



“THE BIRDIE” NOVEMBER 2010

Brae Burn website, calendar, contact information and online Birdies: <http://brae-burn.org>

UPCOMING EVENTS			
Oct. 31	Halloween Pizza Dinner Before “Trick or Treating”	5 pm at Clubhouse	See Flyer
Nov. 7	Switch to Daylight Savings Time Ends! “Fall back” one hour	2 am	
Nov. 7	Hummers and Strummers	2-5 pm at Clubhouse	Pg 9
Nov. 10	Brae Burn Budget Information Meeting <i>Everyone Encouraged to Attend</i>	7 pm at Clubhouse	Pg 5
Nov. 17	Holiday Decorating Class at Squak Mtng w/ Tam O'Shanter Garden Club	10 am TOS Parking lot	Page 10
Nov. 17	Monthly Board Meeting	7pm at Clubhouse	
Thurs Nov. 18	Brae Burn Annual Meeting <i>Swap out your golf strap!</i>	7pm at Clubhouse Everyone welcome	--
Dec. 4	Holiday Dinner and Line Dance Party	See Flyer	Pg 10
Dec. 5	Hummers and Strummers	2-5 pm at Clubhouse	Pg 9

A notification of the General Meeting, scheduled for November 18, will be sent electronically and by mail on October 30. If you do not receive this, or receive it but cannot open it, please contact Liz Duncan at braeburnduncans@frontier.com.

Board News

Note: All Board meetings are open to Members, Associate Members and Emeritus Members. Meetings are held the **third Wednesday** of each month at 7:00 p.m. at the Clubhouse. ***Next meeting is Wednesday, November 17 2010.*** Contact a Board member if you want to present an idea to the Board or have an item to add to the agenda.

Meeting Location: Brae Burn Clubhouse, 2409 182nd Ave N.E., Redmond WA 98052

Draft of Minutes of the October 27, 2010 Brae Burn Special Board Meeting (Minutes not official until approved by the Board)

Submitted by Liz Duncan, Secretary.

The meeting was called to order at 7:02.

Board Members in Attendance:

President: Nancy Laswell
 Treasurer: Ajay Kalhan
 Maintenance Trustee: absent
 Associate Rep: absent

Vice President: Luke Stambaugh
 Secretary: Liz Duncan
 Social Trustee: Susie Adams
 Golf Trustee: absent

Other Brae Burn Members in Attendance: None

Communication to the Board: Written and Oral: None.

Unfinished Business:

Special Assessment for 2011: MOTION: Susie moved and Ajay seconded "to set a special assessment due June 1, 2011 of \$285 per homeowner to replace the funds that were spent on the unexpected 2010 sales tax assessment." The motion passed.

Monthly Assessments/Dues for 2011: MOTION: Susie moved and Ajay seconded "to set the monthly assessment for homeowners and the monthly dues for Associate Members and Emeritus Members to \$120 per month beginning January 1, 2011." The motion passed.

2011 Budget: MOTION: Luke moved and Ajay seconded a motion "to adopt the 2011 budget as set by the Board and to present the 2011 budget for ratification at the November 18, 2011 Annual Membership Meeting. See budget on page 8.

Adjournment: The meeting adjourned at 8:10.

**Draft of Minutes of the October 20, 2010 Brae Burn Board Meeting
(Minutes not official until approved by the Board)**

Submitted by Liz Duncan, Secretary.

The meeting was called to order by Luke Stambaugh (VP) at 7:01 p.m.

Board Members in Attendance:

President:	absent	Vice President:	Luke Stambaugh
Treasurer:	Ajay Kalhan	Secretary:	Liz Duncan
Maintenance Trustee:	Kevin Reid	Social Trustee:	Susie Adams
Associate Rep:	Gary Bellinghausen	Golf Trustee:	absent
Golf Superintendent:	Josh Soden		

Other Brae Burn Members in Attendance: None

Communication to the Board: Written and Oral: None

Approval of the Minutes for the September 15, 2010 Brae Burn Board Meeting: A **MOTION** was made by Susie and seconded by Ajay to approve the minutes as presented in writing to the Trustees. The motion passed.

Superintendent Report: See Josh's article in this Birdie. In addition to information in his monthly report, Josh expressed some concerns over the work done on the first tee. When asked to give recommendations regarding his concerns he indicated he had given a report to Nancy and Kevin. Concerns will be addressed at a future meeting.

Financial Report:

MOTION: Susie moved and Kevin seconded a motion "to approve the September Financial statement after reallocating the cost of the railing and the tree removal from course expense to a separate line item (safety) under projects." The motion passed. There was a question regarding why no transfer was made to the equipment reserve. Our asst. treasurer was unable to make the transfer, but will do two transfers in October. (Paperwork needs to be filed with the bank). The question was also raised as to why the late dues dollar amount is so high. It was recently discovered that a member who moved in several years ago has never paid dues.

A projection of expenses for the remainder of the year was presented and reviewed. Josh explained that he typically spends a good portion of his budget at this time of year for equipment renovation and preparation for the coming year. He felt that the budgeted numbers for this year were realistic. The Board reviewed expenses by category from 2005-2009 and the course budget numbers for 2010 seemed in line.

A review was also made of uncompleted one time projects. Due to the decrease in budgeted income due to Associate resignations and due to the unanticipated sales tax it is anticipated that we will be well over budget this year. Concern was expressed regarding timing on the filing of the L&I tax. Timing will be researched.

With the resignation of the Kirkers there are currently 32 Associates. There has been some confusion over the course of the year on the count because the renters with privileges had been included in the Associate count. Their dues should not have been counted. It was suggested that next year renters not be listed with the Associates in the roster.

Report on Upcoming Tasks: Not reviewed.

Approval of Reports: The following reports were approved as presented.

- Social: There is \$1048.96 in the social account. Some funds will be used on the 1st hole renovation. There is a Line Dance Social scheduled for December 4.
- Maintenance: The pool has been closed. The door locks on the main door of the clubhouse will be changed prior to disbursement of keys to the 2011 Board. The two required pool rules that are missing will be addressed in the spring. Since the pool is closed Kevin will just post a list of the rules next to the current sign to meet the county requirements. Projects that have been done and not yet paid for or are still to be done include the carpet cleaning, the roof cleaning, the Brae Burn sign, the interior clubhouse painting and some costs on the first hole project.
- Ad Hoc Financial Review Report: (See separate article in the Birdie). Submitted by Jeff Darr and Steve Clarke.
 - We have completed our work on the 2009 financial records. Unlike a CPA firm that has certain certifications and licenses, and meets various professional standards like independence, we do not have those certifications and licenses and do not claim to be independent as they define it. So even though we may perform many of the same procedures that they would do, we can not use terms like audit or review that have legal definitions. Our work can better be described as agreed upon procedures with the understanding that any material errors found will be reported to the Board. We check documentation supporting disbursements and evaluate account classification. We compare payroll records with amounts shown on the monthly Treasurers report. We trace cash balances to monthly bank statements. And we look at the reasonableness of the revenue recorded based on knowing the number of members, new associates added and rental of the clubhouse. More detail on our procedures can be provided if needed. We both have accounting experience and have been past Brae Burn Treasurers, and it is with that background that we volunteer to do this work.
 - Based on the procedures described above we found no material errors for the year 2009 to report to the Board.
- Associate Report: Gary reported that Karl and Carmen Reese will be the 2011 Associate Reps.
- **Unfinished Business:**
 - Financial Issues
 - Reserve Account Restructure: Deferred until after adoption of the 2011 budget.
 - The supplemental budget that was approved in August and presented in the Birdie was incorrect. A corrected version will be in the November Birdie. (The 2011 budget was amended to reflect the sales tax payment.)
 - 2011 budget: Projections regarding income, salary, normal increases in annual operating and long term project/equipment costs were discussed. It is expected that an estimate on the pool work that needs to be done will be received within a week.
 - Maintenance Issues:
 - Pool Safety Compliance: Addition of two rules and gate signage. Deferred.
 - Clubhouse Cleaning: Deferred
 - Tee #1: Deferred.
 - Sand Traps: In Josh's opinion Brae Burn would save money if the sand traps the Green's committee recommend taking out are removed. Discussion deferred.
 - Energy Audit: Deferred.
 - Options for securing pool gate: Deferred.
 - Policies and Procedures:
 - Policy on projects done with volunteer labor: deferred.

- Rules and Regs: Review deferred until November or December.
- Nominating Committee: no report.
- Personnel:
 - Kevin to present Josh's proposed review to the Board for approval soon.
 - HR manual- Deferred
 - Health Insurance – Estimates still being gathered.

New Business:

- Bag Straps: **MOTION:** A motion was made by Ajay and seconded by Kevin "to swap out the yellow bag straps for orange bag straps to more easily identify current members." The motion passed.
- General Meeting Ballot: **MOTION:** A motion was made by Susie and seconded by Ajay to include waiving the required 2009 Audit and the 2010 required Audit on the agenda for the Nov 18 General Meeting. The motion passed.
- Special Board Meeting: **MOTION:** A motion was made by Susie and seconded by Kevin "to schedule a Special Board Meeting for October 27, 2010 to complete preparations for the annual meeting." The motion passed.
- **Adjournment:** The meeting adjourned at 9:20.

Volunteer Opportunities

Thank You!

Brae Burn has a long standing history of active volunteers. We have all benefitted from those who have volunteered their time and energy. If you have been playing golf or have recently been in the clubhouse you will see some of the recent work accomplished by volunteers such as the wall on the first hole, the railing on the 6th hole bridge, the new Bar-B-Ques and the beautiful paint job on the inside of the clubhouse. Work has also been done by volunteers that is not as visible, but still so very much appreciated. Our financial records have been reviewed, our sales tax was negotiated, our clubhouse and pool have been maintained, our bills have been paid, research has been done on the cost of long term projects, the clubhouse has been rented out, functions have been hosted, a Roster has been published, Birdies have been delivered, work party volunteers have completed a number of jobs and the list goes on and on. So let's all take a minute to appreciate how much our volunteers have done for our community and what a great place this is to live.

BRAE BURN BUDGET INFORMATIONAL MEETING – Nov. 10, 7pm
ANNUAL MEETING—Nov. 18, 7pm
Everyone is encouraged to attend both meetings!

The following information is being presented in advance of the upcoming Brae Burn, Inc. Annual Meeting, scheduled for Nov. 18 at 7pm in the Clubhouse.. Please take time to review this information.

A 2011 Budget Information meeting will be held Nov 10 at 7 p.m. in the Clubhouse. If you have questions about the budget and can't make it to the information meeting please contact Nancy Laswell.

Following are some items relevant to the budget discussion: First, two articles that explain further about Brae Burn's by laws as they relate to budget matters. Second, a revised supplemental budget showing the impact of paying state sales tax. (The supplemental budget in the October Birdie was not correct.)

BUDGET ARTICLE #1: So, What is an "Audit?"

Per the By Laws Article 9.2.4 it is the duty of the Board to present to the membership a year-end financial statement of the Corporation. Per RCW 64.38.045 "the financial statement shall be audited by an independent certified public accountant. The audit may be waived by an affirmative 67% vote of the votes cast by members present, in person or by proxy, and entitled to vote at any meeting of the (Corporate) Members at which a quorum is present."

Members at recent general meetings have voted to waive the required audit. Last year, it was recommended by the Board that an audit be performed because there hadn't been an audit performed in recent memory, if ever, and it would give us a good starting point. The audit was not waived. This year's Board researched the cost of an audit and had "guesstimates" that the cost would be anywhere from \$2500-\$6000. Because of the strain on the budget due to the unanticipated sales tax, the Board opted to defer the audit and present the waiver for 2009 for a vote of the membership at the 2010 General Meeting before proceeding.

So what is an "audit"? An audit by an independent CPA provides an opinion on the financial statements as a whole. It provides reasonable assurance that the statements are free of material misstatements. It provides an overview and understanding of the association's financial controls. It does not provide bookkeeping nor reconcile bank statements. It does not provide for immaterial misstatements. It may not detect theft, fraud, or intentional acts unless specifically engaged for that purpose.

So if we haven't been having audits what have we been doing? Two members of the community with financial backgrounds have been serving on the Ad Hoc Financial Review Committee. Each year they have reviewed the books of Brae Burn. For more information regarding their role and their opinion regarding the 2009 statement please see their report in the October 20, 2010 minutes.

BUDGET ARTICLE # 2: What is the New Process for Approving the Budget?

Per the By Laws Article 14.2 "the Board shall estimate the common expenses of the corporation to be paid during the (upcoming) year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the common property, equipment and other assets of the corporation . . ."

Last year the By Laws were updated to be in compliance with the state codes. The Board has a responsibility to maintain the community assets. The Board is responsible for adopting a budget and setting assessments (monthly and special) to cover the anticipated expenses. The Board presents the adopted budget to the community for ratification. The budget is ratified unless a majority of the members of the corporation reject the budget. If the budget is rejected the budget last ratified remains in effect until a new budget is ratified.

If the budget proves to be inadequate the Board may prepare a supplemental budget for the remainder of the year. (In 2010 a supplemental budget was approved by the Board to pay for the sales tax.) If there is no increase in assessments it does not have to be ratified.

If the budget contains a Capital Addition or Improvement that will cost more than \$10,000 the membership has to approve the Capital Addition or Improvement. Capital Addition or Improvement is defined as an addition (as opposed to a replacement) to, or betterment or upgrade of an existing capital asset. . . .

MEMO FROM THE PRESIDENT

October 27, 2010

TO: Members, Brae Burn Homeowner's Association

FM: Nancy Laswell, President

RE: Proposed Increase in Monthly Dues and Owners-Only Assessment

2010 has been a challenging year for Brae Burn Homeowner's Association. The year began with a large unanticipated assessment by the State of Washington for sales tax for use on a private golf course. The year ended with a loss of associate members due to the economy. The Board has worked hard to respond to these challenges by reducing spending and minimizing the ongoing monthly impact to members, while continuing to maintain a quality golf course and safe community facilities.

Sales Tax: In February 2010, Brae Burn was assessed \$26,489 in sales tax which included a retroactive assessment of 3 years of taxes plus penalties. This sales tax assessment is now an ongoing obligation of approximately \$7,500 per year that Brae Burn must pay each March.

- With 93 homeowners, the 2010 bill of \$26,489 equals \$285 per home.
- The ongoing sales tax bill of \$7,500 equals about \$5.00/month for each member.

Economy and Loss of Associates: In addition to the sales tax assessment, the community has been impacted by the economy. Until the economy crashed in 2008, Brae Burn had 40 associate members and a waiting list. These associates pay the same monthly dues as owner-members pay. In 2008, the associate members paid 30% of the ongoing costs for the golf course and community facilities. In 2009, Brae Burn lost 2 associate members. However, since the end of summer and the golf season in 2010, we have lost an additional 6 members. It is anticipated that we could lose a few more members in the coming months as our associates continue to adjust to the economy.

- The cumulative impact of the loss of associate members is 6% of annual income or \$10,560.
- This income reduction equals about \$7.00 per month for each member of the community.

The total impact of the ongoing sales tax assessment and the loss of associate members equals 12.00/month per member.

Board Response: The Board has responded by under-expending the budget by about 7% in 2010 (net of the sales tax) and by adopting a reduced budget for 2011. But reducing spending is not enough. The purpose for the dues increase of \$10.00 in 2010 was to fund necessary health and safety improvements including pool and facility repairs. These expenditures protect the community's assets, protect our liability and ensure that our facilities are adequate to serve us over time.

Without a dues increase in 2011 Brae Burn cannot pay for the course, the community facilities and the sales tax. Brae Burn will be grossly under budget in 2012 if action is not taken to place us back on a sound financial footing. The Board has adopted the following measures:

1. Reduce spending for operations and maintenance in 2011 and fully fund the equipment reserve. Reduce funding for course and facility reserves for 2011 only. Use a small amount of reserve funds to support the 2011 operating budget.
2. Pay for the 2006-2009 sales tax hit of \$26,489 with a one-time assessment on homeowners only of \$285.00 due on June 1, 2011. This will restore funds that were reserved to repair the pool.
3. Restore 83% of the \$12.00 revenue impact of the sales tax and loss of associates by increasing monthly dues on everyone by \$10 a month, from \$110 to \$120.

Date Prepared: October 27, 2010						
2011 Adopted Budget (\$10 Dues Increase for All Members & \$285 Assessment For Residents Only)						
	2010	2010	2011	2012	2013	
	Adopted	31-Dec	Adopted	Forecast	Forecast	
Inflation			1.01	1.01	1.015	
Membership	132	125	120	123	126	
Residents	93	93	93	93	93	
Associates	39	32	27	30	33	
Joining Fee			0	500	500	
INCOME	Budget	Projected	Budget			
DUES FOR OPERATIONS & PROJECTS	174,240	156,250	165,800	169,740	173,880	
CLUBHOUSE RESERVATIONS	2,000	1,975	2,000	2,000	2,000	
ASSOC MEMBER JOINING FEES	2,500	1,575	0	1,500	1,500	
INTEREST INCOME	700	30	30	30	30	
MEMBER DONATIONS & OTHER	200	500	200	200	200	
Subtotal Income for Operations	179,640	160,330	167,830	173,470	177,610	
DUES FOR EQUIPMENT RESERVE		8,750	7,200	7,380	7,560	
ASSESSMENTS	0	0	26,506	0	0	
Subtotal Income for Reserves	0	8,750	33,706	7,380	7,560	
TOTAL INCOME	\$179,640	\$169,080	\$201,536	\$180,850	\$185,170	
EXPENDITURES						
WAGES - Superintendent	52,994	50,398	50,898	51,407	52,178	
Medical Benefit	2,398	3,036	3,600	3,636	3,691	
WAGES - Seasonal	11,888	11,829	11,947	12,087	12,248	
PAYROLL TAXES	6,156	6,750	6,885	6,954	7,058	
WAGE EXPENSES	\$73,435	\$72,013	\$73,330	\$74,063	\$75,174	
COURSE EXPENSE						
REPAIR & MAINTENANCE	14,022	14,000	14,140	14,281	14,496	
WATER	14,852	10,900	12,000	12,120	12,302	
UTILITIES						
Electricity	1,827	1,439	1,453	1,468	1,490	
Phone	600	600	600	600	600	
FERTILIZER/SEED/SAND	10,928	10,928	11,037	11,148	11,315	
FUEL	3,111	3,111	2,500	2,525	2,583	
OTHER	1,000	500	1,000	1,000	1,000	
TOTAL COURSE EXPENSE	\$46,340	\$41,478	\$42,731	\$43,142	\$43,765	
CLUBHOUSE & POOL						
ELECTRICITY	4,485	4,053	4,094	4,134	4,196	
GARBAGE	895	895	904	913	927	
GAS	3,772	3,500	3,535	3,570	3,624	
TELEPHONE	574	574	580	586	594	
WATER	2,990	2,980	3,010	3,100	3,147	
SUBTOTAL UTILITIES	\$12,706	\$12,002	\$12,122	\$12,303	\$12,488	
CLUBHOUSE MAINTENANCE	2,531	2,810	2,838	2,866	2,909	
POOL MAINTENANCE	3,525	3,383	3,397	3,431	3,482	
OTHER	500	500	500	500	500	
TOTAL CLUBHOUSE & POOL	\$19,262	\$18,675	\$18,857	\$19,101	\$19,380	
GENERAL EXPENSE						
PROPERTY Taxes	5,386	5,087	5,138	5,199	5,287	
IRS Income Tax & Preparation	927	835	843	852	865	
Sales Tax		\$26,469	7,500	7,575	7,689	
INSURANCE	6,439	6,439	6,503	6,568	6,687	
BIRDIE & OFFICE	1,945	1,000	1,500	1,515	1,538	
GOLF	250	0	250	250	250	
Legal fees; CCR Registration (2006)	0	0	0	0	0	
Professional help (accountant, attorney)			3,000	3,030	3,075	
OTHER	1,000	1,131	1,000	1,000	1,000	
TOTAL GENERAL EXPENSE	\$15,947	\$40,961	\$25,735	\$25,979	\$26,350	
ANNUAL OPERATING EXP (OP EX)	\$154,984	\$173,127	\$160,652	\$162,285	\$164,669	
NET CASH (INCOME - OP EX)	\$24,656	(\$4,047)	\$40,883	\$18,565	\$20,501	
ANTICIPATED PROJECTS						
Course Equipment	0	0	0	35,000	0	
Golf Course Major Repairs	4,700	4,884	3,000	3,000	0	
Clubhouse Improvements	4,600	3,200	0	0	1,200	
Pool Improvements	5,800	2,400	490	22,500	26,000	
Irrigation??						
Safety	0	2,585				
Fairway Sand	2,000	0				
Emergency Projects (Board Reserve)			5,000	5,000	5,000	
TOTAL PROJECTS	\$17,100	\$12,869	\$8,480	\$65,500	\$32,200	
TOTAL EXPENDITURES	\$172,084	\$185,996	\$169,132	\$227,785	\$196,869	
NET CASH (INCOME - TOTAL EXPENDITURES)	\$7,556	(\$16,916)	\$32,403	(\$46,935)	(\$11,699)	
TOTAL FUNDS, JAN 1	\$82,709	\$82,709	\$65,793	\$98,196	\$51,261	
NET CASH (Income - Total exp.)	\$7,556	(\$16,916)	\$32,403	(\$46,935)	(\$11,699)	
TOTAL FUNDS, DEC 31	\$90,265	\$65,793	\$98,196	\$51,261	\$39,561	
CHECKING ACCOUNT, DEC 31		\$20,000	\$20,000	\$20,000	\$20,000	
EQUIPMENT RESERVE, DEC 31		\$30,100	\$37,300	\$9,680	\$17,240	
OTHER RESERVES (CD/SAV), DEC 31		\$15,693	\$40,896	\$21,581	\$2,321	
TOTAL FUNDS, DEC 31		\$65,793	\$98,196	\$51,261	\$39,561	

CORRECTED SUPPLEMENTAL BUDGET

CORRECTED SUPPLEMENTAL BUDGET

Brae Burn, Inc.

SUPPLEMENTAL BUDGET

Date Prepared: August 23, 2010

	2010 Budget	2010 Supplemental
DEPOSITS		
Dues	\$166,320.00	\$166,320.00
Reserve	\$7,920.00	\$7,920.00
Assoc. Member Joining Fees	\$2,500.00	\$2,500.00
Clubhouse Reservations	\$2,000.00	\$2,000.00
Special Assessments	\$0.00	\$0.00
Investment Income	\$700.00	\$700.00
Member Donations, Golf Tags & Other	\$200.00	\$200.00
TOTAL DEPOSITS	<u>\$179,640.00</u>	<u>\$179,640.00</u>
EXPENDITURES		
WAGES		
Superintendent Gross	\$52,994.00	\$52,994.00
Seasonal Emp. Gross	\$11,898.00	\$11,898.00
Medical Benefit	\$2,398.00	\$2,398.00
Taxes Paid	\$8,155.00	\$8,155.00
Payroll taxes (Emp. Tax Liability)		
Total Wage Expense	<u>\$73,435.00</u>	<u>\$73,435.00</u>
COURSE EXPENSE		
Repair & Maintenance	\$14,022.00	\$14,022.00
Water	\$14,852.00	\$14,852.00
Utilities	\$2,427.00	\$2,427.00
Fertilizer/Seed/Sand	\$10,928.00	\$10,928.00
Fuel	\$3,111.00	\$3,111.00
Other	\$1,000.00	\$1,000.00
TOTAL COURSE EXPENSE	<u>\$48,340.00</u>	<u>\$48,340.00</u>
CLUBHOUSE & POOL		
Electricity	\$4,485.00	\$4,485.00
Garbage	\$895.00	\$895.00
Gas	\$3,772.00	\$3,772.00
Telephone	\$574.00	\$574.00
Water / Storm Water	\$2,980.00	\$2,980.00
SUBTOTAL UTILITIES	<u>\$12,706.00</u>	<u>\$12,706.00</u>
Clubhouse Repair & Maintenance	\$2,531.00	\$2,531.00
Pool Maintenance	\$3,525.00	\$3,525.00
Other	\$500.00	\$500.00
SUBTOTAL MAINTENANCE	<u>\$6,556.00</u>	<u>\$6,556.00</u>
TOTAL CLUBHOUSE & POOL	<u>\$19,262.00</u>	<u>\$19,262.00</u>
GENERAL EXPENSE		
Taxes		
Property	\$5,386.00	\$5,386.00
IRS Income & Tax Preparation	\$927.00	\$927.00
Sales Taxes	\$0.00	\$34,000.00
Insurance	\$6,439.00	\$6,439.00
Birdie & Office	\$1,945.00	\$1,945.00
Golf	\$250.00	\$250.00
Professional Services	\$0.00	\$0.00
Other (incl: website host)	\$1,000.00	\$1,000.00
TOTAL GENERAL EXPENSE	<u>\$15,947.00</u>	<u>\$49,947.00</u>
TOTAL EXPENDITURES	<u>\$154,984.00</u>	<u>\$188,984.00</u>
NET CASH (DEPOSITS-EXPENDITURES)	<u>\$7,556.00</u>	<u>-\$9,344.00</u>
PROJECTS		
Course equipment	\$0.00	\$0.00
Golf Course Major Repairs (2009 Spend)	\$4,700.00	\$4,700.00
Clubhouse Improvements	\$4,600.00	\$4,600.00
Pool Improvements	\$5,800.00	\$5,800.00
Fairway Sand	\$2,000.00	\$2,000.00
TOTAL PROJECTS	<u>\$17,100.00</u>	<u>\$17,100.00</u>
TOTAL EXPENDITURES	<u>\$172,084.00</u>	<u>\$206,084.00</u>
NET CASH (DEPOSITS-TOTAL EXPENDITURES)	<u>\$7,556.00</u>	<u>-\$26,444.00</u>

SEPTEMBER 2010 TREASURER REPORT

Brae Burn, Inc.
TREASURER'S REPORT
 Date Prepared: September 30, 2010

	September	YTD	2010	% of Annual
	ACTUAL	ACTUAL	BUDGET	BUDGET
DEPOSITS				
Dues	\$ 11,160.00	\$ 119,260.00	\$ 166,320.00	72%
Reserve	\$ -	\$ 6,495.00	\$ 7,920.00	82%
Assoc. Member Joining Fees	\$ -	\$ 1,575.00	\$ 2,500.00	63%
Clubhouse Reservations	\$ 75.00	\$ 1,600.00	\$ 2,000.00	80%
Special Assessments	\$ -	\$ -	\$ -	0%
Investment Income	\$ 3.40	\$ 28.65	\$ 700.00	4%
Member Donations, Golf Tags & Other	\$ 131.00	\$ 494.32	\$ 200.00	247%
TOTAL DEPOSITS	\$ 11,369.40	\$ 129,452.97	\$ 179,640.00	72%
EXPENDITURES				
WAGES				
Superintendent Gross	\$ 4,199.77	\$ 37,797.86	\$ 52,994.00	71%
Seasonal Emp. Gross	\$ 1,770.00	\$ 11,109.00	\$ 11,888.00	93%
Medical Benefit	\$ 194.00	\$ 1,746.00	\$ 2,398.00	73%
Taxes Paid	\$ 758.97	\$ 5,848.36	\$ 6,155.00	95%
Payroll taxes (Emp. Tax Liability)	\$ -	\$ -	\$ -	0%
Total Wage Expense	\$ 6,922.74	\$ 56,501.22	\$ 73,435.00	77%
COURSE EXPENSE				
Repair & Maintenance	\$ 141.13	\$ 9,545.37	\$ 14,022.00	68%
Water	\$ 2,665.88	\$ 7,675.90	\$ 14,852.00	52%
Utilities	\$ 133.67	\$ 1,589.56	\$ 2,427.00	65%
Fertilizer/Seed/Sand	\$ 2,190.64	\$ 5,889.19	\$ 10,928.00	54%
Fuel	\$ -	\$ 1,698.66	\$ 3,111.00	55%
Other	\$ -	\$ 320.00	\$ 1,000.00	32%
TOTAL COURSE EXPENSE	\$ 5,131.32	\$ 26,718.68	\$ 46,340.00	58%
CLUBHOUSE & POOL				
Electricity	\$ 234.56	\$ 3,153.78	\$ 4,485.00	70%
Garbage	\$ -	\$ 548.66	\$ 895.00	61%
Gas	\$ 566.06	\$ 2,896.33	\$ 3,772.00	77%
Telephone	\$ 46.76	\$ 467.46	\$ 574.00	81%
Water / Storm Water	\$ 638.73	\$ 2,524.58	\$ 2,980.00	85%
SUBTOTAL UTILITIES	\$ 1,486.11	\$ 9,590.81	\$ 12,706.00	75%
Clubhouse Repair & Maintenance	\$ 120.00	\$ 2,430.90	\$ 2,531.00	96%
Pool Maintenance	\$ 671.80	\$ 2,863.88	\$ 3,525.00	81%
Other	\$ -	\$ -	\$ 500.00	0%
SUBTOTAL Maintenance	\$ 791.80	\$ 5,294.78	\$ 6,556.00	81%
TOTAL CLUBHOUSE & POOL	\$ 2,277.91	\$ 14,885.59	\$ 19,262.00	77%
GENERAL EXPENSE				
Taxes				
Property	\$ -	\$ 5,086.76	\$ 5,386.00	94%
IRS Income & Tax Preparation	\$ -	\$ 835.00	\$ 927.00	90%
Sales Taxes	\$ -	\$ 26,489.00	\$ 34,000.00	78%
Insurance	\$ -	\$ 5,293.00	\$ 6,439.00	82%
Birdie & Office	\$ -	\$ 681.10	\$ 1,945.00	35%
Golf	\$ -	\$ -	\$ 250.00	0%
Professional Services	\$ -	\$ -	\$ -	0%
Other (incl: website host)	\$ 6.00	\$ 1,131.39	\$ 1,000.00	113%
TOTAL GENERAL EXPENSE	\$ 6.00	\$ 39,516.25	\$ 49,947.00	79%
TOTAL EXPENDITURES	\$ 14,337.97	\$ 137,621.74	\$ 188,984.00	73%
NET CASH (DEPOSITS-EXPENDITURES)	\$ (2,968.57)	\$ (8,168.77)	\$ (9,344.00)	
PROJECTS				
Course equipment	\$ -	\$ -	\$ -	0%
Golf Course Major Repairs (2009 Spend)	\$ 635.49	\$ 4,683.64	\$ 4,700.00	100%
Clubhouse Improvements	\$ -	\$ -	\$ 4,600.00	0%
Pool Improvements	\$ -	\$ 2,373.09	\$ 5,800.00	41%
Fairway Sand	\$ -	\$ -	\$ 2,000.00	0%
Safety	\$ -	\$ 2,584.95	\$ -	0%
TOTAL PROJECTS	\$ 635.49	\$ 9,641.68	\$ 17,100.00	56%
TOTAL EXPENDITURES	\$ 14,973.46	\$ 147,263.42	\$ 206,084.00	71%
NET CASH (DEPOSITS-TOTAL EXPENDITURES)	\$ (3,604.06)	\$ (17,810.45)	\$ (26,444.00)	
Total Funds - Beginning	\$ 68,502.69	\$ 82,709.08	Balances	
Net Cash (Deposits-Total Exp.)	\$ (3,604.06)	\$ (17,810.45)	Checking	\$ 16,671.06
			CD	\$ 6,590.85
			Savings	\$ 41,636.72
			Cap Equip Res	\$ 27,700.75
			Remainder	\$ 13,935.97
			Total	\$ 64,898.63
Total Funds - End of Period	\$ 64,898.63	\$ 64,898.63		
Notes: See attached explanatory notes...				

Total Members/Associates Past Due: 2 \$2,565

UPCOMING GENERAL MEETING – Thursday November 18, 7pm

Following are the minutes from last year’s meeting for your information. Note that all past Birdies (containing meeting minutes) can be found at the Brae Burn website: www.brae-burn.org.

Minutes of the November 19th, 2009 Brae Burn Annual Meeting: Submitted by Cyndy Neuman, Secretary. Please advise the Board if you notice any errors or would like to suggest modifications. These minutes will be reviewed at the next Annual Meeting, November 2010.

Meeting location: The Brae Burn Clubhouse, 2409 182nd Ave N.E., Redmond, WA 98052

Sign in and Refreshments – 7:00 p.m.

The meeting was called to order at 7:15 p.m.

Board Members in Attendance:

President	Carol Helland	Vice President	Luke Stambaugh
Treasurer	Susie Wright	Secretary	Cyndy Neuman
Maintenance Trustee	Bill Disney	Social Trustee	Susie Adams
Golf Trustee	Chris Saffel	Associate Rep	Gary Bellinghausen

Opening:

- Susie Wright explained to attending members that due to Carol Helland's laryngitis she will be presenting some of the meeting information on Carol's behalf.
- Thanks were expressed to all members who have volunteered their service this past year.

Community Governance Business:

(presented by Susie Wright on Carol Helland's behalf)

- Carol would like to enter the January 28th 2009 Annual Meeting Minutes for approval.
- Susie Wright read a summary of the meeting minutes and asked for a motion to approve the minutes and motion was made. **Attending members voted to approve the January 28th 2009 Annual Meeting Minutes.**
- Carol thanked all of the members who helped save Brae Burn money and resources by signing up for electronic notification and asked those who have not yet signed up to please consider doing so.
- Susie Adams, Carol Helland, Greg Johnson and Luke Stambaugh were recognized for serving on the Ad Hoc Nominating Committee.
- The names of the nominees for the Board of Trustees were presented to attending members. Liz Duncan, Ajay Kalhan, Nancy Laswell, Kevin Reid.
- Attending members were asked if there were any nominations from the floor. No other nominations were made.
- Attending members were asked for a motion to elect the nominating committee slate by acclamation – **motion was made and approved.**
- Carol thanked the Board Members whose terms are ending.

(presented by Carol Helland)

- Carol told attending members that rules of the meeting will be adhered to and described the procedure for discussion.
- Carol reviewed the Bylaw revision process. She described the steps involved, the meetings that had taken place, how members were kept notified through the Birdie and the Brae Burn Website and that over \$3,000 have been spent on an attorney hired to review the Bylaws. Carol explained that the last Informational Bylaw revision meeting held raised questions that prompted another meeting with the attorney hired to review Bylaws. The attorney recommended further revisions to Articles 13 and 14 because they were inconsistent with state law. This issue was presented to members at the January 24th 2009 Annual Meeting and it was explained that the additional revisions to Articles 13 and 14 would be made and posted in the March 09 Birdie and the Brae Burn Website for member review. The Bylaws update was then affirmed by the requisite two thirds vote of members present at the January 2009 Annual Meeting in person or by proxy with the understanding that additional changes would be required to comply with state law.
- Carol explained that the Bylaws revised to comply with state law are now before the members for approval, and that a 67% affirmative vote of members in attendance or by proxy is necessary to approve the revisions Bylaws and a ballot has been provided to members to vote whether or not to revise Bylaws to be consistent with state law.
- Open discussion on revised Bylaws commenced – comments in favor and against were heard.
- Carol asked members to vote on the Bylaws and that there will be a short break so that members can vote and votes can be counted.

- Carol called the meeting back to order at 8:10 and announced the vote results. There were a total of 70 member votes, 39 members present and 31 by proxy.
- There were 56 votes of yes to adopt the Bylaws.
- There were 14 votes of no to adopt the Bylaws.
- It was announced that the Bylaws were approved by the requisite vote of the members.

Financial Business:

- Carol introduced Treasurer Susie Wright to address members.
- Susie acknowledged that she had not met with the Ad Hoc Budget Committee, but had used the same principles employed in the 2009 budget that was developed with Committee input.
- Susie thanked Keith Rosen for his input on pool requirements and improvement information and for the time he has invested on the pool.
- Susie informed attending members that future long term planning meetings will now be held at the clubhouse and open to all members. She asked the Greens Committee for their feedback in preparation of the budget.
- Susie discussed the 2010 Adopted Budget, The Budget Forecast (without dues increase) and the Long Range Plan with attending members.
- A member asked why the 3% increase on the Adopted Budget was not added across the board in budget. Susie explained that she did not add the 3% to all line items because some items were far enough from exceeding the budgeted amount allocated that there was no need to increase that particular budget item.
- A member asked how many associate member openings there are. Susie confirmed that there are currently two spots available for associate membership.
- Keith Rosen wanted verification that there would be a cap on Josh Soden's salary.
- Carol explained the work that has been done with Kathy Heinemann's assistance on a salary study regarding Superintendent's pay rates. Carol confirmed that the Board has capped the pay rate at 3% at this time and Josh has been made aware of the cap.
- Susie explained that there are some expensive repairs that will need to take place in the future such as resurfacing the pool and replacing the pool heater as some of the reasons why a dues increase is necessary.
- A member asked about the use of money in the Brae Burn Equipment Saving Account. Susie verified that the money in account is to be used only for course equipment and nothing else.
- A member thanked Susie Wright for the work she has done as Treasurer.
- Carol asked attending members to ratify the 2009 budget adopted by the Board of Directors. Members who agreed said aye.
- Carol asked if they were any members who opposed the ratified 2009 Brae Burn Budget. No member expressed opposition. As a result, a formal vote on whether to reject the budget was not necessary.
- Carol informed members that the Washington State Department of Revenue has notified Brae Burn that they will be performing an audit covering the period of January 1, 2006 through June 30, 2009. Carol said that Brae Burn will most like be found to owe back sales tax.
- Carol explained that Tam O' Shanter was recently audited and they have been very helpful in providing information on the audit process they went through and forwarded her what was likely thousands of dollars of legal advice to assist Brae Burn with the audit process.
- Carol informed members that at the last Board meeting the Board approved formation of an Ad Hoc Audit Committee, and that current members include Steve Clarke, Jeff Darr, Rich Detering, Greg Johnson, Susie Wright and herself.
- Carol reported that she has contacted the Auditor and has not yet received a response back.
- Phil Van Eynde volunteered to serve on the Ad Hoc Audit Committee.
- Carol posed question to attending members that it may be best not to waive the formal audit this year and asked for a motion not to waive the professional audit. ***The motion was moved, seconded and approved by attending members.***
- Luke asked attending members to thank the board members whose terms are ending.
- Carol stated that all business for this meeting has been completed and the meeting will now be adjourned.

Meeting adjourned at 9:00p.m.

Golf News

Superintendent's Report by Josh Soden:

The weather is changing, the grass is growing fast, and I am back working by myself. I recently spent a day driving back and forth to Tam O'Shanter transporting soil to cover the tree roots along holes one, two and three. This is being done to help with mowing under the trees, and so the mower doesn't get so beat up. A lot of time had been spent mowing the course and trying to keep up! I have also been trimming trees to promote grass growth under them. Note that during the months of November and December I will be using up my vacation time for the year.

Golf Straps Changing to Orange

The color of the required golf bag strap has been changed to orange to make it easier to identify trespassers. Please bring your yellow straps AND your blue (homeowners) or red (Associates) medallion to the general meeting on Nov. 17 for replacement. (We need the clasps back.) If you are missing your medallion(s) or have the wrong color, Susie will arrange for you to get the proper color.

If you will not be able to attend the meeting, contact Susie Adams at 885-6067 to arrange a time to make the swap. If you don't live close by, you may mail them to her at 18226 NE 27th St. Redmond, WA 98052. If you do not have straps and/or the proper colored tags please let Susie know and she will make an arrangement to get you properly set up. Enforcement will begin in the early part of next year.

Per the Rules and Regulations published in the Roster, bag straps and identification tags must be visible when playing on the golf course. Blue tags are for Members and children of Members 16 years of age and older living with the Member. Red tags are for Associate Members, Emeritus Members, and children of Associate Members 16 years of age and older living with the Associate Member. Red tags are also for all Qualified Juniors who are at least 8 years of age and less than 16 years of age.

Searching for Twilight Golf Chairperson

Thursday night social golf outings needs someone to step forward to organize them for 2011. Please contact Kathy or Gregg Heinemann to find out what's involved.



Social News

Halloween is around the corner!

Join us Sunday night at the Clubhouse for salad and pizza before sending the kiddies out trick or treating! Sign up by October 28 -- envelope on the door at the Whittings, 2608 181st Ave NE (Lot 42). Remember to drive carefully that night -- and if you're out and about on foot, carry a flashlight or other reflective items.

HUMMERS & STRUMMERS – November 7, 2-5pm

Join us the first Sunday of every month at the Clubhouse. Contact Sam Fisch, Mike Austin, or Clint Ferrell with questions.

All levels of talent and ages, including pre-entry level, are welcome! Bring your instrument, or your voice, or just come and listen. There will be song sheets handed out, so you can sing along, and we will also

have sheet music for those who can read such things. If you have a particular song you would like us to sing, or play, please bring some extra copies to hand out.

Line 'em Up for a December Dance!

The Line Dance Holiday Dinner Party is planned for December 4th at the Club House. Myth: Line dancing is only to country western music. Fact: Our two fabulous instructors will teach us several easy line dances to a myriad of music types including Rock, Latin, Waltz, and yes, even Country. This will be tons of fun and no experience is required! This is an adult-only event and details about dinner, cost (will be minimal), start time and sign-up information will be provided in the November Birdie! Hosted by Denni Shefrin, Julie Aho and Jennie Disney.

Garden Club

HOLIDAY DECORATING CLASS, SQUAK MT GREENHOUSE AND NURSERY, NOV. 17

The Tam O'Shanter garden club has extended an invitation to Brae Burn residents to join in an outing to the Squak Mt Greenhouse and Nursery. We will be attending a fun class about decorating for the holidays. The staff will be showing what's new in containers, greens, and ribbons and share great simple yet creative festive ideas. We'll also learn a special way to tie a bow for a tree topper, wreath and packages.

Squak Mt Greenhouse and Nursery is located in Issaquah. It originally started in 1976 as a small wholesale nursery and has grown to 10 acres. Plants and shrubs can be purchased year round. During the holiday season, there are 18,000 poinsettias growing in their greenhouses for sale. There is a beautiful gift shop where you can find the items that will be used in the class. There also is a large assortment of ornaments and great gift ideas.

If you would like to attend or have questions, please contact Marianne Parsons 957-0469 mparsons10@aol.com, or Sue Hinton sue.hinton@comcast.net. Please RSVP to Marianne or Sue by Nov. 15.

The group will meet in the TOS parking lot by **10am Nov. 17** in order to carpool to Issaquah. They will then have time for shopping after the class in the gift shop. Upon returning to the clubhouse, we will have lunch at Mulligans for those who are interested.

SPRING SCULPTURE TOUR

Save the date of May 11 for a tour of the **SAM Olympic Sculpture Park Tour** --- Wednesday, May 11, 2011 at 1:30 p.m.

_Take Winter By Storm!

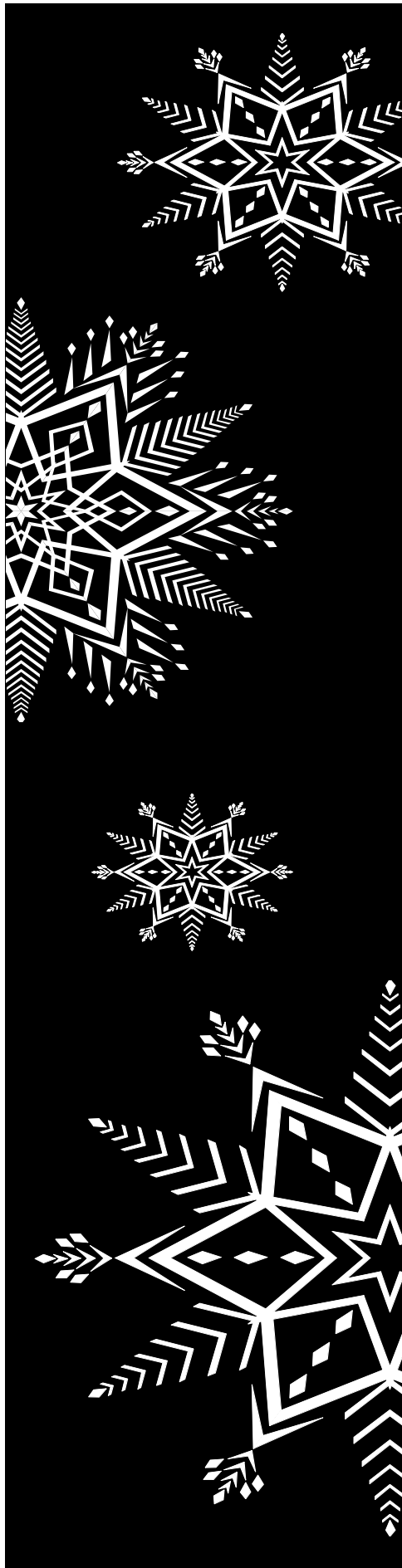
La Nina is threatening a wetter, colder winter for us here in the Puget Sound area.... if you don't believe it, take a look at Cliff Mass' weather blog: <http://cliffmass.blogspot.com/2010/09/long-term-forecast.html>

Now's the time to get prepared!

Check out the following disaster preparedness site and be sure to "batten down the hatches" before any nasty weather hits.

<http://www.redmond.gov/DisasterPrep/winterstorms.asp> (explore the links on the left)

also <http://www.govlink.org/storm/default.asp>.



Date:

SATURDAY, DECEMBER 4, 2010

Time:

5:30PM—9PM

***Brae Burn
Holiday Line
Dance Party***

Please join us for our first ever Holiday Line Dance Party at the club house. A lasagna (veggie and meat) dinner and dessert will be served at 6pm. Our two instructors will teach us beginner line dances following dinner. This is a BYOB event and ice and mixers will be provided. Space is limited—so sign up early!

Cost: \$10 per person (adults only please)

**R.S.V.P. : To Denni Shefrin no later than
December 1, 2010.**

Hosted by:

Julie Aho, Jennie Disney and Denni Shefrin

Questions? Contact:

Denni Shefrin at 206-979-1908

Payment envelope at 18311 NE 25th St. Checks preferred
made out to: Denni Shefrin

Brae Burn Halloween Party!



Sunday, October 31st
5:00 PM - 6:00 PM
Brae Burn Clubhouse

Join in on some pre-trick or treating fun! Wear your costume!
Enjoy pizza, salad and hot spiced cider before
sending the kids out on their rounds.

Please RSVP by October 28th

Drop off envelope will be on the front porch at the Whiting house (2608 -181st St -Lot 42)
beginning October 24.

Adults and kids \$4.00 each. Guests are welcome.

1. _____ \$ _____
2. _____ \$ _____
3. _____ \$ _____
4. _____ \$ _____
5. _____ \$ _____
6. _____ \$ _____

Total Adults: _____ Total kids: _____ Total \$\$ enclosed: _____

PLEASE DRIVE SAFELY! TURN ON YOUR PORCH LIGHTS! BRING YOUR FLASHLIGHT!

If you are receiving the Birdie in paper format and would prefer to receive it electronically, please send your email address to grice@2inabox.com



Brae Burn
2409 182nd Ave NE
Redmond WA 98052

**IMPORTANT INFO ABOUT
2011 BUDGET INSIDE!**

**NOTE: ANNUAL MEETING
Nov. 18, 7pm**