

Bellasera Community Association

Budget & Finance Committee Meeting Minutes

January 24, 2018

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

Guest: Laurie Forte, Community Manager

Absent: Chuck Roach

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

Purpose of the Meeting

To review and approve the minutes of our December 20, 2017 meeting and to discuss the review of the BCA December 2017 Financial Statements and the remaining agenda items.

Review & approve minutes of the December 20, 2017 meeting

The minutes of the B&F Committee meeting on December 20, 2017 were reviewed and approved without objection.

Review of BCA Financials for December 2017

The review is attached and was accepted as is.

Accounts Receivable Status

Paul stated in his reports that there are no delinquent accounts outstanding for quarterly assessments through December 31, 2017. The total of A/R's outstanding is \$1,243 and include CC&R violations.

Consideration of increasing the expense limit of \$2000 for low cost Reserve Assets payable from the Operations Account and not from Reserves

This \$2,000 amount has been in effect for more than a decade and the Committee felt it was reasonable to increase it to \$3,000. All present members agreed as most assets represented by BCA's Reserve Plan Component list command higher prices now. The Board will be informed of this action.

Reserve Plan Update

By March 7, 2018 Association Reserves – Arizona, LLC will provide an update of BCA's Reserve Plan. Harold Levin will then be able to update his plan and the Committee and others will analyze the plan as well. Importantly, the new plan will show the impact the completed road repairs have on the *percentage funded* calculation. If there is a short fall the Committee and the BOD will consider various options to keep the Reserve Fund at a reasonable level.

New Business

It looks like the Certificate of Deposit market is getting more active and rates have been moving higher. BCA's depository, Fidelity, will provide us with new rates on Tuesday.

Next B&F Committee Meeting Dates

Tuesday, January 30, 2018 Budget Preparation Meeting at 10:00 AM @ Clubhouse.

Wednesday, February 21, 2018 at 1:00p at the Clubhouse. (Regular meeting).

Wednesday, February 28, 2018 at 10:00a at the Clubhouse. (Budget meeting).

Wednesday, March 21, 2018 at 1:00p at the Clubhouse. (Regular meeting).

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

Enclosures: B&F Committee Meeting Agenda

Review of BCA Financials for December 2017

Prepared by:

Charles Schroeder

Approved by:

Marilyn Lillienfeld

Member, B&F Committee

Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
JANUARY 24, 2018

1. REVIEW OF MINUTES FOR DECEMBER, 2017 FINANCE MEETING
2. REVIEW OF FINANCIAL STATEMENTS FOR DECEMBER, 2017
3. STATUS OF ACCOUNTS RECEIVABLE
4. UPDATE ON COSTS OF ROAD REPAIRS/REPLACEMENT PROJECT
5. CONSIDERATION OF INCREASING \$2000 EXPENSE VS. ASSET FLOOR
6. COMMENTS RE BUDGET MEETING IN JANUARY
7. NEW BUSINESS
8. SET DATES FOR NEXT MEETINGS
9. ADJOURN

Review of BCA Financials for December 2017

Comments: As per Balance Sheet as of December 31, 2017 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,377,391.13, a decrease of \$285,242.68 due to a withdrawal of \$299,700 to pay for expenses related to repairs of Bellasera's roads. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$160,564.15, practically unchanged. Accounts Receivable decreased to \$1,243 (by \$1,002). For the month, ninety and more days past due assessments are at \$19 and 90 days and later CC&R violations and other fees remained at \$807 leaving the delinquency rate at 1/10 of 1% of annual assessments, a practically perfect condition.

Operating Owners' Equity: The balance at month-end is \$71,830 (decreased by \$2,283).

Reserve Owners' Equity: As of December 31, 2017 the Reserve Fund balance as per AAM Statement was \$1,377,391, a decrease of \$285,243.

As to the individual sections of the financial summary: Income was in line with budget. All other sections were in line or under budget with the exception of *Water & Sewer Expenses*, which continue over budget due to winter rye watering. YTD \$1,200 or 8.2% over Budget.

Total Operating Expenses were in line with Budget, YTD 2.7% under Budget.

Charles Schroeder, January 18, 2018

Bellasera Community Association

Budget & Finance Committee Meeting Minutes

February 21, 2018

Present: David Reid, Carlton Rooks, Paul Snyder & Charles Schroeder

Absent: Marilyn Lillienfeld, Chuck Roach

The Budget and Finance Committee was called to order at 1:05 PM.

Purpose of the Meeting

To review and approve the minutes of our January 24, 2018 meeting and to discuss the review of the BCA January 2018 Financial Statements and the remaining agenda items. David Reid, BCA Treasurer, chaired the meeting due to Marilyn Lillienfeld's absence.

Review & approve minutes of the January 24, 2018 meeting

The minutes of the B&F Committee meeting on January 24, 2018 were reviewed and approved without objection.

Review of BCA Financials for January 2018

The review is attached and was accepted as is. Within the Utility Account the expenses for the use of Gas have been over budget both for the month and YTD. David will check to find the reason for that. The overage in water expenses is still related to additional over-seeding and watering and several leakage problems.

Accounts Receivable Status

Paul stated in his reports that there are no delinquent accounts outstanding for quarterly assessments that are 90 days or more past due through January 31, 2018. The total of A/R's outstanding is \$3,255 and include CC&R violations.

Status of Budget

Laurie Forte has been working on the Bellasera Operations Budget and informed David that there were no increases necessary and that the various budget categories remained largely unchanged. As to the overall budget the Community is awaiting an update of BCA's Reserve Plan scheduled to be finished by Association Reserves – Arizona, LLC not later than March 7, 2018. After that it will

be possible to assess whether or not there will be an increase necessary in the contribution to Reserves and the quarterly assessments.

New Business

The rates for Certificates of Deposit are rising and getting more attractive and David is keeping in touch with BCA's depository, Fidelity, for opportunities to increase BCA's investment income.

Next B&F Committee Meeting Dates

Wednesday, February 28, 2018 at 10:00a at the Clubhouse. (Budget meeting).

Wednesday, March 21, 2018 at 1:00p at the Clubhouse. (Regular meeting).

There being no other business the meeting was adjourned at 1:30p.

Enclosures: B&F Committee Meeting Agenda

Review of BCA Financials for January 2018

Prepared by:

Charles Schroeder

Member, B&F Committee

Approved by:

David Reid

Treasurer, BCA

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
FEBRUARY 21, 2018

1. REVIEW OF MINUTES FOR JANUARY 24, 2018 FINANCE MEETING
2. REVIEW OF FINANCIAL STATEMENTS FOR JANUARY, 2018
3. STATUS OF ACCOUNTS RECEIVABLE
4. STATUS OF BUDGET
5. NEW BUSINESS
6. SET DATES FOR NEXT MEETINGS
7. ADJOURN

Review of BCA Financials for January 2018

Comments: As per Balance Sheet as of January 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,391,384.42, an increase of \$13,993.29. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$238,482.66, an increase of \$77,918.51 as a result of the receipt of quarterly dues. Accounts Receivable increased to \$5,334 (by \$1,243) mainly due to late payment of assessments. For the month, there were no ninety and more days past due assessments and 90 days and later CC&R violations and other fees increased by \$58 to \$865 leaving the delinquency rate at 1/10 of 1% of annual assessments, a practically perfect condition.

Operating Owners' Equity: The balance at month-end is \$66,201 (decreased by \$5,629).

Reserve Owners' Equity: On January 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,391,384, an increase of \$13,993.

As to the individual sections of the financial summary: Income was in line with budget. All other sections were in line or under budget with the exception of the Utilities Budget with *Water & Sewer* Expenses and *Gas* Expenses over budget for the month as well as YTD 17% and 14% respectively.

Total Operating Expenses were 9.7% over Budget, YTD 0.9 % under Budget.

Bellasera Community Association

Budget & Finance Committee Meeting Minutes

April 20, 2018

Present: Marilyn Lillienfeld, David Reid, Paul Snyder & Charles Schroeder

Guests: Laurie Forte, Community Manager, & Mary Moore, Resident

Absent: Carlton Rooks and Chuck Roach

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

Purpose of the Meeting

To review and approve the minutes of our February 21, 2018 meeting and to review the BCA February 2018 and March 2018 Financial Statements and the remaining agenda items.

Review & approve minutes of the February 21, 2018 meeting

The minutes of the B&F Committee meeting on February 21, 2018 were reviewed and approved without objection. The minutes of the abbreviated meeting on March 26, 2018 will be countersigned by Carlton Rooks, the only other Committee member present at that time.

Review of BCA Financials for February and March 2018

The reviews are attached and were accepted as is.

Accounts Receivable Status

Paul stated in his reports that there are no delinquent accounts outstanding for quarterly assessments that are 90 days or more past due through March 31, 2018. The total of A/R's outstanding is \$1,324 and include CC&R violations.

Review of BCA Budget for FY Beginning July 1, 2018

The update of the BCA Reserve Plan has been received from Association Reserves – Arizona, LLC and its data has been incorporated into the BCA Budget for the next fiscal year beginning July 1, 2018. The B&F Committee has reviewed the combined new Budget, which remains largely unchanged, and recommends to the current BCA Board of Directors to leave the quarterly assessments unchanged.

In case that the required majority of affirmative responses for the pickleball ballot proposal has been received, a new line item will be entered into the BCA Reserve Plan to cover the estimated expenses of \$12,000.

Other Business

David stated that laddering of BCA Reserve Fund investments at Fidelity (CDs and commercial paper) generate income now of up to 1.8% p.a. This is a welcome benefit of rising interest rates, that will exceed the ¼ % rate of interest used for calculating the Reserve Plan investment income.

Also, the plan to separate the Reserve Fund into 2 sub-categories is progressing.

Research is continuing of options for funding capital improvements including fees by reviewing how other HOAs, comparable to BCA, handle this issue and what their experience is.

Next B&F Committee Meeting Dates

Wednesday, May 23, 2018 at 1:00p at the Clubhouse.

Wednesday, June 20, 2018 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 February 2018

Review of BCA Financials for March 2018

Prepared by:

Approved by:

Charles Schroeder

Marilyn Lillienfeld

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
April 20, 2018

1. REVIEW AND APPROVE MINUTES OF FEBRUARY 21, 2018 MEETING
2. REVIEW FEBRUARY AND MARCH FINANCIAL STATEMENTS
3. REPORT ON STATUS OF ACCOUNTS RECEIVABLE
4. REVIEW OF PROPOSED BUDGET FOR BOTH FUNDS
5. DISCUSS RESERVE REPORTS
6. NEW BUSINESS
7. PROPOSED NEXT MEETING DATES: MAY 23rd & JUNE 20TH
8. ADJOURN

Review of BCA Financials for February 2018

Comments: As per Balance Sheet as of February 28, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,414,134.92, an increase of \$22,750.50. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$174,110.90, a decrease of \$64,482.66. Accounts Receivable declined to \$2,651 (by \$2,683) mainly due to late payment of assessments. For the month, there were no ninety and more days past due assessments and 90 days and later CC&R violations and other fees remained at \$865 leaving the delinquency rate at 1/10 of 1% of annual assessments, a practically perfect condition.

Operating Owners' Equity: The balance at month-end is \$70,595 (increased by \$4,393).

Reserve Owners' Equity: On February 28, 2018 the Reserve Fund balance as per AAM Statement was \$1,414,135, an increase of \$22,751.

As to the individual sections of the financial summary: Income was in line with budget. All other sections were under budget. Total Operating Expenses were 13.8% under Budget, YTD 2.6 % under Budget.

Review of BCA Financials for March 2018

Comments: As per Balance Sheet as of March 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,439,809.46, an increase of \$25,674.54. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$186,827.47, a gain of \$12,716.57. Accounts Receivable declined to \$1,324 (by one half) mainly due to late payment of assessments. For the month, there were no ninety and more days past due assessments and 90 days and later CC&R violations and other fees remained at \$865 leaving the delinquency rate at 1/10 of 1% of annual assessments, an excellent condition.

Operating Owners' Equity: The balance at month-end is \$73,438 (increased by \$2,843).

Reserve Owners' Equity: On March 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,439,809, an increase of \$25,675.

As to the individual sections of the financial summary: Income was in line with budget. All other sections were under budget. Total Operating Expenses were 8.47% under Budget, YTD 3.25 % under Budget.

Bellasera Community Association

Budget & Finance Committee Meeting Minutes

May 23, 2018

Present: Marilyn Lillienfeld, Mary Moore, Paul Snyder & Charles Schroeder

Guest: Laurie Forte, Community Manager

Absent: Carlton Rooks and Chuck Roach

The Budget and Finance Committee was called to order at 1:00 PM.

Purpose of the Meeting

To review and approve the minutes of our April 20, 2018 meeting and to review the BCA April 2018 Financial Statements and the remaining agenda items.

Welcoming New Committee Member and Selection of New Chairperson

Marilyn announced that Mary Moore has been officially accepted as a new member of the B&F Committee. Also, in line with the governing rules of the Association, Marilyn – now a member of the Board of Directors and Treasurer of the Association - is vacating her position as chair of the Committee while she will continue as ex officio and BOD designated member of the B&F Committee. It was followed by the selection of the new chairperson of the B&F Committee. Mary Moore accepted the offer to chair the Committee. She brings the right resume, lots of experience and good spirits to the task and, on the other hand, will receive a lot of help from existing members. The members of the Committee were happy about the news and warmly welcomed Mary.

Review & approve minutes of the April 20, 2018 meeting

The minutes of the B&F Committee meeting on April 20, 2018 were reviewed and approved without objection.

Review of BCA Financials for April 2018

The review is attached and was accepted as is.

Accounts Receivable Status

Paul stated in his report that there are no delinquent accounts outstanding for quarterly assessments that are 90 days or more past due through April 30, 2018.

The total of A/R's outstanding is now \$3,315 and include CC&R violations.

Discussion of Year-End Accounting Issues

This fiscal year the BCA financial statements will undergo a full audit. Marilyn has proposed several minor changes and a transfer of the excess amount above \$50,000 (about \$24,000) of the Operating Owners' Equity Account to the Reserve Account following a BOD decision.

Reserve Report Update

The new BCA BOD has approved the new Budget for Fiscal Year 2018-2019 which includes the Reserve Plan. Marilyn mentioned that the Board is reviewing the contract and work of the current Reserve Plan consultant to see if a change is indicated. Laurie will circulate a summary version of the new budget.

Next B&F Committee Meeting Dates

June Meeting Date: TBD.

Wednesday, July 18, 2018 at 1:00p at the Clubhouse.

There being no other business the meeting was adjourned at 1:50p.

Enclosures: B&F Committee Meeting Agenda

Review of BCA Financials for April 2018

Prepared by:

Approved by:

Charles Schroeder

Marilyn Lillienfeld

Member, B&F Committee

Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
MAY 23, 2018

1. REVIEW AND APPROVE MINUTES OF APRIL 20th, 2018 MEETING
2. REVIEW APRIL FINANCIAL STATEMENTS
3. REPORT ON STATUS OF ACCOUNTS RECEIVABLE
4. DISCUSSION OF YEAR-END ACCOUNTING ISSUES
5. RESERVE REPORT UPDATE
6. NEW BUSINESS
7. PROPOSED NEXT MEETING DATES: JUNE 20th & JULY 18th
8. ADJOURN

Review of BCA Financials for April 2018

Comments: As per Balance Sheet as of April 30, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,447,392.676, an increase of \$7,583.21. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$230,765.66, a gain of \$43,938.03. Accounts Receivable increased to \$5,245 (by \$3,9

21) mainly due to late payment of assessments. For the month, there were no ninety and more days past due assessments and 90 days and later CC&R violations and other fees remained at \$867 practically unchanged leaving the delinquency rate at 1/10 of 1% of annual assessments, an excellent condition.

Operating Owners' Equity: The balance at month-end is \$74,725 (increased by \$1,287).

Reserve Owners' Equity: On April 30, 2018 the Reserve Fund balance as per AAM Statement was \$1,447,393, an increase of \$7,583.

As to the individual sections of the financial summary: Income was in line with budget. Administrative Expenses exceeded the monthly budget by 13.5% due mainly to expenses related to the Annual Meeting but were under budget YTD. Similarly, Repairs were higher than the budget by 17% yet YTD they were under budget. All other sections were under budget. Total Operating Expenses were in line with budget, YTD under budget.

Charles Schroeder, May 21, 2018

Budget & Finance Committee Meeting Minutes

June 26, 2018

Present: Mary Moore, Marilyn Lillienfeld, Carlton Rooks & Charles Schroeder

Guest: Laurie Forte, Community Manager

Absent: Chuck Roach and Paul Snyder

Guest: Audrey Fischer, (Bellasera resident interested to join B&F Committee)

The Budget and Finance Committee was called to order at 1:05 PM.

Purpose of the Meeting

To review and approve the minutes of our May 23, 2018 meeting and to review the BCA May 2018 Financial Statements and the remaining agenda items. Also, Audrey Fischer will be introduced to the members of the committee and she will talk about her background in financial matters.

Review & approve minutes of the May 23, 2018 meeting

The minutes of the B&F Committee meeting on May 23, 2018 were reviewed and approved without objection.

Review of BCA Financials for May 2018

The review is attached and was accepted as is.

Accounts Receivable Status

Paul had provided his report prior to the meeting. It states in his report that there are no delinquent accounts outstanding for quarterly assessments that are 90 days or more past due through May 31, 2018.

The total of A/R's outstanding is now \$2,905 and include CC&R violations.

Discussion of Year-End Accounting Issues

The proposed transfer of an additional amount of \$23,000 from the Operating Owners' Equity Account to the Reserve Account has taken place. Marilyn is in touch with AAM to make sure the transaction is appropriately recorded in BCA's financial statements. There are also several minor changes that Marilyn has asked AAM-Accounting to make.

Reserve Fund Investments

Chuck had asked to see a list of CD's for the next report, however, the reserve funds are invested as of the end of May in cash, the short term Fidelity Government Money Market Fund (7-day yield: 1.39%) and the majority (96%) in the short term Fidelity Prime Money Market Fund (7-day yield: 1.89%). This had been necessitated by the funding process of the Bellasera roads and, as we speak, negotiations are taking place to use the funds to establish CD's. Marilyn stated that she is also working on updating BCA's investment policy.

Capital Improvement Fee (CIF)

The committee briefly discussed the background of the Capital Improvement Fee and the pros and cons of implementing such a fee here in Bellasera. It was agreed that much work needs to be done to clarify the impact of such a fee on the community. AAM will provide us with information on surrounding HOA's and their experience with such fees. The committee and Marilyn will follow up to determine the next steps.

Audrey Fischer

Audrey mentioned that she worked for several years in corporate finance and is currently involved in real estate. Her background is quite fitting and the members of the committee felt that she would be a good and productive addition to B&F.

Next B&F Committee Meeting Date

Monday, September 24, 2018 at 1:00p @ the clubhouse.

There being no other business the meeting was adjourned at 2:30p.

Enclosures: B&F Committee Meeting Agenda

Review of BCA Financials for May 2018

Prepared by:

Charles Schroeder

Member, B&F Committee

Approved by:

Mary Moore

Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING
JUNE 26, 2018

- 1. Review and approve minutes of May 23, 2018 meeting**
- 2. Review May financial statements**
- 3. Report on status of Accounts Receivable**
- 4. Discussion of year-end accounting issues**
- 5. Reserve report update**
- 6. New business**
- 7. Suspend committee meetings until September 2018**
- 8. Adjourn**

Review of BCA Financials for May 2018

Comments: As per Balance Sheet as of May 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,496,846.22, an increase of \$49,453.55 which included a transfer of \$23,000 from operating account to Reserves. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$133,751.70, a reduction of \$97,013.80. Accounts Receivable decreased to \$2,905 (by \$2,340) mainly due to receipt of late payments of assessments. For the month, there were no ninety and more days past due assessments and 90 days and later CC&R violations and other fees remained at \$867 leaving the delinquency rate at 1/10 of 1% of annual assessments, an excellent condition.

Operating Owners' Equity: The balance at month-end is \$50,996, a decrease of \$23,728, mainly due to a transfer of \$23,000 from the OPS account to Reserves as directed by BOD.

Reserve Owners' Equity: On May 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,496,846, an increase of \$49,454.

As to the individual sections of the financial summary: Income was in line with budget. Administrative Expenses exceeded the monthly budget by 52% due mainly to expenses related to keys, FOBs and Transponders but were overall under budget YTD. All other sections were under budget. Total Operating Expenses were under budget and YTD under budget as well.

Budget & Finance Committee Meeting Minutes

September 24, 2018

Present: Mary Moore, Marilyn Lillienfeld, Audrey Fischer, Paul Snyder, & Charles Schroeder.

Chuck Roach participated via phone.

Absent: Carlton Rooks

The Budget and Finance Committee was called to order at 1:05 PM.

Purpose of the Meeting

To review and approve the minutes of our June 26, 2018 meeting and to review the BCA July and August 2018 Financial Statements and the remaining agenda items, including reviewing the BCA financial statements as of June 30, 2018 audited and prepared by the Butler-Hansen, P.L.C., C.P.A.s.

Review & approve minutes of the June 26, 2018 meeting

The minutes of the B&F Committee meeting on June 26, 2018 were reviewed and approved without objection.

Review of BCA Financials for July and August 2018

The two reviews are attached and were accepted as is.

Accounts Receivable Status

Paul had provided his report prior to the meeting. He states in his report that there are two delinquent accounts outstanding for quarterly assessments that are 90 days or more past due and were turned over to our collection attorneys in August. Liens have been filed against these properties. The likelihood that these accounts will ultimately be collected is very good.

The total of A/R's outstanding is now \$5,292 and includes CC&R violations.

Discussion of Audit Draft dated June 30, 2018

The Committee discussed the draft of Bellasera's Financial Statements as of June 30, 2018 and for the Fiscal Year then ended. Mary mentioned several interactions with the CPA firm Butler-Hansen before and after the completion of the draft. Overall the members of the B&F Committee consider the Financial Statements as of June 30, 2018 as prepared by the accounting firm Butler-Hansen, PLC, appropriate and recommend unanimously to the BCA Board of Directors to accept them.

Discussion of Cash Investments – laddered C/Ds vs. Money Fund

At the end of August Bellasera's Reserve Fund investments were held in the short term Fidelity Government Money Fund (7-day yield: 1.58%) (7% of the total) and the majority (93%) in the

short term Fidelity Prime Money Market Fund (7-day Yield: 2.04%). The Committee is fully aware of the higher financial risk of Money Market Funds vs. government insured C/Ds and is therefore recommending that available cash reserves be invested in laddered C/Ds. Now may be a good time to start this process as the Fed has just raised the Fed Funds rate and expects another increase in December. During this week Marilyn will talk to Fidelity and she would like to begin by placing about \$800,000 in 3 -6 months C/Ds. Marilyn is also working on updating BCA's investment policy.

Reserve Report Update

Marilyn gave a detailed overview of BCA's Reserve Plan and List of Components which is periodically kept up to date as needed. Repairs and replacements are recorded as they affect the useful and remaining life of the Reserve components. Acquisition of new components (such as the new mailboxes) as well as ongoing maintenance of existing assets (such as the pool deck) are recorded. The Buildings and Grounds Committee provides recommendations to replace components or extend their useful life. BCA also contracts with outside providers for inspections and reviews. The current provider of our Reserve Studies is very rigid in the application of raw material— and market prices and we may want to replace him.

Next B&F Committee Meeting Dates

Tuesday, October 23, 2018 at 1:00p @ the clubhouse.
Monday, November 19, 2018 at 1:00p @ the clubhouse.
Monday, December 17, 2018 at 1:00p @ the clubhouse.

There being no other business the meeting was adjourned at 2:30p.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for July and August 2018

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Mary Moore
Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION

AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING
SEPTEMBER 24, 2018

- 1. Review and approve minutes of June 2018 meeting**
- 2. Review July and August financial statements**
- 3. Report on status of Accounts Receivable**
- 4. Discussion of audit draft dated June 30, 2018**
- 5. Discussion of cash investments—laddered C/Ds vs. Money Fund**
- 6. Reserve report update**
- 7. New business**
- 8. October Meeting Date and Time**
- 9. Adjourn**

Review of BCA Financials for July 2018

Comments: As per Balance Sheet as of July 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,540,699.41, an increase of \$26,000.00. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$206,792.40, an increase of \$51,982.20. Accounts Receivable increased to \$6,988 (by \$4,469) mainly due to late payments of assessments. For the month, ninety and more days past due assessments were \$1,170 and CC&R violations and other fees were slightly higher at \$984 increasing the delinquency rate slightly to 1/4 of 1% of annual assessments, still an excellent condition.

Operating Owners' Equity: The balance at month-end is \$60,430, an increase of \$4,399.

Reserve Owners' Equity: On July 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,540,699, an increase of \$26,000.

Please note that the prior month figures in this month's Fund Balance section differ from those shown in the June 2018 Balance Sheet that I used for my June 2018 review.

As to the individual sections of the financial summary: Income was slightly above budget. All other sections were under budget. Total Operating Expenses were \$5,206 or 10.8% under budget.

Charles Schroeder, September 6, 2018

Review of BCA Financials for August 2018

Comments: As per Balance Sheet as of August 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,507,292.93, a decrease of \$33,406.48. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$152,590.54, a decrease of \$54,201.86. Total Cash at \$1,659,883.47 is down \$87,608.34 mainly due to expenses for the installment of new mailboxes as well as for painting the exterior and interior of the Clubhouse and the Guardhouse and Pool Deck repairs. Accounts Receivable decreased to \$5,292 (by \$1,696) mainly due to late receipts of assessments. For the month, ninety and more days past due assessments remained at \$1,170 and CC&R violations and other fees were slightly higher by \$200 at \$1,184 increasing the delinquency rate to slightly higher than 1/4 of 1% of annual assessments, still an excellent condition.

Operating Owners' Equity: The balance at month-end is \$66,565, an increase of \$6,134.

Reserve Owners' Equity: On August 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,507,293, a decrease of \$33,406.

As to the individual sections of the financial summary: Lease Fee Income of \$8,064 was received one month early, otherwise Income was slightly above budget. All other sections were YTD under budget with the exception of Contract Services which is 4.67% over budget. Total Operating Expenses were YTD \$2,948 or 3.1% under budget.

Budget & Finance Committee Meeting Minutes

October 23, 2018

Present: Mary Moore, Audrey Fischer, Carlton Rooks, Paul Snyder, & Charles Schroeder.

Absent: Marilyn Lillienfeld & Chuck Roach

Guests: Laurie Forte, Community Manager, and Jim Ragborg, Co-Chair of B&G Committee (joined the meeting after our discussions of the A/R Status).

The Budget and Finance Committee was called to order at 1:05 PM.

Purpose of the Meeting

To review and approve the minutes of our September 24, 2018 meeting and to review the BCA September 2018 Financial Statements and the remaining agenda items.

Review & Approve minutes of the September 24, 2018 meeting

The minutes of the B&F Committee meeting on 26, 2018 were reviewed and approved as is.

Review of BCA Financials for September 2018

The review is attached and was accepted as is.

Accounts Receivable Status

With the A/R practically unchanged Paul's report shows two accounts of delinquent assessments (\$3,541) are now in the hands of BCA's collection attorneys.

The total of A/R's outstanding is now \$5,326 and includes CC&R violations.

Update on Capital Improvement Fund Discussion with BOD

This item is on the BOD's agenda for the next meeting. If approved by the BOD for further investigation, the B&F committee will begin work on the project.

Status of Reserve Report

Will be discussed at a future meeting.

New Business

Jim Ragborg, Co-Chair of the Building and Grounds Committee, presented a proposal for building a bathroom as an addition to the existing pool shower at an estimated cost of \$16,000.

Jim was asked to include this item in the Reserve Plan proposed projects for the next fiscal year.

Next B&F Committee Meeting Date

Monday, December 3, 2018 at 7:00p @ the clubhouse.

There being no other business the meeting was adjourned at 2:35p.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for September 2018

Prepared by:

Charles Schroeder
Member, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING
OCTOBER 23, 2018

- 1. Review and approve minutes of September 2018 meeting**
- 2. Review September Financial Statements**
- 3. Report on status of Accounts Receivable**
- 4. Update from Treasurer on cash investments/Investment Policy**
- 5. Update on Capital Improvement Fund Discussion with the BOD**
- 6. Status of Reserve Report (Provider and Worksheets)**
- 7. New business**
- 8. Confirm November Meeting Date of Monday, November 19th at 1:00pm**
- 9. Adjourn**

Review of BCA Financials for September 2018

Comments: As per Balance Sheet as of September 30, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,530,517.93, an increase of \$23,225. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$165,613.70, an increase of \$13,023.16. Total Cash increased to \$1,696,131.63 by 36,248.16. Accounts Receivable remained flat at \$5,327. For the month, ninety and more days past due assessments rose to \$2,925 (+ \$1,755), while CC&R violations and other fees remained at \$1,184, increasing the overall delinquency rate to slightly less than 1/2 of 1% of annual assessments, still maintaining a very good condition.

Operating Owners' Equity: The balance at month-end is \$68,855, an increase of \$2,290.

Reserve Owners' Equity: On September 30, 2018 the Reserve Fund balance as per AAM Statement was \$1,530,518, an increase of \$23,225

As to the individual sections of the financial summary: Income was in line with budget. For the month Administrative Expenses (the only section) were \$2,414 or 27.6% over budget mainly due to taxes paid of \$3,350 against an annual budget of only \$2,225, however, YTD this and all other sections were under budget except Contract Services which is a mere 2.42% over budget.

Total Operating Expenses were YTD \$6,401 or 4.5% under budget.

Budget & Finance Committee Meeting Minutes

December 3, 2018

Present: Audrey Fischer, Marilyn Lillienfeld*, Carlton Rooks & Charles Schroeder.

Absent: Paul Snyder & Chuck Roach

*) Treasurer of BCA

The Budget and Finance Committee was called to order at 7:05 PM.

Purpose of the Meeting

To review and approve the minutes of our October 23, 2018 meeting and to review the BCA October 2018 Financial Statements and to discuss the remaining agenda items.

Review & Approve minutes of the October 23, 2018 meeting

The minutes of the B&F Committee meeting on October 23, 2018 were reviewed and approved as is.

Review of BCA Financials for October 2018

The review is attached and was accepted as is.

Accounts Receivable Status

The level of A/Rs increased by \$3,168 to \$8,494 during the month of October. Paul's report shows two accounts of overdue assessments (\$4,829). One continues in the hands of BCA's collection attorneys and the other has been settled (\$2,356).

4 accounts (\$2,514) are delinquent for the current quarter assessments.

Treasurer's Report

Marilyn stated that BOD has approved further investigations of the Capital Improvement Fund issues and Marilyn outlined the steps and possible target times of the process. While the committee is ready to assist in the gathering of information and data etc., the consensus of the committee members is not to act precipitously, but to allow for enough time to study in depth all aspects of the issues involved.

Status of Reserve Fund analysis

Once Harold Levin has completed the update of the Reserve Fund further analysis will be done.

Need for a new B&F Committee chair

The by-laws of the association do not allow that the Treasurer of the association chairs the B&F Committee. The Board has expressed the hope that one of the current members of B&F will chair the committee, however, so far no one has volunteered to do so.

Discuss next FY budget process

Laurie Forte, the Community Manager, has stated that she will advise the committee of a starting date to discuss the budget.

Next B&F Committee Meeting Date

Tuesday, December 19, 2018 at 12:00 noon @ the clubhouse.

There being no other business the meeting was adjourned at 8:20p.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for October 2018

Prepared by:

Charles Schroeder
Member, B&F Committee

BELLASERA COMMUNITY ASSOCIATION

AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING DECEMBER 3, 2018

1. Review and approve minutes of October 23, 2018 meeting
2. Review October Financial Statements
3. Report on status of Accounts Receivable
4. Treasurer's report
5. Status of Reserve Fund analysis
6. Need for a new B&F chair
7. Discuss next FY budget process
8. New business
9. Confirm next meeting dates
10. Adjourn

Review of BCA Financials for October 2018

Comments: As per Balance Sheet as of October 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,561,759.00, an increase of \$31,241. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$204,396.88, an increase of \$38,783.18. Total Cash increased to \$1,766,155.88 by 70,024.25. Accounts Receivable increased to \$8,494 (by \$3,168) mainly due to late payments of assessments. For the month, ninety and more days past due assessments declined to \$2,340 (- \$585), while CC&R violations and other fees rose to \$1,801 (+\$617), increasing the combined delinquency only slightly at less than 1/2 of 1% of annual assessments, still maintaining a solid financial condition.

Operating Owners' Equity: The balance at month-end was \$54,954, a decrease of \$7,607.

Reserve Owners' Equity: On October 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,561,759, an increase of \$31,241

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As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses and Utility Expenses were both under budget for the month and YTD. Maintenance and Labor were \$10,987 over budget for the month due to monsoon storm damage repairs, pool deck painting and re-seeding the grassy knoll and the Dog park. YTD the section was over budget \$6,667 or 40.1%. Contract Services were \$976 over budget for the month, but YTD in line with the budget.

Total Operating Expenses were \$9,347 or 21% over budget and \$119 under budget YTD.

Budget & Finance Committee Meeting Minutes

December 19, 2018

Present: Carlton Rooks, David Reid, Audrey Fischer, Chuck Roach, Charles Schroeder & Paul Snyder.

Guests: Laurie Forte, Community Manager & Dennis Carson, President of BCA.

The Budget and Finance Committee was called to order at 10:05 AM.

Purpose of the Meeting

To review and approve the minutes of our December 3, 2018 meeting and to review the BCA November 2018 Financial Statements and to discuss the remaining agenda items.

At the outset David Reid announced that the Board at the prior day's meeting had accepted Marilyn Lillienfeld's resignation from her position as Treasurer of BCA. Subsequently the Board appointed David Reid to be Treasurer of BCA and be the designated Board representative at the B&F Committee. Also, Carlton Rooks has kindly agreed to serve as Interim Chairperson to temporarily fill the vacant position at the B&F Committee.

Review & Approve minutes of the December 3, 2018 meeting

The minutes of the B&F Committee meeting on December 3, 2018 were reviewed and approved without objection.

Review of BCA Financials for November 2018

The review is attached and was accepted as is.

Accounts Receivable Status

The level of A/Rs decreased by \$4,754 to \$3,740 during the month of November. Paul's report shows that one of two accounts of long overdue assessments (\$2,356) has been settled. The other account (\$2,473) continues in the hands of BCA's collection attorneys and we are awaiting news that may not be available before a February 19, 2019 deadline. 4 accounts (\$2,514) that were delinquent for the current quarter assessments are now paid. 12 smaller accounts totaling \$1,267 are outstanding including one for \$750 for cc&r violations since 2013.

Treasurer's Report

David stated that he is working on a plan that outlines in detail the budget process for the next FY with individual tasks and target dates for the components of the budget, such as the Operating Plan, Reserve Plan and coordination with Harold Levin and Association Reserves, LLC. Carlton had prepared a draft with similar content and David will include this information in his plan.

Status of Reserve Fund analysis

Once Harold Levin has completed the update of the Reserve Fund further analysis will be done.

Need for a permanent B&F Committee Chair

A search for a permanent Chairperson is ongoing.

Discuss next FY budget process

Laurie Forte, the Community Manager, has stated that she will advise the committee of a starting date to discuss the budget.

Next B&F Committee Meeting Date

Wednesday, January 23, 2019 at 10:00 AM @ the clubhouse.

There being no other business the meeting was adjourned at 11:15 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for November 2018
Memo announcing Interim Chairperson

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Carlton Rooks
Interim Chair, B&F Committee

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Bellasera Community Association
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
DECEMBER 19, 2018

- 1. Review and approve minutes of December 3rd, 2018 meeting**
- 2. Review November Financial Statements**
- 3. Report on status of Accounts Receivable**
- 4. Treasurer's report**
- 5. Status of Reserve Fund analysis**
- 6. Need for a new B&F chair**
- 7. Discuss next FY budget process**
- 8. New business**
- 9. Confirm next meeting date**
- 10. Adjourn**

Review of BCA Financials for November 2018

Comments: As per Balance Sheet as of November 30, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,581,016.20, an increase of \$19,257. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$140,030.20, a decrease of \$64,366.68. Total Cash declined to \$1,721,046.40 by 45,109.48. Accounts Receivable decreased to \$3,740 (by \$4,755) mainly due to receipt of late payments of assessments. For the month, ninety and more days past due assessments declined to \$1,170 (- \$1,170), while CC&R violations and other fees also declined to \$1,517 (-\$284), reducing the combined delinquency to well below 1/2 of 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$45,590, a decrease of \$7,362.

Reserve Owners' Equity: On November 30, 2018 the Reserve Fund balance as per AAM Statement was \$1,581,016, an increase of \$19,257.

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As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were slightly above budget, but under budget YTD. Utility Expenses were both under budget for the month and YTD. Maintenance and Labor were \$990 over budget for the month due to various repairs and an unbudgeted back flow inspection and YTD the section was also over budget \$7,656 or 38.1%. Contract Services were \$3,403 over budget (November has 5 Fridays!) for the month, but YTD in line with the budget.

Total Operating Expenses were \$2,755 or 5.4% over budget and in line with the budget YTD.

Memo to be included in Budget & Finance Committee Meeting Notes

Carlton Rooks, will be an Interim Chairperson for the Budget & Finance Committee starting with the December 19, 2018 meeting. This is a temporarily filling of the B & F Chairperson position until a search is completed to fill the Chairperson on a more permanent basis