

**MINUTES OF A MEETING  
OF THE  
BUDGET & FINANCE COMMITTEE  
OF  
CEDAR RUN HOMEOWNERS ASSOCIATION**

**HELD February 9, 2021**

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A meeting of the Budget & Finance Committee (the "Committee") of the Cedar Run Homeowners Association (the "Cedar Run HOA") was held at 7:00 p.m. on February 9, 2021.

Present via telephone were Mrs. Denise Stallworth as Committee Chair, members of the Board of Directors Mr. Rick Taylor (President), Ms. Tiffany Burton (Treasurer), and Mr. James L. Stallworth (Vice President) (the "Board"). Also in attendance was Mrs. Valerie Taylor, Chair of the Architectural Committee and the Events Committee (the "Committees").

Mrs. Stallworth acted as Chairperson and recorded the minutes of the meeting.

The minutes of the previous meeting held on October 26, 2020 were approved.

Associa Community Group prepared the fourth quarter financial statements (the Financial Statements"). The Financial Statements showed that the Community has a surplus balance of \$6,678.78 at the end of the 2020 calendar year (copy attached hereto and made a part hereof). The Committee performed a comprehensive review of the Financial Statements and presented the following summary:

**BALANCE SHEET**

Our Association held \$48,787.10 in cash including reserves with assets totaling \$62,630.68 as of December 31st. The total balance of funds allocated in the budget for the community's reserves of \$53,611.92 remain moderately stable. Net Homeowner's Past Due/Prepaid Assessments were lower (\$6,541.86) from the prior quarter as homeowner's began pre-paying the 2021 assessments. However the Association is still relying and utilizing funds allocated for reserve savings to cover normal operational expenses (see total operating funds line item).

<b>Balance Sheet (Snapshot of Current Financials)</b>	
<b><u>Assets</u></b>	
Cash (Total Cash in Bank Accounts)	48,787.10
Funds Due To / Due From Reserves	<u>(53,611.92)</u>
<b>Total Operating Funds</b>	<b>(4,824.82)</b>
Reserve Funds (Due To / Due From Operating Funds)	53,611.92
Net HO Past Due / (Prepays)	13,843.58
Owner Collection Costs to HCS	-
<b>Total Assets (including Reserves)</b>	<b><u>\$ 62,630.68</u></b>
 <b><u>Reserves Details (Funds Allocated for Reserves)</u></b>	
Reserve - Contingency	16,165.85
Reserve - Fence	19,268.82
Reserve - Sign	<u>18,177.25</u>
	53,611.92
Retained Earnings	-
<b>Total Reserves</b>	<b><u>\$ 53,611.92</u></b>

**NOTE: The amount of total reserves on the Balance Sheet is more than the total cash on hand due to past due assessments owed to the community. The breakdown of the Asset line items allows the Board to view the difference in operating cash and the amount that has been allocated to the reserve line items.**

## **INCOME STATEMENT**

At the end of December, the Association's year to date income amounted to \$44,987.50, which is around 10% (\$3,937.50) above our budgeted projections for the year. Total year to date expenses are \$38,308.72, which is about 7% (\$2,741.28) under the \$41,050.00 expense budget set for the calendar year. The variance is mainly attributable to the significant decrease in administrative service (\$1,927.74) and landscaping (\$536.00) expenses as committees continue to assist in the operational and financial overview of the Association. The additional income from compliance fees (\$3,937.50) and expense savings (\$2,741.28) resulted in an overall income surplus of \$6,678.78 for calendar year end 2020.

### **Income Statement**

<b><u>Income</u></b>	<b><u>Current Qtr</u></b>	<b><u>Year To Date</u></b>
Residential Assessments	-	39,375.00
Working Capital	-	307.50
Late Fees	-	1,370.00
Other Income	195.00	3,935.00
<b>Total Income</b>	<b>\$ 195.00</b>	<b>\$ 44,987.50</b>

### **Expense**

Administrative	717.05	1,984.26
Insurance	-	2,177.00
Utilities	31.30	93.90
Landscaping	3,135.00	13,074.00
Operations	-	35.00
Professional Services	2,693.84	8,480.56
Reserve Expenses	3,116.00	12,464.00
<b>Total Expenses</b>	<b>\$ 9,693.19</b>	<b>\$ 38,308.72</b>

**Net Income / (Loss) \$ (9,498.19) \$ 6,678.78**

The Committee confirmed the validity of the Financial Statements and after a thorough discussion, including comments from the Board, upon motion duly made and seconded, the Committee approved the following regarding the Financial Statements:

1. **2020 Year End budget surplus balance of \$6,678.78** - Request that the Board approve the allocation of funds to the 9834 - Contingency Reserve Account on the Income statement.

The Committee advised the Board approve the recommendation at the next Board of Directors meeting.

The Committee noted that although the community is in stable financial health, past due delinquencies not collected and continued use of funds designated to the reserve savings will eventually leave the fund empty and the HOA will be unable to meet its operating as well as repair and replacement obligations.

There being no further business and upon motion duly made and seconded, the meeting was adjourned.

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Denise J. Stallworth  
Chairperson

# Quarterly Balance Sheet Report

## Cedar Run

As of December 31, 2020

	<u>Balance Dec 31, 2020</u>	<u>Balance Sep 30, 2020</u>	<u>Change</u>
<b><u>Assets</u></b>			
<b>Operating Funds</b>			
1000 - Cash - PPB DDA #1807	48,675.57	47,093.37	1,582.20
1220 - OP Petty Cash - South State #4375	111.53	174.08	(62.55)
1650 - Due To/Due From Reserves	(53,611.92)	3,228.47	(56,840.39)
<b>Total Operating Funds</b>	<b>(4,824.82)</b>	<b>50,495.92</b>	<b>(55,320.74)</b>
<b>Reserve Funds</b>			
1651 - Due To/Due From Operating	53,611.92	(3,228.47)	56,840.39
<b>Total Reserve Funds</b>	<b>53,611.92</b>	<b>(3,228.47)</b>	<b>56,840.39</b>
<b>Accounts Receivable</b>			
1500 - Net HO Past Due/(Prepays)	13,843.58	20,385.44	(6,541.86)
<b>Total Accounts Receivable</b>	<b>13,843.58</b>	<b>20,385.44</b>	<b>(6,541.86)</b>
<b>Total Assets</b>	<b>62,630.68</b>	<b>67,652.89</b>	<b>(5,022.21)</b>
<b><u>Liabilities</u></b>			
<b>Accounts Payable</b>			
2000 - A/P Vendors	2,339.98	980.00	1,359.98
<b>Total Accounts Payable</b>	<b>2,339.98</b>	<b>980.00</b>	<b>1,359.98</b>
<b>Total Liabilities</b>	<b>2,339.98</b>	<b>980.00</b>	<b>1,359.98</b>
<b><u>Owners' Equity</u></b>			
<b>Reserves</b>			
3136 - Res - Contingency	16,165.85	14,835.85	1,330.00
3154 - Res - Fence	19,268.82	18,304.82	964.00

# Quarterly Balance Sheet Report

## Cedar Run

As of December 31, 2020

	<u>Balance Dec 31, 2020</u>	<u>Balance Sep 30, 2020</u>	<u>Change</u>
<b><u>Owners' Equity</u></b>			
<b>Reserves</b>			
3250 - Res - Sign	18,177.25	17,355.25	822.00
<b>Total Reserves</b>	<u>53,611.92</u>	<u>50,495.92</u>	<u>3,116.00</u>
<b>Total Owners' Equity</b>	<u>53,611.92</u>	<u>50,495.92</u>	<u>3,116.00</u>
<b>Income / (Loss)</b>	<u>6,678.78</u>	<u>16,176.97</u>	<u>(9,498.19)</u>
<b>Total Liabilities and Owner Equity</b>	<u>62,630.68</u>	<u>67,652.89</u>	<u>(5,022.21)</u>

# Quarterly Income Statement Report Cedar Run

October 01, 2020 thru December 31, 2020

	Current Quarter			Year to Date			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<b><u>Income</u></b>								
<b>Assessment Income</b>								
4000 - Residential Assessments	0.00	0.00	0.00	39,375.00	39,375.00	0.00	39,375.00	0.00
4120 - Working Capital	0.00	0.00	0.00	307.50	225.00	82.50	225.00	(82.50)
<b>Total Assessment Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>39,682.50</b>	<b>39,600.00</b>	<b>82.50</b>	<b>39,600.00</b>	<b>(82.50)</b>
<b>Collections Income</b>								
4700 - Notice fees	0.00	0.00	0.00	500.00	550.00	(50.00)	550.00	50.00
4710 - Late Fees	0.00	0.00	0.00	870.00	900.00	(30.00)	900.00	30.00
<b>Total Collections Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,370.00</b>	<b>1,450.00</b>	<b>(80.00)</b>	<b>1,450.00</b>	<b>80.00</b>
<b>Other Income</b>								
4810 - Compliance Charges	195.00	0.00	195.00	3,935.00	0.00	3,935.00	0.00	(3,935.00)
<b>Total Other Income</b>	<b>195.00</b>	<b>0.00</b>	<b>195.00</b>	<b>3,935.00</b>	<b>0.00</b>	<b>3,935.00</b>	<b>0.00</b>	<b>(3,935.00)</b>
<b>Total Income</b>	<b>195.00</b>	<b>0.00</b>	<b>195.00</b>	<b>44,987.50</b>	<b>41,050.00</b>	<b>3,937.50</b>	<b>41,050.00</b>	<b>(3,937.50)</b>
<b><u>Expense</u></b>								
<b>Administrative</b>								
5000 - General Administrative	93.00	25.00	68.00	93.00	100.00	(7.00)	100.00	7.00
5020 - Board Support	0.00	50.00	(50.00)	37.90	500.00	(462.10)	500.00	462.10
5025 - Collection Charges	(25.00)	0.00	(25.00)	275.00	570.00	(295.00)	570.00	295.00
5027 - Welcome Committee	0.00	25.00	(25.00)	43.11	100.00	(56.89)	100.00	56.89
5107 - Neighborhood Watch	0.00	25.00	(25.00)	0.00	250.00	(250.00)	250.00	250.00
5115 - Web Site Maintenance	62.55	125.00	(62.45)	422.10	500.00	(77.90)	500.00	77.90
5195 - Other Administrative Services	0.00	25.00	(25.00)	0.00	100.00	(100.00)	100.00	100.00
5200 - Social Events	0.00	25.00	(25.00)	0.00	100.00	(100.00)	100.00	100.00
5210 - Printing & Copying	410.93	450.00	(39.07)	556.09	1,000.00	(443.91)	1,000.00	443.91
5215 - Postage	175.57	102.00	73.57	557.06	692.00	(134.94)	692.00	134.94
<b>Total Administrative</b>	<b>717.05</b>	<b>852.00</b>	<b>(134.95)</b>	<b>1,984.26</b>	<b>3,912.00</b>	<b>(1,927.74)</b>	<b>3,912.00</b>	<b>1,927.74</b>

# Quarterly Income Statement Report Cedar Run

October 01, 2020 thru December 31, 2020

	Current Quarter			Year to Date			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<b>Expense</b>								
<b>Insurance</b>								
5400 - Insurance Premiums	0.00	0.00	0.00	2,177.00	2,350.00	(173.00)	2,350.00	173.00
<b>Total Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,177.00</b>	<b>2,350.00</b>	<b>(173.00)</b>	<b>2,350.00</b>	<b>173.00</b>
<b>Utilities</b>								
6025 - Water Service	31.30	31.25	0.05	93.90	125.00	(31.10)	125.00	31.10
<b>Total Utilities</b>	<b>31.30</b>	<b>31.25</b>	<b>0.05</b>	<b>93.90</b>	<b>125.00</b>	<b>(31.10)</b>	<b>125.00</b>	<b>31.10</b>
<b>Landscaping</b>								
6100 - Grounds & Landscaping - Contract	2,940.00	2,940.00	0.00	11,760.00	11,760.00	0.00	11,760.00	0.00
6199 - Landscape Other	195.00	0.00	195.00	1,314.00	1,850.00	(536.00)	1,850.00	536.00
<b>Total Landscaping</b>	<b>3,135.00</b>	<b>2,940.00</b>	<b>195.00</b>	<b>13,074.00</b>	<b>13,610.00</b>	<b>(536.00)</b>	<b>13,610.00</b>	<b>536.00</b>
<b>Operations</b>								
6300 - Corporate fees	0.00	0.00	0.00	35.00	35.00	0.00	35.00	0.00
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>35.00</b>	<b>35.00</b>	<b>0.00</b>	<b>35.00</b>	<b>0.00</b>
<b>Professional Services</b>								
7000 - Audit & Tax Services	0.00	0.00	0.00	393.00	400.00	(7.00)	400.00	7.00
7015 - Financial Services	923.31	923.00	0.31	3,693.24	3,694.00	(0.76)	3,694.00	0.76
7020 - Legal & Collection Services	375.00	0.00	375.00	505.00	130.00	375.00	130.00	(375.00)
7040 - Management Fees	1,395.53	1,050.00	345.53	3,889.32	4,330.00	(440.68)	4,330.00	440.68
<b>Total Professional Services</b>	<b>2,693.84</b>	<b>1,973.00</b>	<b>720.84</b>	<b>8,480.56</b>	<b>8,554.00</b>	<b>(73.44)</b>	<b>8,554.00</b>	<b>73.44</b>
<b>Reserve Expenses</b>								
9834 - Contingency Reserves	1,330.00	1,330.00	0.00	5,320.00	5,320.00	0.00	5,320.00	0.00
9852 - Fence Reserves	964.00	964.00	0.00	3,855.00	3,855.00	0.00	3,855.00	0.00

## Quarterly Income Statement Report Cedar Run

October 01, 2020 thru December 31, 2020

	Current Quarter			Year to Date			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<b><u>Expense</u></b>								
<b>Reserve Expenses</b>								
9946 - Sign Reserves	822.00	822.00	0.00	3,289.00	3,289.00	0.00	3,289.00	0.00
<b>Total Reserve Expenses</b>	<b>3,116.00</b>	<b>3,116.00</b>	<b>0.00</b>	<b>12,464.00</b>	<b>12,464.00</b>	<b>0.00</b>	<b>12,464.00</b>	<b>0.00</b>
<b>Total Expense</b>	<b>9,693.19</b>	<b>8,912.25</b>	<b>780.94</b>	<b>38,308.72</b>	<b>41,050.00</b>	<b>(2,741.28)</b>	<b>41,050.00</b>	<b>2,741.28</b>
<b>Net Income / (Loss)</b>	<b>(9,498.19)</b>	<b>(8,912.25)</b>	<b>(585.94)</b>	<b>6,678.78</b>	<b>0.00</b>	<b>6,678.78</b>	<b>0.00</b>	<b>(6,678.78)</b>