
CEDAR RUN HOMEOWNER'S ASSOCIATION

2022 CALENDAR YEAR-END FINANCIAL SUMMARY REPORT

YOUR ASSESSMENTS AT WORK: The following is a summary of our Year-to-Date Financial Status from January 1 through December 31, 2022.

CURRENT FINANCIAL HEALTH

Overall, the Cedar Run Homeowners Association ("HOA") held \$80,359.86 in cash (including operating and reserve saving) as of December 31st. The year to-date income from collected past due and current annual assessments was \$42,381.50 while total expenses were \$36,183.65 for the calendar year. The total balance of funds allocated in the budget for the community's reserves remain moderately stable. Total year to date expenses were under the total annual expense budget set for the 2022 calendar year. There was a significant decrease in administrative and professional services expenses as voluntary committees continue to assist in the operational and financial overview of the Association to offset fees. The Association has also made progress with implementing a more aggressive collection policy to lower our delinquencies as reflected in the calendar year end 2022 (see CURRENT ASSESSMENT HEALTH/DELIQUENCIES).

INCOME STATEMENT (Abridged version)

[Note: Balance Sheet and detailed Income Statement can be viewed on the CedarRunHoa.org website]

The Income Statement, otherwise known as a Profit and Loss Statement allows you to monitor your monthly expenses compared to income and helps you understand how you are doing in relation to your budget.

<u>Assessment Income</u>	<u>Year To Date</u>
Residential Assessments	40,625.00
Working Capital	326.50
Late Fees	1,130.00
Compliance Fines	300.00
Total Income	\$ 42,381.50
<u>Expense</u>	<u>Year To Date</u>
Administrative	2,500.84
Insurance	2,328.00
Utilities	100.54
Landscaping	11,760.00
Operations	150.00
Professional Services	8,744.27
Reserve Expenses	10,600.00
Total Expenses	\$ 36,183.65

- Held approximately \$80,000 in total cash (operating and reserve savings)
- Reserves/savings remain moderately stable
- Year to date income amounted to nearly \$42,500 while total expenses were a little over \$36,000
- Ended 13% ↓ for the 2022 expense budget due to cost savings

CURRENT ASSESSMENT HEALTH/DELIQUENCIES

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. Consider assessments as protection on our home investment, just as our insurance premiums protect our car or life. The Association has implemented policies that are more aggressive, retained the collection agency Equity Experts, and engaged Hodges Law Office PLLC to address all homeowner delinquencies and collections at the direction of the Association. This includes a timelier and decisive fine assessment method and a more rapid escalation to legal liens and judgments as necessary.

- 15 of our 125 occupied homes in collections as of December 31, 2022
- Delinquency rate of 12% is ↓ from the 2022 mid-year rate of 14.4%

The Board is committed in its continuing efforts to effectively address the delinquencies and protect the financial health of the Association.

MESSAGE ABOUT ASSESSMENTS

In the Assessments mailing letter dated November 7, 2022 to homeowners, the Board's President provided the following statement about the 2023 Assessment: "When the Board prepares a budget, many things need to be considered, known operating costs, anticipated changes, a contingency for unexpected expenses, the prior year's cumulative shortfall or overage and money for necessary reserve transfer. Furthermore; our sworn fiduciary duty is to you the homeowners. We are obligated to set the HOA fees at a level that are adequate to cover operating expenses and reserve transfers. Simply not wanting to raise the fees is no defense for not properly funding the expense requirements of Cedar Run. We have included our proposed budget for the year 2023. We have reviewed the expenses line by line, we have engaged professional help to assist us in being realistic in our formulations, and we take our responsibility in spending your hard-earned money with a sincere measure of respect. The good news is that the board members unanimously agreed to defer our assessment increase again this year." The Community Property Manager, Ms. Sarah Lassiter, reviewed the Association's finances and also found it feasible to not impose an assessment increase for 2023. She stated in her October communication to the Board "This is a direct result of great financial management, keeping expenses minimal and also end of year surplus monies to increase the reserves. The fact that reserves have benefited greatly from those surpluses over the year offsets the inflation factor to keep us in good shape in that respect as well."