of annual assessments.

Income: In line with budget.

Salaries & Wages: \$330 or 9% under budget; YTD 22% under budget.

Administrative & General: \$527 or 7% over budget.

Repairs & Maintenance: \$960 or 25% under budget.

Utilities: \$1,071 or 14% under budget.

Income Taxes: Neither payments nor refunds.

Insurance: In line with budget.

Contract Services: In line with budget.

Operating Owners' Equity: The balance at month-end is \$49,936, a gain of \$4,218.

Reserve Owners' Equity: As of August 31, 2016 the Reserve Fund balance as per AAM Statement is \$1,393,474, a gain of \$19,682.

Charles Schroeder, September 17, 2016

BELLASERA COMMUNITY ASSOCIATION
Budget & Finance Committee Meeting Minutes
November 21, 2016

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

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

Purpose of the Meeting

To review / approve the minutes of our last meeting (October 19, 2016) and to discuss the BCA's Financial Statements for October 2016 as well as other matters. For details see enclosed agenda.

Review & approve minutes of the October 19, 2016 meeting

The minutes of the B&F Committee meeting on October 19, 2016 were approved without objection.

Hi-Lites of Review of October 2016 Financial Statements

For details see enclosed review. BCA Reserve Fund balances held at the Fidelity Investment Company increased by a total of \$21,804.53 during the month to \$1,438,494.47. The two operating accounts at the Mutual of Omaha Bank ended the month with an increase of \$40,554.09 to \$209,315.68. Accounts Receivable were \$8,338.20, up \$2,836.50. The total stands at slightly over 1% of the annual assessments.

It was agreed that the cost of the pool cushions, estimated at \$20,000, would be recorded in the Reserve Funds.

Update on Accounts Receivable

Paul presented his monthly summary table as of October 31, 2016. Accounts Receivable totaled \$8,338.20. Of this total, \$5,460 are due from just 2 accounts and are being pursued by our collection attorney firm.

There were no proposed adjustments to Accounts Receivable or to the Allowance for Doubtful Accounts by the CPA firm for the fiscal 2016 year end review.

New Items

Budget for fiscal year ending in 2017

The budget preparation for fy 2017 is scheduled to begin during the third week of Jan. At that meeting, it is anticipated that a first draft will be available for review.

Upcoming B&F Committee Meeting Dates

All meetings are scheduled at 2:00 pm at the Clubhouse.

Monday, December 19, 2016. This date was originally Wed. 12/21/16.

Wednesday, Jan, 18, 2017.

Wednesday, February 22, 2017.

Upcoming 2017 Budget Preparation Meeting Dates

All meetings are scheduled at 2:00 pm at the Clubhouse.

Monday, January 23, 2017.

Monday, February 27, 2017.

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

Enclosures: B&F Committee Meeting Agenda;
Review of BCA Financials for October 2016.

Prepared by:

Approved by:

Paul Snyder
Member, B&F Committee

Marilyn Lillienfeld
Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION

AGENDA FOR BUDGET & FINANCE MEETING

NOVEMBER 21, 2016

1. REVIEW AND APPROVE MINUTES OF LAST MEETING
2. REVIEW OCTOBER FINANCIAL STATEMENTS
3. REPORT ON STATUS OF HOA DUES COLLECTIONS
4. DISCUSS FINAL AUDIT REPORT & TAX RETURN PREPARATION
5. UPDATE ON RESERVE FUND ANALYSIS
6. DISCUSS & PLAN MEETINGS ABOUT BUDGET PREPARATION
7. RECEIVE UPDATE ON INVESTMENTS
8. SET NEXT MEETING DATES
9. NEW BUSINESS
10. ADJOURN

Review of BCA Financials for October 2016

Comments: Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company as of October 31, 2016 totaled \$1,438,494.47 (an increase of \$21,804.53). The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$209,315.68 (an increase of \$40,554.09). Accounts Receivable are up by \$3,673 to \$9,175, essentially, an increase of past due payments of dues. For the month, ninety and more days past due assessments as well as 90 days late CC&R violations and other fees increased by \$155. The total of \$ 5,061 remains at 0.6% of annual assessments.

Income: In line with budget.

Salaries & Wages: 50.8% under budget; YTD 31.4% under budget.

Administrative & General: \$2,9844 or 30.7% under budget.

Repairs & Maintenance: \$3,303 or 74% over budget due to gate repair + re-seeding of grass knoll. YTD in line with budget.

Utilities: \$1,557 or 18% under budget.

Income Taxes: No payments due.

Insurance: In line with budget.

Contract Services: In line with budget.

Operating Owners' Equity: The balance at month-end is \$58,476, a gain of \$427.

Reserve Owners' Equity: As of October 31, 2016 the Reserve Fund balance as per AAM Statement is \$1,438,494, a gain of \$21,805.

Bellasera Community Association

Budget & Finance Committee Meeting Minutes

December 19, 2016

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

Community Manager: Viola Lanam

ABSENT: Chuck Roach

The Budget and Finance Committee was called to order at 2:05 PM.

Purpose of the Meeting

The BCA Financial Statements for the month of November 2016 were not available at the time of the meeting. So, the agenda for the meeting was reduced to reviewing and approving the minutes of our last meeting, discussing several Budget Preparation issues and several important matters that David Reid wanted to discuss with our committee.

Review & approve minutes of the November 21, 2016 meeting

The minutes of the B&F Committee meeting on November 21, 2016 were approved without objection.

Setting & confirming of Budget Preparation & Regular Monthly Meeting Dates

Regular Monthly Meeting Dates: Wednesdays January 18 2017 @ 2PM & February 23, 2017 @ 2PM.

Budget Preparation Meeting Dates: Mondays January 23, 2017 @ 2PM & February 27, 2017 @ 2PM.

Issues presented to the Committee by David Reid, Treasurer

David noted that there is some confusion in the accounting for the monthly transfers to the Reserve Fund, which will be investigated.

At the forthcoming BOD meeting the Board will continue to discuss the pros and cons for the institution of a capital improvement fee as an additional source of revenue to ease the burden on residents of dues increases.

There will be a Community Meeting on January 11, 2017 to discuss the new Guardhouse security setup with 2 shifts at night & 2 during the day. This may require a setup fee of \$5,000. The Board to approve this first.

There are suggestions to enhance the landscaping at Bellasera entrances, however, the question is whether we need to make changes. The plan is to ask our landscapers for suggestions, including pictures and cost estimates.

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

Enclosure: B&F Committee Meeting Agenda

Prepared by:

Approved by:

Charles Schroeder

Member, B&F Committee

Marilyn Lillienfeld

Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE MEETING
DECEMBER 19, 2016

1. REVIEW AND APPROVE MINUTES OF NOV. 21, 2016 MEETING
2. REVIEW FINANCIAL STATEMENTS FOR NOVEMBER (not recv'd as of 12/20/2016)
3. ACCOUNTS RECEIVABLE STATUS
4. DISCUSS/POSSIBLY RESCHEDULE BUDGET PREPARATION & MEETINGS FOR 2017*
5. NEW BUSINESS
6. COFIRM NEXT REGULAR MEETING DATES: JAN. 18, 2017 @ 2PM & FEB. 22 @ 2PM
7. ADJOURN

*TENTATIVELY SCHEDULED MEETING DATES ARE 1/23/2017 AND 2/27/2017