

**BellaVita Finance Committee
Minutes of the Meeting July 26, 2010**

Attendees:
Margo Green
Lee Molloy
Jim Thompson
Elizabeth Woods

Absent:
Jean Buchanan
John Thatcher

The Committee reviewed June financial reports and developed a list of items to be sent to AMI. Items included on that list include a \$3,307 payment for the audit of Texas Workers Compensation that was made without the approval of the board and after the Treasurer asked that this not be paid. It was ultimately determined that only \$735 was due and a refund has been requested and received. Other items include 5 overpayments on door painting, an erroneous rate on state unemployment taxes, and 14 payments that require reclassification. Many of those items remain unresolved.

Each committee member strongly recommended that we resume the process that was previously in effect that required that all payments be approved by the Treasurer before they are made to prevent ongoing payment and accounting issues. This review included ensuring that payments were appropriately authorized; securing the approval of committee chairs that the work was done satisfactorily and that invoices agree with the terms of contracts; and reviewing account classifications so that expenses are recorded correctly and consistently.

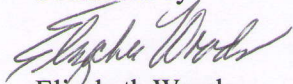
The Committee discussed an analysis of door painting that included 6 homes that were painted with one vendor and redone with another vendor within a short time frame, as well as the committee members' personal experience with services. Margo Green indicated that her home was recently painted. During that process, she noted some problems and received no information about how to report issues and she expressed concern that there could be other unreported issues. The issues were corrected and she is pleased with the painting. Because of the difficulty of determining when work is done satisfactorily on residents' property, the committee recommends that Facilities Committee consider securing homeowner's signature or other form of agreement that the work is completed satisfactorily before work is approved for payment.

The Committee reviewed and recommends revisions to its mission statement and the steps it takes to accomplish that mission. A copy of its recommendations is attached.

The Committee reviewed and made recommendations for goals related to the recent strategic planning session, and the treasurer forwarded those recommendations to the board members who are accumulating that information. The committee included goals for ongoing issues for fiscal responsibility, as well as recommending establishing a goal to determine Nature Preserve yearly costs, and establishing a goal to determine the cost of renovations and yearly costs of operating the sales office.

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. The Committee believes a workshop with members of the Facilities Committee and the Treasurer would be beneficial and the Treasurer agreed to confer with Carl Weber, the chair of the Facilities Committee.

Submitted by:


Elizabeth Woods
Chairperson

7/31/2010

BellaVita Finance Committee Mission Statement

The mission of the BellaVita Finance Committee (“Committee”) is to assist the Board of Directors (“Board”) of the BellaVita Homeowners’ Association (“HOA”) in exercising fiscal responsibility concerning homeowner’s funds.

The Committee consists of homeowners with accounting, audit, or management experience. The Treasurer of the HOA is the chairman of the Committee.

In order to accomplish its mission, the Committee:

- reviews the monthly financial statements that are prepared by the Managing Agent (“MA”) and informs the Board and MA of deviations from budget or trends in expenses and revenues, and other items as deemed appropriate.
- serves as a liaison between the MA and the Board for resolution and actions relative to financial issues
- reviews and analyzes the replacement fund and advises the Board about deviations from projections or changes in anticipated long-term needs.
- recommends investments and investment policies to the Board.
- prepares Operating Fund and Replacement Fund budgets that are to be submitted to the Board for approval no later than 60 days before the beginning of the subsequent year.
- recommends an independent audit firm and reviews the audit report and supporting work papers.
- reviews insurance policies and advises the board about coverage and other insurance issues