

Bel Mare Finance Committee Meeting

April 20, 2021

Attendees:

Morris Bencini – Chairperson
Billy Heller – Board Liaison
Kay McAuliffe – Committee member
Jeff Winsler – Committee member
Coby Gaulien – Committee member
Deb Neglio – Committee member

Other Attendee:

None

Meeting was called to order at 3:00pm in the Bldg. 1 Social Room.

Discussion ensued regarding the December 2020 year-end financial statement. It was noted that the final surplus for the year was just under \$22,000 and the Board approved carry-over and inclusion in the 2021 budget.

Ms. McAuliffe addressed the following items in the Jan. and Feb. 2021 financials as follow-up items to discuss with the Castle Group staff accountant:

1. Are the extra \$1,000 payments being made on the note? It appears that castle has not increased the monthly payments on the East Property note in accordance with the Board directive from the January meeting.
2. Interest expense on the note too high based on the \$100K paydown. Need to check with Eric Hinton to determine if Castle has adjusted the amortization schedule based upon the principal paydown.
3. The telephone charge needs to go where budgeted. Castle is currently using two separate accounts for the phone and bulk internet bills. These need to be consolidated to one account where the cost was budgeted.

An update was given by Mr. Bencini regarding the status of the audit and the 2020 tax return filing. The audit is almost complete with no adjustments to the financial statements and we should have a draft of the audited financials in the next week. The tax return was filed on 4/19/21 showing a minor loss for tax purposes and no tax liability due for 2020. It was noted that the CPA agreed with the position that the sale of the portion of the North Property was simply a conversion of an amenity from land to cash (which will be used to enhance other amenities) and should not be considered a taxable gain for 2020.

Further discussion ensued regarding use of the sale proceeds to fence in the East Property and to secure the third tower site (Mr. Sedillo's property) and the entrance to our North Property (ie. gym and tennis court area). Based upon the proposed construction of the apartment complex on the property adjacent to the 7-Eleven on SR 301, it was agreed that Bel Mare's property will need to be secured. It was suggested that this issue be proposed for the next Strategic Planning meeting agenda.

Meeting was adjourned at 5:00pm.

Submitted,

Morris Bencini
Finance Committee Chair