

Budget & Finance Committee Meeting Minutes

January 28, 2019

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

Absent: Mary Moore

Guests: Laurie Forte, Community Manager.

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 19, 2018 meeting and to review the BCA December 2018 Financial Statements and to discuss the remaining agenda items.

Review & Approve minutes of the December 19, 2018 meeting

The minutes of the B&F Committee meeting on December 19, 2018 were reviewed and approved without objection.

Review of BCA Financials for December 2018

The review is attached and was accepted as is.

Accounts Receivable Status

The level of A/Rs decreased by \$125 to \$3,615 during the month of December. Paul's report shows that one account of long overdue assessments (\$2,473) continues in the hands of BCA's collection attorneys and we are awaiting the results of the sheriff's sale scheduled for February 14, 2019. The lien on the house is junior to the first mortgage which is much larger than the value of the house. 12 smaller accounts totaling \$1,142 are outstanding including one for \$750 for cc&r violations since 2013.

Treasurer's Report and 2019 Budget Process

David provided two drafts outlining the BCA Budget Process that he had prepared after our discussions during the last meeting. One is a detailed summary of the Bellasera Community Association Annual Budgeting Process and the other is a detailed summary of the Timeline for both the Reserve Budget Process and the Operating Budget Process. Both outlines are considered drafts and David asked members for comments and suggestions even before the next meeting.

As to the Budget Process for the FY 2019-2020 David mentioned the various tasks of the AAM Community Manager and the Building and Grounds Committee as well as the reviews by the Treasurer and the Budget and Finance Committee as contained in the two drafts of the BCA Annual Budgeting Process and the BCA Annual Budgeting Process Timeline.

Laurie presented the first 2019-2020 Built Out Operating Budget which reflects only relatively small increases in the aggregate as there will be no major projects during FY 2019-2020. Contracts are expected to increase at a usual 3%. David asked Laurie to check whether it would be necessary to replace the entire irrigation system and what it would cost rather than having more expensive piece by piece repairs of an aging system. The 1st pass of the Operating Budget may require an increase of \$7.00 of the current quarterly dues of \$585.00 to \$592.00.

Discussion of the next steps for the Budget

Input received from the Building and Grounds Committee as well as information from Harold Levin's update of the Reserve Fund will be combined with existing data and will be given to DJ of Association Reserves for his analysis. This analysis is necessary to calculate the Percentage Funded of the Reserve Plan which is currently fair and a few points below 70%, considered good and strong and is, therefore, a desirable goal of BCA-B&F/BOD.

New Business

Next B&F Committee Meeting Date

Wednesday, February 20, 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 December 2018

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Carlton Rooks
Interim Chair, B&F Committee

Bellasera Community Association
AGENDA FOR BUDGET & FINANCE COMMITTEE MEETING
January 28, 2019

- 1. Review and approve minutes of December 19th, 2018 meeting**
- 2. Review December Financial Statements**
- 3. Report on Accounts Receivable**
- 4. Treasurer's report & 2019 Budget Process**
 - Operating Plan 1st Draft – AAM Manager (Laurie) will review line by line all entries for projection of cost for FY**
- 5. Discuss next steps for Budget to include B&G Committee and Harold Levin (consultant) and Association Reserves, LLC, to provide Reserve Plan-percentage of Funded Calculation**
- 6. New business**
- 7. Confirm next meeting date**
- 8. Adjourn**

Review of BCA Financials for December 2018

Comments: As per Balance Sheet as of December 31, 2018 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,602,342.41, an increase of \$21,326.21. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$77,091.19, a decrease of \$62,939.01. Total Cash declined to \$1,679,433.60 by 41,612.80. Accounts Receivable remained roughly unchanged at \$3,615 (down by \$125). For the month, ninety and more days past due assessments increased to \$1,780 (+ \$990), while CC&R violations and other fees slightly declined to \$1,499 (-\$18), holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$44,898, a decrease of \$1,731.

Reserve Owners' Equity: On December 31, 2018 the Reserve Fund balance as per AAM Statement was \$1,602,342, an increase of \$21,326.

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 \$1,979 over budget for the month but \$4,341 under budget YTD. Maintenance and Labor Expenses were in line with budget for the month and YTD the section remains over budget \$8,344 or 36.9%. Contract Services were under budget for the month and in line with the budget YTD.

Total Operating Expenses were \$1,218 or 2.6% over budget for the month and \$3,855 or 1.35% over budget YTD.

Budget & Finance Committee Meeting Minutes

February 20, 2019

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

Guest: Laurie Forte, Community Manager.

The Budget and Finance Committee was called to order at 10:00 AM.

Purpose of the Meeting

To review and approve the minutes of our January 28, 2019 meeting and to review the BCA January 2019 Financial Statements and to discuss the remaining agenda items.

Review & Approve Minutes of the January 28, 2019 meeting

The minutes of the B&F Committee meeting on January 28, 2019 were approved without objection.

Review of BCA Financials for January 2019

The review is attached and was accepted as is.

Accounts Receivable Status

Paul reports that \$3,851 were received in February reducing the AR balance in the January Balance Sheet of \$10,398 to \$6,547 (up \$2,933). One account of long overdue assessments (\$3,058) continues with the residence now owned by a bank. 13 smaller accounts totaling \$453 are outstanding as well as two accounts for \$1,750 for cc&r violations and two accounts for current past due assessments of \$1,286.

Treasurer's Report and 2019 Budget Process

Laurie presented the second 2019-2020 Built Out Operating Budget. She had reviewed line by line all the entries for projection of cost for FY 2019-2020 and accordingly made changes if necessary. The 2nd pass of the Operating Budget may require an increase of \$10.00 of the current quarterly dues of \$585.00 to \$595.00 exclusive of increases that may be necessary related to the Reserve Plan.

Discussion of the Reserve Budget

Laurie also handed out a summary of projected Reserve Expenses of the 2019-2020 Reserve Budget she had reviewed. There are five line items: a new fitness center carpet, repainting of street signs, road repairs, repainting of corner stucco walls and the re-tiling of the pool area shower. The total is \$153,500, but it may still change.

Next B&F Committee Meeting Date

Wednesday, March 20, 2019 at 10:00 AM @ the clubhouse.

There being no other business the meeting was adjourned at 11:10 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for January 2019

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Carlton Rooks
Interim Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING
FEBUARY 20,2019

1. Review and approve minutes of January 23,2019 meeting
2. Review Financial Statements
3. Report on Accounts Receivable
4. Treasurer' report & 2019 Draft- Budget Process - Operating Plan 2st Draft – AAM Manager (Laurie) will review line by line all the entries for projection of cost for Fiscal Year
5. Discussion to include Building & Ground and Association Reserves-LLC, to provide Reserve Plan-percentage of Funded Calculation
6. Budget & Finance submit Fiscal Budget to BOD
7. New business
8. Confirm next meeting dates
9. Adjourn

Review of BCA Financials for January 2019

Comments: As per Balance Sheet as of January 31, 2019 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,630,281.67, an increase of \$27,939.26. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$202,905.58, an increase of \$125,814.39. Total Cash increased to \$1,833,187.25 by \$153,753.65. Accounts Receivable almost tripled at \$10,398 (up by \$6,784) due to several late dues' payments. For the month, ninety and more days past due assessments declined to \$1,755 (down \$25), while CC&R violations and other fees slightly rose to \$1,543 (+\$44), holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$46,200, an increase of \$1,302.

Reserve Owners' Equity: On January 31, 2019 the Reserve Fund balance as per AAM Statement was \$1,630,282, an increase of \$27,939.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were also in line with budget, but under budget YTD. Utility Expenses were \$3,922 over budget for the month due to seasonal heating costs, but slightly under budget YTD. Maintenance and Labor Expenses were \$1,287 or 26.4% under budget for the month and YTD the section remains over budget \$7,056 or 25.7%. Contract Services were under budget for the month and in line with the budget YTD.

Total Operating Expenses were \$1,927 or 4.2% over budget for the month and \$5,782 or 1.75% over budget YTD.

Budget & Finance Committee Meeting Minutes

March 20, 2019

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

Guest: Laurie Forte, Community Manager.

The Budget and Finance Committee was called to order at 10:00 AM.

Purpose of the Meeting

To review and approve the minutes of our February 20, 2019 meeting and to review the BCA February 2019 Financial Statements and to discuss the remaining agenda items.

Review & Approve Minutes of the February 20, 2019 meeting

The minutes of the B&F Committee meeting on January 20, 2019 were approved without objection.

Review of BCA Financials for February 2019

The review is attached and was accepted as is.

Accounts Receivable Status

Paul reports that 2 accounts, totaling \$1,512, are still delinquent for the current quarter. One account of long overdue assessments (\$3,058) continues with the residence now owned by a bank and is most likely uncollectible. 15 smaller accounts, totaling \$530, remain outstanding as well as one account for \$750 for cc & r violations.

Treasurer's Report

David reported that he and Laurie had a very good and productive meeting with DJ, the principal consultant of Association Reserves, LLC, who has conducted Reserve Plan studies for Bellasera for many years. Financially our community is in a good place and that includes the Reserve Fund which is maintained at a strong level. The discussion centered on BCA's experience with the aging of various reserve plan assets as quite a few have out lived their standard useful life due to proper and careful maintenance. DJ acknowledged that this could have a positive impact on his analysis and asked for a list and our recommendations. DJ now has the list and will be finishing his report by the end of this month.

The Final Operating Budget Ready for Submission to BOD

Laurie presented the final 2019-2020 Built Out Operating Budget. She had again reviewed line by line all the entries for projection of cost for FY 2019-2020 and accordingly made changes if necessary. At this point the Operating Budget would require an increase of \$10.00 of the current quarterly dues of \$585.00 to \$595.00 exclusive of increases that may be necessary

related to the Reserve Plan. There was general consent by the members of the B&F Committee and no objections were raised.

Discussion of the Reserve Budget

Laurie also handed out the latest summary of projected Reserve Expenses of the 2019-2020 Reserve Budget she had reviewed. To the previously mentioned five projects: a new fitness center carpet, repainting of street signs, road repairs, repainting of corner stucco walls and the re-tiling of the pool area shower, a sixth project: View fence painting has been added. The total is now \$346,500, but it may still change.

Next B&F Committee Meeting Date

Wednesday, April 17, 2019 at 10:00 AM @ the clubhouse.

There being no other business the meeting was adjourned at 10:55 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for February 2019

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Carlton Rooks
Interim Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION
AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING
March 20, 2019

1. Review and approve minutes of February 20, 2019 meeting
2. Review Financial Statements
3. Report on Accounts Receivable
4. Treasurer' Report
5. General consent Budget & Finance submit Fiscal Budget to BOD
6. New Business
7. Confirm next meeting dates
8. Adjourn

Review of BCA Financials for February 2019

Comments: As per Balance Sheet as of February 28, 2019 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company¹ totaled \$1,655,781.67, an increase of \$25,500.00. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$141,533.49, a decrease of \$61,372.09. Total Cash decreased to \$1,797,315.16 by \$35,872.09. Accounts Receivable declined to \$5,850 (down by \$4,549), a reduction of outstanding late dues. For the month, ninety and more days past due assessments remained unchanged at \$1,755, while CC&R violations and other fees declined to \$1,518 (-\$25), holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$52,695, an increase of \$6,495.

Reserve Owners' Equity: On February 28, 2019 the Reserve Fund balance as per AAM Statement was \$1,655,782, an increase of \$25,500.

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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 under budget by \$2,579 or 23.8% and YTD by \$3,896 or 4.9%. Utility Expenses were \$2,463 or 23.9% under budget for the month and \$2,881.61 or 4.2% under budget YTD. Repairs and Maintenance Expenses were \$503 or 11.2% under budget for the month and YTD the section remains over budget \$6,554 or 20.5%. Contract Services were under budget by \$5,888 or 23.4% for the month and under budget YTD by \$5,426 or 2.7%.

Total Operating Expenses were \$11,432 or 22.5% under budget for the month and \$5,649 or 1.5% under budget YTD.

Charles Schroeder, March 18, 2019

¹ The Account Statement from Fidelity for February was late. Laurie will provide copies at tomorrow's meeting.

Budget & Finance Committee Meeting Minutes

April 17, 2019

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

Absent: Mary Moore

Guest: Laurie Forte, Community Manager.

The Budget and Finance Committee was called to order at 10:00 AM.

Purpose of the Meeting

To review and approve the minutes of our March 20, 2019 meeting and to review the BCA March 2019 Financial Statements and to discuss the remaining agenda items.

Review & Approve Minutes of the March 20, 2019 meeting

The minutes of the B&F Committee meeting on March 20, 2019 were approved subject to elimination of a forward-looking statement that was contained under the caption "Treasurer's Report".

Review of BCA Financials for March 2019

The review is attached. David asked for a breakdown of the total of \$8,169.22, the amount of decline in the Operating Owners' Equity. The answer was an approximated one as the variance report prepared by AAM Accounting for the month only showed budget overages and non-budgeted expenses totaling \$6,476.22.

Subsequently, Carlton and Charles had a brief meeting with Laurie and asked that AAM Accounting provide the B&F Committee with a monthly reconciliation of the usually fluctuating balance in the General Ledger Account for the Operating Owners' Equity Account. Laurie has passed on this request to AAM Accounting.

Accounts Receivable Status

Paul presented his report that reconciled in detail the month end AR amount of \$5,006. There was only little change from the previous month. He also stated that there was an amount of \$599.35 written off and that he expects to make a recommendation at fiscal year-end to write off the remaining \$2,199 of the unpaid debt of one account.

Treasurer's Report

David stated that for his presentation at the Owners Annual Meeting he needed in addition to the details of this month's decline in Operating Owners' Equity mentioned above an estimate of what the balance of that account would be at the end of the current fiscal year. Laurie will help provide this information.

The Reserve Fund Consultant, DJ of Association Reserves – Arizona, LLC, has completed the update of the BCA Reserve Study and his assessments do not require an increase of the current contributions to the BCA Reserve Fund.

AAM Manager – Laurie Update on Reserve Assets Scheduled

According to Laurie everything that was planned for the next fiscal year will be done.

Next B&F Committee Meeting Date

Wednesday, May 22, 2019 at 10:00 AM @ the clubhouse.

There being no other business the meeting was adjourned at 10:30 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for March 2019

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Carlton Rooks
Interim Chair, B&F Committee

BELLASERA COMMUNITY ASSOCIATION

AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING

April 17,2019

1. Review and approve minutes of March 20,2019 meeting
2. Review Financial Statements
3. Report on Accounts Receivable
4. Treasurer' Report
5. AAM Manger -Laurie Update on Reserve Assets Scheduled
6. New Business
7. Confirm next meeting dates
8. Adjourn

Review of BCA Financials for March 2019

Comments: As per Balance Sheet as of March 31, 2019 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,685,280.58, an increase of \$29,498.91. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$162,849.46, an increase of \$21,315.97. Total Cash increased to \$1,848,130.04 by \$50,814.88. Accounts Receivable declined to \$5,006 (down by \$844), a reduction of outstanding late dues. For the month, ninety and more days past due assessments declined by \$260 to \$1,495, while CC&R violations and other fees remained at \$1,518, holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$44,525, a decrease of \$8,169.

Reserve Owners' Equity: On March 31, 2019 the Reserve Fund balance as per AAM Statement was \$1,685,281, an increase of \$29,499.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were over budget by \$2,901 or 30.8% due to mainly overages in reserve study fee and extra annual meeting mailings and under budget YTD by \$994 or 1.1%. Utility Expenses were over budget \$833 or 8.7% for the month and \$2,048 or 2.6% under budget YTD. Repairs and Maintenance Expenses were \$931 or 20.5% under budget for the month and YTD the section remains over budget \$5,623 or 15.4%. Contract Services were over budget by \$3,673 or 14.6% for the month and under budget YTD by \$1,754 or 0.8%.

Total Operating Expenses were \$6,476 or 13.3% over budget for the month and \$826 or 0.2% over budget YTD.

Charles Schroeder, April 16, 2019

Budget & Finance Committee Meeting Minutes

May 22, 2019

Present: David Reid, Audrey Fischer, Mary Moore, Charles Schroeder.

Absent: Carlton Rooks, Chuck Roach & Paul Snyder

Guest: Laurie Forte, Community Manager.

The Budget and Finance Committee was called to order at 10:00 AM. Mary Moore chaired the meeting.

Purpose of the Meeting

To review and approve the minutes of our April 17, 2019 meeting and to review the BCA April 2019 Financial Statements and to discuss the remaining agenda items.

Review & Approve Minutes of the April 17, 2019 meeting

The minutes of the B&F Committee meeting on April 17, 2019 were approved with General Consent.

Review of BCA Financials for April 2019

The review is attached. Total operating expenses this month exceeded the budget by \$520 and fully explain the \$320 decline of Operating Owners' Equity.

Accounts Receivable Status

Paul provided his report prior to the meeting. It reconciled in detail the month end AR amount of \$5,452 (+ \$446). There was only little change from the previous month. He stated again that he expects to make a recommendation at fiscal year-end to write off the remaining \$2,199 of the unpaid debt of one account. Another account of \$750 (an outstanding cc & r violation in 2013) is scheduled to be discussed at the next BOD meeting.

Treasurer's Report

The annual owners' meeting went well.

The new Bellasera Board of Directors:

President - Dennis Carson, Vice President - Joe Carlon, Secretary - Dennis Soeffner, Treasurer - David Reid and Director at Large - Carl Leroux.

The new Board approved the Bellasera Budget for FY 2019-2020 as recommended.

AAM Manager – Laurie Update on Reserve Assets Scheduled

The street signs replacement has been moved into the current year. Four new pieces of weight equipment will replace six current pieces and the timing will be combined with a new carpet in the Fitness Center.

The BCA's percentage funded for its Reserve Plan now stands at 72.84.

Next B&F Committee Meeting Date

Wednesday, July 17, 2019 at 10:00 AM @ the clubhouse.

There being no other business the meeting was adjourned at 10:35 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for April 2019

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Mary Moore
Meeting Chair, B&F Committee

AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING

MAY 22,2019

1. Review and approve minutes of April 17,2019 meeting
2. Review Financial Statements
3. Report on Accounts Receivable
4. Treasurer' Report Info on BCA Annual Meeting & Officers 2019-2020
5. AAM Manager -Laurie Update on Reserve Assets Scheduled
6. New Business
7. Confirm next meeting dates
8. Adjourn

Review of BCA Financials for April 2019

Comments: As per Balance Sheet as of April 30, 2019 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,710,280.58, an increase of \$25,000.00. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$207,818.65, an increase of \$44,969.19. Total Cash increased to \$1,918,099.23 by \$69,969.19. Accounts Receivable increased to \$5,452 (down by \$446). For the month, ninety and more days past due assessments remained unchanged at \$1,495, while CC&R violations and other fees increased slightly to \$1,543, holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$44,202, a decrease of \$323.

Reserve Owners' Equity: On April 30, 2019 the Reserve Fund balance as per AAM Statement was \$1,710,281, an increase of \$25,000.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were under budget by \$1,085 or 12.6% due to mainly no office expenses, no license fees and lower insurance and under budget YTD by \$2,080 or 2.1%. Utility Expenses were over budget \$627 or 7% for the month and \$1,421 or 1.6% under budget YTD. Repairs and Maintenance Expenses were \$1,354 or 41.3% over budget for the month and YTD over budget \$6,976 or 17.5%. Contract Services were in line with budget for the month and under budget YTD by \$2,130 or 0.8%.

Total Operating Expenses were in line with budget for the month and YTD.

Budget & Finance Committee Meeting Minutes

July 17, 2019

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

Absent: Audrey Fischer and Chuck Roach

Guest: Laurie Forte, Community Manager.

The Budget and Finance Committee was called to order at 11:00 AM.

Purpose of the Meeting

To review and approve the minutes of our May 22, 2019 meeting and to review the BCA May and June 2019 Financial Statements and to discuss the remaining agenda items.

Review & Approve Minutes of the May 22, 2019 meeting

The minutes of the B&F Committee meeting on May 22, 2019 were approved with General Consent.

Review of BCA Financials for May and June 2019

The reviews are attached. Total operating expenses for May were under budget by \$5789 and fully explain the \$5,303 increase of Operating Owners' Equity. On the other hand, total operating expenses for June exceeded the budget by \$11,830 and explain the decline of Operating Owners' Equity of \$10,687. For further explanation, Laurie provided a detailed variance report of accounts over budget both for MTD and YTD. This includes expenses for the 15' fire clearing accounted for under "Landscape – Other". Laurie also pointed out that the pool deck painting expense of \$4,800 – while not budgeted as an operating expense – is covered by the reserve budget. (I corrected that part of my enclosed June 2019 BCA financials review.)

Accounts Receivable Status

Paul stated again that he expects to make a recommendation at fiscal year-end to write off the remaining \$2,199 of the unpaid debt of one account. Another account of \$750 (an outstanding cc & r violation in 2013) is currently in the process of being settled possibly by payment of \$250.

Treasurer's Report

The Bellasera Board of Directors held an emergency meeting last month to address the increasing fire threat in our NAOS. It approved the hiring of an additional crew (cost: \$8,700) to handle the work on the 15 feet of fire prevention barrier behind residents' view fences in addition to the 5 feet barrier that has been worked on already under the basic landscaping contract. The Board also placed priority for this work in certain high-risk areas near highways, such as Lone Mountain Road.

AAM Manager – Laurie

In addition to the detailed supplemental financial information provided by Laurie (see above section of Review of BCA financials) she also informed the Committee that the B&G Committee is currently looking at the fire prevention issue as a whole for Bellasera and is expected to come up with a proposal for potential additional actions.

Next B&F Committee Meeting Date

Wednesday, September 18, 2019 at 10:00 AM @ the clubhouse.

There being no other business the meeting was adjourned at 12:00 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for May 2019
Review of BCA Financials for June 2019

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Carlton Rooks
Interim Chair, B&F Committee

AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING - JULY 17,2019

- 1.Review and approve minutes of May 22, 2019 meeting
- 2.Review Financial Statements
- 3.Report on Accounts Receivable
- 4.Treasurer' Report
- Update July 1, 2019 – Special Meeting Re: Firewise Community
- 5.AAM Manager - Laurie
- 6.New Business
- 7.Confirm next meeting dates
- No Meeting August,2019 September TBD
- 8.Adjourn

Review of BCA Financials for May 2019

Comments: As per Balance Sheet as of May 31, 2019 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,729,939.36, an increase of \$19,658.78. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$150,358.85, a decrease of \$57,459.80. Total Cash declined to \$1,880,298.21 by \$37,801.02. Accounts Receivable decreased to \$5,068 by \$384. For the month, ninety and more days past due assessments remained unchanged at \$1,495 and CC&R violations and other fees as well remained unchanged at \$1,543, holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$49,505, an increase of \$5,303.

Reserve Owners' Equity: On May 31, 2019 the Reserve Fund balance as per AAM Statement was \$1,729,939, an increase of \$19,659.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were under budget by \$892 or 10.7% due to mainly no office expenses, lower mailing expenses and lower insurance and under budget YTD by \$2,971 or 2.8%. Utility Expenses were under budget \$2,540 or 33.7% for the month and \$3,961 or 4.2% under budget YTD. Repairs and Maintenance Expenses were \$1,927 or 33.2% under budget for the month and YTD over budget \$5,049 or 11.1%. Contract Services were in line with budget for the month and under budget YTD by \$2,561 or 0.9%.

Total Operating Expenses were under budget for the month \$5,789 or 12.3% and under budget YTD \$4,445 or 0.85%.

Review of BCA Financials for June 2019

Comments: As per Balance Sheet as of June 30, 2019 Bellasera's Reserve Funds held on deposit at the Fidelity Investments Company totaled \$1,739,273.78, an increase of \$9,334.42. The two operating accounts at the Mutual of Omaha Bank ended the month with a combined total of \$160,202.13, a increase of \$9,843.28. Total Cash increased to \$1,899,475.91 by \$19,177.70. Accounts Receivable decreased to \$4,008 by \$1,060. For the month, ninety and more days past due assessments increased to \$2,080 (+ \$585) and CC&R violations and other fees remained practically unchanged at \$1,499, holding the combined delinquency at well below 1% of annual assessments and maintaining BCA's solid financial condition.

Operating Owners' Equity: The balance at month-end was \$38,818, a decrease of \$10,687.

Reserve Owners' Equity: On June 30, 2019 the Reserve Fund balance as per AAM Statement was \$1,756,310, an increase of \$26,371.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were under budget by \$744 or 8.5% due to mainly no office- and lower insurance expenses and under budget YTD by \$3,715 or 3.2%. Utility Expenses were over budget \$4,138 or 56.4% for the month due to an unexplained overage in the water bill of \$5,445 or 265% and in line with budget YTD. The reasons for the large water bill are still being researched. Repairs and Maintenance Expenses were \$10,617 or 252.8% over budget for the month and YTD over budget \$15,665 or 31.5%. There were several reasons for that including \$10,870 for reseeding of the park, tree replacements and 15 feet fire clearing. Contract Services were under budget for the month \$2,181 and under budget YTD by \$4,742 or 1.6%.

Total Operating Expenses were over budget for the month \$11,830 or 25.9% and over budget YTD \$7,385 or 1.3%.

Charles Schroeder, July 17, 2019

Budget & Finance Committee Meeting Minutes

September 18, 2019

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

Absent: Audrey Fischer and Chuck Roach

The Budget & Finance Committee was called to order at 10:00 AM. Mary Moore, member and previous chair of this committee, has kindly agreed to take on the chairmanship of this committee again. The committee welcomes her and thanks Carlton Rooks for his service as interim chair of the committee.

Purpose of the Meeting

To review and approve the minutes of our July 17, 2019 meeting and to review the BCA July 2019 Financial Statements and to discuss the remaining agenda items.

Review & Approve Minutes of the July 17, 2019 meeting

The minutes of the B&F Committee meeting on July 17, 2019 were approved with General Consent.

Review of BCA Financials for July 2019

The review is attached. Due to AAM's adoption of a new software system for accounting of financial transactions we are no longer benefiting from what may have been customized displays of certain financial tables such as e.g. the balance sheet, more detailed delinquency tables and receivable data in the past. This also causes the review for this month to be less informative.

Dave Reid, Treasurer of BCA and Board representative of the Finance Committee agreed to contact our AAM team and ask them to provide us with the following information that we had available before the software switch:

- BCA balance sheet information that compares month to month changes
- Aging receivables report with detail including property addresses
- Accounts receivable information detailing what was written off as of July 31, 2019
- Confirmation that committee members Paul Snyder receives accounts receivable detail each month and Charles Schroeder receives detailed financial information including all invoices, bank statements, etc. for his review.

The BCA financial reports for August 2019 were not available for distribution at the time of our meeting. We hope both August and September financials will be available at our next meeting.

Accounts Receivable Status

Paul pointed out that the Bad Debt Balance of \$390.86 shown in the Balance Sheet as of July 31, 2019 is too low and should be at \$900 to \$1,000 and that it may be necessary to make changes if not all of the amounts owed by one particular property were written off as recommended earlier this year. (The suggested write off was about \$2,200). I have added an additional attached page that reconciles the Bad Debt Balance of \$390.86 and also provides the total uncollectible amounts owed by this property and B of A as of June 30, 2019 and July 31, 2019.

Treasurer's Report

David stated that AAM's reorganization of certain management positions in addition to using a completely new accounting software was still in progress. Ronda Lalli is the new Community Manager. She will be responsible for managing the Community and providing us with monthly budget information in a timely manner so we are able to review it in detail prior to our monthly meetings. She is also the person who will be putting the annual budget information together for our committee and the Board. Ms. Lalli will also be attending the meetings of the Board and the Budget & Finance Committee. To assist her a Resident Service Coordinator will be appointed who will be reporting to her and who will be available in the clubhouse during office hours. The AAM hierarchy working with BCA is still a work in progress and once all positions are filled, information will be communicated to everyone in the community through the Bellasera Newsletter.

Next B&F Committee Meeting Date

Tuesday, October 22, 2019 at 10:00 AM @ the clubhouse. (Since re-scheduled to Wednesday, 11/20/2019 at 1:00 PM)

There being no other business the meeting was adjourned at 11:00 AM.

Enclosures: B&F Committee Meeting Agenda
Review of BCA Financials for July 2019
Bad Debt Balance as of July 31, 2019

Prepared by:

Charles Schroeder
Member, B&F Committee

Approved by:

Mary Moore
Chair, B&F Committee

AGENDA FOR BUDGET AND FINANCE COMMITTEE MEETING - September 18, 2019

1. Review and approve minutes of July 17, 2019 meeting
2. Review Financial Statements for July 2019
3. Report on Accounts Receivable
4. Treasurer' Report
5. AAM Community Manager – Ms. Ronda Lalli
6. New Business
7. Confirm next meeting date
8. Adjourn

Review of BCA Financials for July 2019

Comments: As a result of AAM's adoption of a new software system for accounting of financial transactions we are no longer benefiting from what may have been customized displays of certain financial tables such as e.g. the balance sheet. In a brief discussion with Annette McCarthy, Carlton Rooks and the undersigned yesterday, Annette indicated that such customizations could be provided.

Operating Owners' Equity: The balance at month-end was \$39,419, an increase of \$2,031.

Reserve Owners' Equity: On July 31, 2019 the Reserve Fund balance as per AAM Statement was \$1,766,800, an increase of \$10,490.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were under budget by \$2,058 or 21.4%. Utility Expenses were over budget \$1,459 or 21.7%. Repairs and Maintenance Expenses were \$1,054 or 22.5% over budget. There were several reasons for that including Pool/Spa supplies, Spring Annuals and Sprinkler repair. Contract Services were in line with budget.

Total Operating Expenses were under budget for the month and YTD \$864 or 1.8%.

Charles Schroeder, September 17, 2019

Bellasera

Allowance for Bad Debts - GL Account 12011

2017-2020 as of July 31, 2019

Summary

Beginning Balance	\$	12,750.00
Less:2011/2012 Write-Offs	\$	(5,611.81)
Less:2012/2013 Write-Offs	\$	(5,593.00)
Less:2013/2014 Write-Offs	\$	(1,700.00)
Less:2015/2016 Write-Offs	\$	(100.00)
Add:Adj for 50% of A/R over 90 days	\$	2,143.56
Increase by \$800 per board	\$	800.00
Adjust to AR over 90 balance	\$	(1,781.85)
2019 03 Adj for 50% of A/R over 90 days	\$	599.35
2019 06 Adj for 50% of A/R over 90 days	\$	(1,115.39)
	\$	<u>390.86</u>
Total Reserve for Bad Debt Balance	\$	<u>390.86</u>

As of June 30, 2019 the BCA financials show that one property that is now owned by B of A owes \$2,797.50 and B of A owes \$158.50 for the same property for a total of \$2,956.00.

As of July 31, 2019 the delinquency report shows only B of A for this property with \$813.00 owed.

Budget and Finance Committee Meeting Minutes November 20, 2019

Present: David Reid, Audrey Fischer, Mary Moore, Charles Schroeder, Paul Snyder, Chuck Roach

Absent: Carlton Rooks

Guest: Annette McCarthy, Community Manager

The Budget and Finance Committee was called to order at 1:00pm. Mary Moore chaired the meeting.

Purpose of the Meeting

To review and approve the minutes of our September 18, 2019 meeting, to review the BCA September and October 2019 Financial Statements and to discuss the remaining agenda items. August financials were distributed to the committee just prior to the November meeting and will be reviewed next month.

Review and Approve Minutes of the September 19, 2019 Meeting

The minutes of the B&F Committee meeting on September 19, 2019 were approved without objection.

Review of BCA Financials for September and October 2019

The reviews are attached. Total operating expenses were under budget for September by \$16,104 (29.2%) and YTD \$16,869 (11.4%.) Total operating expenses for October were over budget by \$6,214 (13.2%) and YTD under budget \$10,654 (5.5%.) Charles will continue to receive and review the monthly invoices and provide the committee with his input.

Accounts Receivable Status

Paul provided his report prior to the meeting that detailed total receivables of \$9,305 with 34 accounts overall. Annette ran an update just before our meeting that showed total receivables of \$6,066—a 34% decrease over October month end. Annette agreed to provide Paul with more current information prior to our next meeting to give us the most up to date information available.

Treasurer's Report

Dave stated that Annette is our AAM contact person and will be working with us on budget and audit projects. Annette is our point person who will be providing us with budget information and variance explanations. Any large community maintenance projects (fence painting, road maintenance, etc.) will be communicated to the community via the monthly newsletter.

Next B&F Committee Meeting

Tuesday, December 17, 2019 at 10:00am in the Clubhouse.

There being no other business, the meeting was adjourned at 1:55pm.

Enclosures: B&F Committee Agenda

Review of the BCA Financials for September and October 2019

Prepared by:

Approved by:

Mary Moore
Meeting Chair, B&F Committee

Mary Moore
Meeting Chair, B&F Committee

Review of BCA Financials for September 2019

Comments: B&F Committee members have not yet received the BCA Financial Statements for the month of August 2019. Also, the Committee previously discussed several format and distribution changes for the monthly financial statements as enumerated in the minutes of the September 18, 2019 meeting. These changes have not been made. I did not receive the monthly Invoice copies, which are also helpful in explaining significant variances. Example: The line item *Federal Income Taxes* shows \$5,500 budgeted but none paid on September 15, 2019, the day BCA's income taxes were due for the prior FY ending June 30, 2019. The likely reason "deferred" should have been mentioned in the *Reason for Variance* column. Overall the financial condition of the Bellasera Community is good.

Operating Owners' Equity: The balance at month-end was \$59,020.

Reserve Owners' Equity: On September 30, 2019 the balance was \$1,814,536.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD, however, Lease Fee Income of \$8,306. was received this month while budgeted for the prior month. Administrative Expenses were under budget by \$9,530 or 66.1% due to Salaries and Payroll Taxes of \$5,549 under budget as well as \$6,000 in Federal and State Income taxes below budget and CPA Services for last FY Audit partially budgeted YTD. Utility Expenses were under budget \$344 or 4.2%; YTD \$981 over budget. Repairs and Maintenance Expenses were \$5,228 or 75.8% under budget due mainly to several unused Maintenance categories. Contract Services were in line with budget.

Total Operating Expenses were under budget for the month \$16,104 or 29.2% and YTD \$16,869 or 11.4%.

Charles Schroeder, November 13, 2019

Review of BCA Financials for October 2019

Comments: I did not get the Invoice package. Most of my comments in my last month's review are still valid. I recommend that in the *Reason for Variance* column of the Budget Comparison Variance Report only variances of 20% and more are commented on. It is not necessary, that e.g., in the line item *Landscape Contract* the name of the contractor AAA Landscape is shown followed by the amount of the actual expense for the month. In the line item *Security Contract* the likely reason of "additional payday" should be mentioned for the \$5,786.40 or 63.45% overage.

Operating Owners' Equity: The balance at month-end was \$54,198 down \$4,822.

Reserve Owners' Equity: On October 31, 2019 the balance was \$1,841,036¹ up \$26,500.

As to the individual sections of the financial summary: Income was in line with budget for both the month and YTD. Administrative Expenses were under budget by \$2,988 or 39.1% due to mainly Salaries and Payroll Taxes of \$3,742 under budget and an unbudgeted \$698 Bad Debt Expense. Utility Expenses were under budget \$214 or 2.7%; YTD \$767 or 2.6% over budget. Repairs and Maintenance Expenses were \$3,582 or 69.5% over budget due mainly to Common Area Maintenance and Pool Supplies and Repairs; YTD under budget \$1,094 or 5.6%. Contract Services were \$5,834 or 22.3% under budget and YTD \$6,780 or 6.5% under budget.

Total Operating Expenses were over budget for the month \$6,214 or 13.2% and YTD under budget \$10,654 or 5.5%.

Charles Schroeder, November 14, 2019

¹ The Fidelity Statement included in the October Financials package was the one for September 2019.