

**BellaVita Finance Committee
Minutes of the Meeting June 22, 2010**

Attendees:
Margo Green
Lee Molloy
Jim Thompson
John Thatcher
Elizabeth Woods

Absent:
Jean Buchanan

The Committee reviewed May financial reports and developed a list of items to be sent to AMI.

The Committee reviewed audits of Workers Compensation premiums. The original audit included an increase of \$3,307 in premium from 1,472 to 4,779. After reclassification, the additional premium has been reduced to 735, a savings of 2,572. The Committee has requested the details for the last 2 years audits and is waiting to receive them.

The Committee reviewed the management letter from Wrinkle, Gardner & Company, P.C. The letter indicates that additional hours were required to perform the audit because information was not prepared as requested and the audit staff had to spend time making copies and pulling files from boxes. The Committee and auditors attempted to expedite the process and a list of required information was emailed to AMI on January 29, 2010. The Committee wishes to emphasize the importance of assembling the requested information before the audit team arrives.

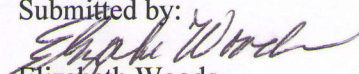
The Management letter also recommends that the books be maintained on a full accrual method in accordance with generally accepted accounting principles. The AMI contract requires "modified accrual basis" which has traditionally involved accruals for assessment income and cash basis for expenses. Accruals have been recorded annually after the audit and are not changed until the next year. Committee believes in most instances accruals are not significantly misstated because the unpaid bills are typically unpaid utility bills that do not vary by much. The other change would be to amortize insurance premiums over the life of the policy.

The Committee reviewed flood insurance information. Congress failed to renew The National Flood Insurance Program which means the renewal and increases effective after May 31 are not in force until Congress acts. BellaVita's increase in coverage for contents from 250,000 to 500,000 will not be in effect at this time.

The Committee discussed the strategic planning session that was held in June 2010. Margo Green attended the session and reported on the ideas and process. Margo reminded committees at Strategic Planning that budget requests should be provided to Finance Committee no later than September 1 for the 2011 budget.

The Committee discussed revisions to the reserve study. Preliminary work has begun to obtain revised estimates for costs from the Clubhouse Manager, historical expenses, and the Facilities Committee. Information obtained to date would result in an increase of around \$2 per month per home; however, work is ongoing, particularly on fencing costs.

Submitted by:


Elizabeth Woods
Chairperson

6/24/2010