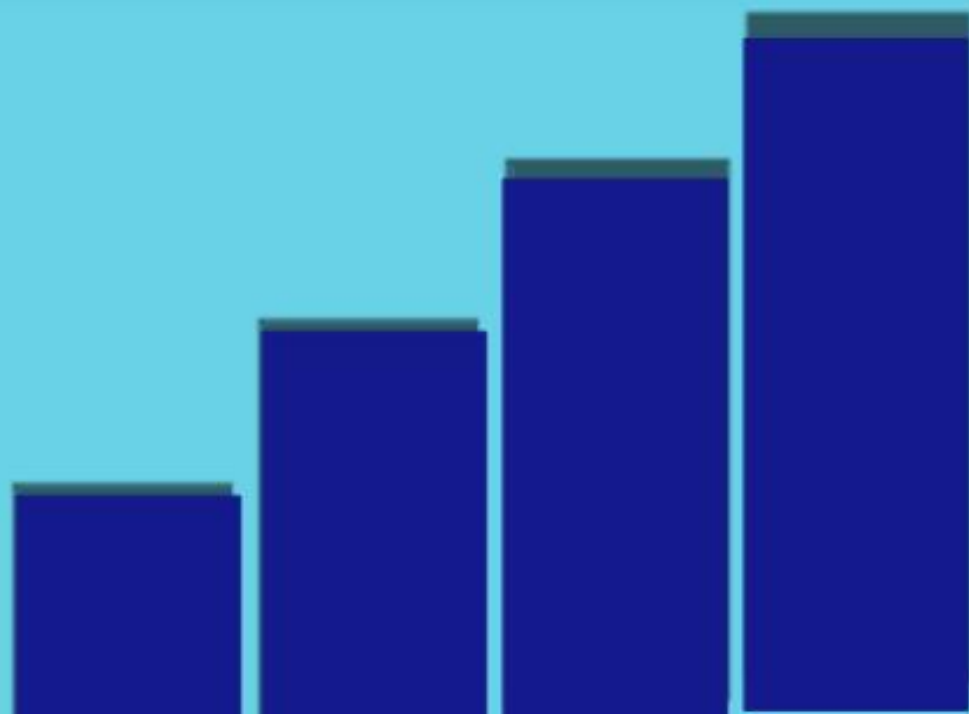
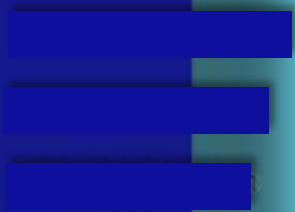


2019

Annual Report





April 22, 2019

Thank You Neighbors:

As this year ends, I would like to take this opportunity to thank all of you that have done so much in the past year for Cedar Run, whether you volunteered for an event, served on a committee, helped a neighbor, or participated as judges for contest.

We do have some truly wonderful people in this community. It is the enthusiasm of volunteers and the camaraderie of neighbors that keeps the spirit of Cedar Run alive and makes this a great place to live. Your time, your energy and your enthusiasm are cherished!

Furthermore, all Board decisions are subsequently communicated to our members on the HOA's website and annual HOA meetings.

Following the HOA Annual Meeting and election in April 2018 the Board of Directors remained in office for a further term. This allowed the Board to progress some of its plans articulated through the 2018 Annual Report.

A very special appreciation and thank you goes out to the board members who give their time and energy to the daily operations of Cedar Run. It is a thankless job that comes along with a bit of criticism, but it takes strong leaders like this to run a successful community.

While the members of the Board do not always agree on issues, they have continued to work well together and, in their decision, making. In the end, any decisions that are made continue to be towards the betterment of our community.

Each one has added their very own touch making Cedar Run a wonderful community. And to the spouses and family members who support their loved ones and allow them to devote some of their "free" time to the community.

THANK YOU!

Ricky Taylor, HOA President

2019 President's Report: Accomplishments

As your HOA Board of Directors, elected by the HOA membership, our goals are to govern the association and ensure the collective rights of all residents, provide services and amenities in the best interest of the entire community, protect property values and ensure the financial health of the association. This report summarizes progress against the above goals.

We took a proactive management approach looking to increase transparency, improve accountability and seek opportunities for improvement. The intention was to use sound business practices to manage the business of Cedar Run Homeowner's Association, Inc. *Please note, many changes are being completed in phases and the full impact is still to be realized.*

The Cedar Run Board of Directors has been working diligently to improve the community through our efforts in the areas of communication, financial security and grounds beautification.

It is the goal of the Board of Directors to continue to build the relationships with all owners and residents to create a greater sense of community. This includes greater transparency in what has and will be done with an opportunity for greater dialog to produce results within the community.

If at any time you have questions regarding the Cedar Run community, please contact Community Group's Owner Services division at 804-270-1800 ext. 1.

Budget and Finance Committee (BFC)

2018 CALENDAR year summary

One of the Board of Directors' (BoD) first tasks was to approve the 2018 operating budget which was set for a zero-rate increase to the HOA fees for a further year. The Budget and Finance Committee (BFC) introduced a quarterly board financial summary report for the Board members and for sharing financial information with our homeowners.

Overall, the Cedar Run Homeowners Association ("HOA") reported net income of around amount of \$2,400.00 for 2018. This is a major improvement from 2017 in which the Association recorded a net loss of approx. \$3,200.00. Our HOA held a little above \$25,000.00 in cash including reserves at December 31st. The 2018 calendar year income from collected annual assessments was nearly \$36,000.00 while total expenses were a little above \$33,000.00.

The variance is mainly attributable to income received from outstanding delinquencies due to a more aggressive collections policy along with a significant decrease in administrative and professional service costs.

2019 ANNUAL ASSESSMENTS/fees AND DELINQUENCIES

The current HOA financial position to the end of March 2019 remains positive. Naturally the majority of our income is generated through homeowner fees, most of which are paid at the start of the year. Regrettably some owners fail to pay their assessments or make untimely payments (late payment) which injects uncertainty as to HOA income to meet expenses.

We hoped to keep the 2019 home owner fees equal to that of 2018 at \$255.00 but this was not financially feasible the homeowner’s association (HOA) Board of Directors (BoD) voted to adopt the 2019 budget that included a 10% assessment increase to \$305.00 annually. Our HOA management company (Community Group Management) tells us that, compared to other area communities, we have had fewer foreclosures and therefore smaller "bad debt" that results from the loss of income when homeowners fail to pay overdue assessments.

Unfortunately, we aren’t escaping unscathed and with operational costs continuing to rise, we have chosen to try limiting our discretionary spending where possible while still providing services that make this community an inviting place to live. It also helps in making community spending decisions more effective and efficient.

The collection of our annual HOA regular assessments/fees are essential as it is the primary source of funds for the operation of the community. How is your paid assessment utilized? Below is an itemized list of the 2019 HOA Budget per Homeowner and how your assessment is allocated:

<u>Item</u>	<u>Description:</u>	<u>Amount:</u>
Yearly Assessments	Assessment Dues Paid by Homeowners	305.00
	TOTAL INCOME	305.00
Grounds & Landscaping	Landscaping Services	118.08
Reserve Contributions	Cover Financial Deficits, Fence & Sign Maint. & Repairs	72.94
Other Contracted Services	Financial, Legal, Collection Agency	29.74
Administrative Expenses	Postage, Printing & Copying, Website, General Admin.	31.18
Management Fees	Contracted Community Management Services	31.36
Insurance	Community Insurance Coverage	17.48
Taxes & Corporate Fees	Community Tax Return Preparation & Filing, Registered Agent	3.43
Utilities	Water Service for Irrigation on Common Areas	0.78
	TOTAL EXPENSES	305.00

The revenue generated by regular assessments/fees is used for the maintenance of common property such as landscaping including lawn-mowing services, as well as maintenance and repairs (entryway marquees, lighting, and fences). The HOA assessments also cover insurance, taxes, management company fees, and other contracted service expenses. This breakdown demonstrates why paying assessments is so important to the upkeep of the community.

As regards to our delinquencies and collections, the total balance that has been processed at the end of 2018 for collections is \$33,607.67. Of that \$14,614.90 has been successfully collected and will be deposited into the Association’s operating account as it’s received.

There were 18 residents of our 125 occupied homes with past due accounts totaling approximately \$19,000.00 at the year-end.

Delinquent Assessments

The Board monitors the number of Delinquent Assessments on a monthly basis. It is encouraging to see that numbers have reduced throughout the years; however, the debt rises with each quarter and some DA's are now more than three years old and owing approximately \$19,000.00

I would like to highlight the financial challenge we're facing as a community in the upcoming year and beyond. Like all Associations, the collection of our annual HOA regular assessments are essential as it's the primary source of funds for the operation of the community.

No one expects homeowners to be happy about these payments, especially when they come due right after the holidays and that the dues can be seen as unimportant or unnecessary. However, there are visible and not so visible benefits from paying your assessments beyond helping to keep the property values up and maintain or increase resale values of your homes.

As you can see from the itemized breakdown above, your regular assessment is used for the maintenance of common property such as landscaping, including lawn-mowing services, as well as maintenance and repairs. The HOA assessments also cover insurance, taxes, management company fees, and other contracted service expenses.

To put it in perspective, the past due accounts (18 homeowners) totaling about \$19,000.00 represents almost half of a year's total assessment for all homeowners being uncollected which forces the community to utilize its reserves/savings for daily operation.

Although the Association continues looking for favorable pricing, monitoring warranties, and keeping our vendors in check to reduce expenses, the Community will not be sustainable if the trend continues of having delinquent annual dues the Association requires to cover normal operating expenses being uncollected.

This prompted the Board during calendar 2018 to approve a more aggressive process of assessing and collecting outstanding balances owed to the Association. The delinquency percentage declined from 17.6% in 2017 to 14.4% in 2018 showing the Association's progress in reviewing current policy and implementing procedures regarding collections.

The procedures include a more timely and decisive fine assessment method as well as escalation to legal liens and judgments as necessary. The Association is expecting the delinquency rate to continue its decline in the upcoming year as collections are finalized faster under the policy.

I know finances are a personal matter and unexpected situations can happen at any time. Thus, I encourage all homeowners to work with the HOA in fulfilling your assessment obligation. We must work together in all aspects to keep our community great.

Grounds/Beautification Committee (G/BC) - One of our stated objectives in 2018 was to take steps to improve the appearance of our community, which ultimately protects all our property values. We chartered a new committee last year, the Grounds and Beautification Committee (G/BC), with Mr. Jerry Tatum chairing. This committee has been tasked with maintaining and enhancing the appearance of the common areas, entrance and other landscaping throughout the community.

The first major project facing the G/BC was to develop a long-term landscaping and maintenance plan for the common areas to enhance the appearance of our community. Working with a professional landscape architect, the G/BC will come up with a master plan that will include proposed new plantings, ideas on how to maintain/improve our current landscaping, and a schedule and estimate of costs involved. This will allow the HOA to more efficiently budget funds, as well as seek creative alternative financing methods, to make Cedar Run more beautiful in the years ahead!

Architectural Review (ARC) - Another area of focus this past year has been stepping up enforcement of our Architectural and Maintenance Standards. Both our management company and our Architectural Review Board (ARB) have spent a tremendous amount of time making sure that all homeowners maintain their properties as required by our covenants and rules.

Although the great majority of homeowners keep their lawns and properties in good condition, there have been too many instances of homeowners failing to cut their grass, power-wash their homes or perform other necessary maintenance actions. The Cedar Run has sent a number of violation notices, most of which were quickly corrected. However, in cases where homeowners refused to correct a violation, the BoD has and will continue to use our Due Process mechanisms to enforce covenants and community rules. Having a well-maintained community not only keeps up our property values, it also helps to deter crime according to law enforcement experts.

Events Committee - The Cedar Run, Events Committee (CR/EC) continues its great efforts to bring our community closer together by sponsoring a number of social events. In addition to the annual Spring Yard of the Month, Fish Fry, and Holiday events, such as the Decorating Contest and Christmas Party, we have also seen some very exciting new events, such as last year's very successful Community Yard Sale, which we hope will continue again this year.

If you haven't had a chance to attend any of these events, you're missing out on a great chance to have fun and meet more of your neighbors! Keep in mind that the CRC is run completely by volunteers, and they can always use more help, so come on out!

Neighborhood Watch - We continue to establish an active Neighborhood Watch programs in the Eastend of Henrico County, thanks to efforts of so many community volunteers, including the coordinator Mr. Arbury Jones.

The Neighborhood Watch patrollers are here to help keep you safe, but ultimately the responsibility is yours. Neighborhood watch volunteers randomly patrol, but the county police indicate that your best defense is to lock car and home windows and doors both when you are at home or away.

The Henrico County Police Division of Police has a Prevention Services Officer assigned to each district station. At your request, a crime prevention officer will come to your home and make recommendations you can incorporate in your home that may deter a burglar. This is a free service to the community. Call the Henrico County Division of Police 804-501-4838 and schedule a FREE security audit of your home. A trained officer or specialist will assess your home and tell you where you can make improvements to home security.

If you would like to help make our community safer, please consider joining Neighborhood Watch and volunteering to patrol. Please let me know if you're interested. If you're interested in joining the neighborhood watch, please contact Mr. Aubrey Jones or your block captain.

Welcome Committee - The Welcome Committee at Cedar Run is committed to fostering a caring and compassionate community. Their obligation is to help identify, understand, reach out to, and lovingly support homeowners in moments of joy, pain, and/or grief.

In this way, we'll not only pursue fulfilling the immediate supportive needs of Cedar Run members, but also simultaneously build a sustainable community of loving kindness that touches all corners of the community.

Communications (Website) - Don't forget, our official website is www.CedarRunHoa.org. If you don't already have a log in, please create one. If anyone is interested in helping to update, develop or maintain this website, we sure could use your help.

Looking back over the past year, I think the most defining characteristic of our community has been the dedication of the many volunteers who put in countless hours to make Cedar Run a better place to live. Through their efforts, and working together with our BoD and management company, Cedar Run continues to be one of the premier communities in east Henrico.

I want to thank everyone for their efforts and wish you all a happy and safe summer!