

# CAROLINA TRACE ASSOCIATION

<http://www.ctaincnc.com>

## MINUTES of September 1st, 2020, CTA BOARD OF DIRECTORS MEETING

David Smoak, CTA President, called the meeting to order at 7:01 p.m.

### ATTENDANCE:

#### DIRECTORS or ALTERNATES

<b>Eagles Nest</b>	Kathy Jelen	<b>Highland Woods</b>	Chuck Popke	<b>South Landing</b>	Dan Eastham
<b>Golf East</b>	Mike McDonald	<b>Lakewood</b>	Charles Wick	<b>Southwind</b>	Anthony Hoots
<b>Golf North</b>	Mary Wild	<b>Laurel Thicket</b>	David Carmony	<b>Stonegate</b>	Absent
<b>Golf West</b>	Marilee Ostman	<b>Mallard Cove</b>	Lisa Doscher	<b>Village at Trace</b>	Sharwynne Blatterman
<b>Harbor Creek</b>	Mike Dussault	<b>North Shore</b>	Bill Glance	<b>Woodfield</b>	Elaine Bednarcik
<b>Hidden Lake</b>	Steve Bolstridge	<b>Sedgemoor</b>	Jim Miller	<b>Wdmr/Trentwood</b>	Bob Dykeman

#### OFFICERS

<b>President and Chair of the Executive Committee</b>	David Smoak
<b>Vice President and Chair of the Security and Safety Committee</b>	Cal Saltzman
<b>Treasurer and Chair of the Finance Committee</b> <b>Assistant Treasurer</b>	Oscar Roberto Ed Nelson
<b>Secretary</b>	Kate Woods

#### Guests

Ernie Violon	
Vince Roy	

**QUORUM CALL** - A quorum was reached with 17 directors present and agreeing to this video conference being a legitimate meeting of the CTA Board.

**APPROVAL OF MINUTES** - A motion was made to approve the minutes of the August 2020 meeting. This was approved by unanimous consent.

**GROUP REPORTS - CTCC Liaison** - No Report.

**Utilities Report** - Please see attachment #1. Discussion continues on looking into a different response to the water company rate increases, but as of now there is no volunteer willing to spearhead the project.

**CT Fire Dept** - No report.

**PRESIDENT'S REMARKS** - Please see attachment #2.

**FINANCIAL REPORT** - August Financial Summary is attachment #3. In August, \$2,500 was made on e-sticker sales.

**Audit:** Please see attachments # 4 and 5. \$4,000 was paid to the auditor. The auditor had two findings. It was recommended that CTA hire an outside person to handle financial reporting and day to day operation because of a lack of information on assets. It was also recommended that we establish a policy on conflict of interest. A draft of this policy will be available at the next meeting for director vote.

**SECRETARY-** No report.

### **COMMITTEE REPORTS**

**Security & Safety** - Security Log is Attachment # 6.

**Security:** The September Safety and Security Report is Attachment # 7. The September CERT Report is Attachment # 8. Information on how the North Gate has affected traffic on the front gate has been requested. CTA will be working on getting a report on that once the Galaxy server has been fixed.

**Traceway Roads & Maintenance (TRAM)** - Please see attachment # 9.

### **OLD BUSINESS -**

**Lake Trace and Dam issues-** Please see attachment # 10. The committee has had meetings and is working on recommendations for action to take. An inspection was done on the dam recently. A motion was made to approve funding for surveys to be completed. The motion passed by unanimous consent.

**2021 Budget-** Please see attachment # 11. There was no further discussion on the 2021 budget.

**2020 Census-** The treasurer is still missing census information from three POAs.

**Traffic Issue at the four way stop by the North Gate-** A motion was made to install two speedbumps on Traceway at the entrance of the North Gate access road and at the stop sign on Traceway, to cover the entire width of the road. The motion did not pass.

### **NEW BUSINESS -**

**NEXT CTA Meeting** - Next meeting is scheduled for October 6, 2020.

**ADJOURNMENT** - The meeting was adjourned by the President at 8:31 pm.

Respectfully submitted by,

Kate Woods, Secretary, Carolina Trace Association

**Attachments:**

Attachment #1: Utilities Report

Attachment #2: President's Remarks

Attachment #3: August 2020 Treasurer Report

Attachment #4: Audit Report

Attachment #5: Internal Control Letter from Auditor

Attachment #6: Security Log August 2020

Attachment #7: Safety & Security Report

Attachment #8: CERT Report

Attachment #9: TRAM Report

Attachment #10: TLAD Report

Attachment #11: Proposed 2021 Budget

## Utilities Report

Vince Roy has been talking with the Public Staff regarding this latest CWSNC rate increase.

It looks like it will be approved. However, since we are a part of the 'Uniform Rate' consortium, which he has briefed on many times in the past, the increase will be fairly small.

The proposed rate increase will be 0.60% for water and 0.34% for sewer.

CTA President's Remarks September 1, 2020

1. One Director has communicated to me about conducting in-person CTA meetings again. At present, it still seems that web/video conferencing continues to be the overwhelming preference to conduct our business. I will continue to welcome input or suggestions from any Board member about alternate ways to conduct our business, but for the foreseeable future I expect Zoom meetings to continue being our preferred modus operandi.

2. I have selected Michael Dussault (Chair), Dan Eastham and Debbie Betts to be the Nomination Committee for the 2021 CTA Officers. While I have expressed my preference for next year's slate of Officers, any Director may contact these individuals and make your own recommendation, or make a floor nomination in November when I have requested they make their report. As a reminder, due to the recent Bylaw Amendment passed, the timeline for the Officer nomination/election process has been advanced by one month. The election of Officers will be held in the December meeting as a New Business agenda item.

Thank You All,  
David Smoak  
CTA President

**Carolina Trace Association, Inc.**  
**August 2020 Financial Summary**

		Aug 31, 20	Jul 31, 20	\$ Change	Comments
<b>ASSETS</b>					
<b>Current Assets</b>					
<b>Checking/Savings</b>					
	Business Checking ****9106	204,226.96	237,630.26	-33,403.30	
	Business Checking MMkt ***	93,645.63	93,641.67	3.96	
	CTA POA Legal ****7347	5,905.60	5,091.60	814.00	
	CTA POS ***1504	4,000.00	4,000.00	0.00	
	Clearing Account	0.00	0.00	0.00	
	CTA CD 5 ****4058 10/6/20	50,990.25	50,990.25	0.00	
	CTA CD 6 ****4065 10/6/20	200,555.70	200,555.70	0.00	
	CTA CD 7 ****8688 1/27/21	25,262.52	25,262.52	0.00	
	CTA CD 8 ****8751 1/27/21	50,446.28	50,446.28	0.00	
	<b>Total Checking/Savings</b>	<b>635,032.94</b>	<b>667,618.28</b>	<b>-32,585.34</b>	
	Accounts Receivable	0.00	0.00	0.00	
	Other Current Assets	0.00	0.00	0.00	
	<b>Total Current Assets</b>	<b>635,032.94</b>	<b>667,618.28</b>	<b>-32,585.34</b>	
<b>TOTAL ASSETS</b>		<b>635,032.94</b>	<b>667,618.28</b>	<b>-32,585.34</b>	
<b>LIABILITIES &amp; EQUITY</b>					
<b>Liabilities</b>					
<b>Current Liabilities</b>					
	Accounts Payable	0.00	0.00	0.00	
	Other Current Liabilities	1,285.86	1,141.10	144.76	Credit Card Balances
	<b>Total Current Liabilities</b>	<b>1,285.86</b>	<b>1,141.10</b>	<b>144.76</b>	
	<b>Total Liabilities</b>	<b>1,285.86</b>	<b>1,141.10</b>	<b>144.76</b>	
<b>Equity</b>					
<b>30100 · Reserve Fund</b>					
	30120 · Traceway Upgrades	55,000.00	55,000.00	0.00	
	30110 · General Reserve	380,410.31	380,410.31	0.00	
	<b>Total 30100 · Reserve Fund</b>	<b>435,410.31</b>	<b>435,410.31</b>	<b>0.00</b>	
	<b>Total Equity</b>	<b>435,410.31</b>	<b>435,410.31</b>	<b>0.00</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>436,696.17</b>	<b>436,551.41</b>	<b>144.76</b>	

Payments: The major payments this month were SPA for \$24,964. The Financial Auditor was paid \$4,000.

Budget: \$2,497 was received from the sale of E-Stickers and \$814 was transferred to the Legal Fund account.

Reserve/Capital Funds: Total Reserves amount to \$435,410.31

Notes: CTA CD5 and CD6 have an interest rate of 0.4% and mature on 10/06/20. CTA CD7 and CD8 have an interest rate of 0.4% and mature on 01/27/21.

Financial Audit: The Auditor's Audit Report for 2019 and Internal Control Letter are attached to the Meeting Agenda and in the Minutes.

**Oscar Roberto, CTA Treasurer**

**Ed Nelson, CTA Assistant Treasurer**

**CAROLINA TRACE ASSOCIATION, INC.**

Financial Statement for the  
years ended December 31, 2019 and  
Independent Auditors' Report



**J. Singh, CPA, P.A.**  
**Certified Public Accountant**  
1101 Woodland Avenue  
Sanford, North Carolina 27330

(919) 774-3284

**Independent Auditor's Report**

To the Board of Directors  
Carolina Trace Association, Inc.  
Sanford, North Carolina 27332

I have audited the accompanying financial statement of Carolina Trace Association, Inc., (a nonprofit organization) which comprise the statement of cash receipts and disbursements for the year ended December 31, 2019, and the related notes to the financial statement.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Carolina Trace Association, Inc., for the year ended

December 31, 2019 in accordance with the cash receipts and cash disbursements basis of accounting.

*J. Singh, CPA, P.A.*

July 28, 2020  
Sanford, North Carolina

Carolina Trace Association, Inc.  
Statement of Cash Receipts and Cash Disbursements  
For the year ended December 31, 2019

---

CASH RECEIPTS:	
Assessments - Property Owners Association	\$ 678,011
E-Stickers - Taxable	13,294
E-Stickers - Non-taxable	18,995
Insurance Claim Proceeds	12,012
Interest Income	2,381
Reimbursements to POA's	2,770
Other income	1,168
	1,168
Total cash receipts	\$ 728,631
CASH DISBURSEMENTS:	
Accounting fees	544
Boat ramp	2,500
Computer	52
E-Sticker deposit return	1,420
Insurance	34,324
Printing & postage	134
Professional and legal fees	12
Trash/waste disposal fees	250
Drainage maintenance & repair	44,662
Grounds maintenance	7,411
Mowing & weed control	15,858
Road maintenance & repair	12,828
Storm clean-up	1,000
Tree trimming, removal and pruning	4,925
Landscaping and beautification	43,414
CERT supplies	1,887
E-sticker purchases	21,475
Gate/Gatehouse Maintenance	16,576
Gate house supplies	2,673
Mirror pass purchases	2,012
Security camera, Recorder	5,594
Security and gate services	297,194
Utilities	11,620
Phone & video services	15,916
North Gate Project	38,550
South Gate maintenance	191
	191
Total cash disbursements	583,022
INCREASE IN CASH	145,609
BEGINNING CASH, JANUARY 1, 2019	289,815
ENDING CASH, DECEMBER 31, 2019	\$ 435,424

Carolina Trace Association, Inc.  
Notes to the Financial Statement  
For the year ended December 31, 2019

---

1. GENERAL

Carolina Trace Association, Inc. is a nonprofit organization organized under the laws of the State of North Carolina. Purposes for which the Organization was created include:

- To provide an organization through which the property owners of Carolina Trace may be represented to discuss and act upon matters of community interest;
- To encourage and advance projects deemed to be for the benefit and best interests of the community by collecting and disseminating pertinent information relating to such projects;
- To represent the community and interact with federal, state and county officials and with other civic, public, and private organizations concerned with or impacting the general welfare and safety of the residents and property owners of the community; and
- To take all steps deemed necessary or appropriate for the preservation of the residential character and the value of the properties within the community, including the ownership, operation, and maintenance of property used in common as applicable.

Carolina Trace Association consists of eighteen individual property owners' associations (POA) within Carolina Trace, and each POA is a member of Carolina Trace Association, Inc. Each POA is entitled to one vote by an authorized director of the POA. The affairs of the Association are managed by the Board of Directors. The number of directors constituting the Board of Directors are equal to the number of property owners' associations. Carolina Trace Country Club may be represented on the Board by a nonvoting member appointed by its President.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting Method – The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, the only asset recognized is cash, and no liabilities or net assets are recognized. All transactions are recognized as either cash receipts or cash disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding payables and receivables at the date of the financial statement are not included in the financial statement, and because capital assets (property, plant and equipment) are not included.

Cash and Cash Equivalents – The Organization considers all highly liquid instruments purchased with maturity of three months or less to be cash equivalents. Certificates of deposit with maturities of more than 90 days are classified as cash equivalents when the only penalty for early surrender is loss of interest.

Assessments – Property Owner Association assessments are determined by the Board of Directors upon approval of the annual budget and are intended to meet both the normal operating costs of Carolina Trace Association and the costs of estimated future major repairs or capital improvements.

Income Taxes – The Association must file an annual federal tax return. The Association files its federal income tax return as a homeowners' association (Form 1120-H) in accordance with Internal Revenue Code Section 528. Under Section 528, the association is not taxed on assessment revenues or on other income derived from members and used to serve the Association's exempt purposes. Those exempt purposes generally include the maintenance, management and care of Association property. However, under Section 528 certain income, such as interest, is deemed to be related to

Carolina Trace Association, Inc.  
Notes to the Financial Statement  
For the year ended December 31, 2019

---

nonexempt purposes. Nonexempt income, net of expenses allocable to that income, is taxable for federal and State tax purposes.

Concentrations of Credit Risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Carolina Trace maintains deposits with a single financial institution which are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2019, organization's cash balance on deposit with this financial institution exceeded insured limits by \$185,423.

Related Party Transactions – Carolina Trace Association, Inc., has evaluated all transactions for the year ended December 31, 2019, and the results of the evaluation disclosed the following related party transaction:

RMR Custom Homes, Inc. is owned by a member of the Board of Directors of Carolina Trace Association, Inc. During the year ended December 31, 2019, RMR Customs Homes, Inc. was engaged to perform certain maintenance, repair and landscaping services for Carolina Trace Association, Inc. and received payment of \$3,533.00 for those services.

### 3. DATE OF MANAGEMENT'S REVIEW

The organization has evaluated subsequent events through July 28, 2020, the date the financial statement was available to be issued.

**J. SINGH, CPA, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**1101 WOODLAND AVENUE**  
**SANFORD, NORTH CAROLINA 27330**

July 28, 2020

Board of Directors  
Carolina Trace Association, Inc.  
Sanford, North Carolina 27332

In planning and performing my audit of the Statement of Cash Receipts and Cash Disbursements for Carolina Trace Association, Inc. as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, I considered Organization's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statement, but do not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

My consideration of the internal control over financial reporting was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the schedule of findings and responses, I identified a deficiency in internal control over financial reporting that I consider to be a material weakness and a deficiency that I consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency 2019-1, described in the accompanying schedule of findings and responses to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency 2019-2, described in the accompanying schedule of findings and responses to be a significant deficiency. This report is intended solely for the information and use of the board of directors,

management, others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

*J. Singh, CPA, P.A.*

July 28, 2020  
Sanford, N. C.

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Findings related to the audit of the Basic Financial Statements**

**Finding 2019-1 – Material Weakness**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting.

**Condition:** Due to the limited number of personnel in the Organization office, there are inherent limitations to the segregation of duties among Organization personnel.

**Recommendation:** Access to books and records of the Organization should be separated from access to the assets of the Organization as much as possible. Alternative controls should be used to compensate for any lack of segregation of duties. The Organization's Board of Directors should provide some of these controls.

**Contact person:** Oscar Roberto

**Corrective Action:** Management is aware of the weakness but, due to the cost benefit analysis, hiring additional personnel does not appear feasible.

**Finding 2019-2: - Significant deficiency**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting.

**Condition:** Financial reporting under accounting standards requires a level of technical expertise not possessed by the Organization's personnel with regards to drafting full accrual, full disclosure financial statements.

**Recommendation:** The cost of acquiring the technical expertise to comply with the financial reporting requirements discussed above appears cost prohibitive. Therefore, the Organization should exercise due care in reviewing the financial statement drafted by the external auditor as the Organization is responsible for the accuracy of the audited financial statement.

**Name of contact person:** Oscar Roberto

**Corrective action:** Management is aware of the weakness but, due to the cost benefit analysis, they will continue to rely on the external auditor to draft the year-end financial statement.



## SECURITY LOG FOR THE MONTH OF AUGUST 2020

CATEGORY	WEEK 1-	WEEK 2-8	WEEK 9-15	WEEK 16-22	WEEK 23-29	WEEK 30	TOTAL
ACCIDENT	0	0	0	0	0	0	0
EMS	3	4	6	2	1	1	17
PATROL RESPONSE	1	6	7	7	6	6	33
PATROL HOURS	336	336	336	336	336	336	2,016
SHERIFF PATROL	0	12	5	10	5	5	37
SCHEDULE PERMITS	292	1,501	1,442	1,455	1,178	1,038	6,906
ACTUAL PERMITS	270	1,307	1,268	1,257	192	161	4,455
UNSCHEDULE GUEST	0	0	0	0	0	0	0
FIRE ALARM	0	0	0	0	0	0	0
UNLOCKED DOORS	0	0	0	0	0	0	0
VANDALISM	0	0	0	0	0	0	0
CITIATIONS	0	0	0	0	0	0	0
CTGP	0	2	4	3	2	2	13
GOLFERS	71	381	285	1,322	186	247	2,492
CTCC	0	30	41	92	5	137	305

### **Gatehouse Electrical Update:**

During a discussion with Duke Progress Energy on the Electric meter for the Carolina Trace Association, Inc (CTA) Gatehouse, it was discovered that the actual CTA Gatehouse electric meter is not located on the CTA Gatehouse building. It is located behind the Eagles Nest POA sign. During the inspection of this meter's location CTA discussed with Duke the possibility of moving the CTA meter to the gatehouse. The present location meter location causes CTA to pay for additional electrical service charges because of significant power line loss and it also is a potential risk area should there be an electrical issue at the gatehouse. During these discussions, it was determined that the existing meter's height no longer meets current North Carolina Electrical Code. and this meter provides a small amount of power for the lighting of the Eagles Nest POA sign.

A discussion of the above issues was subsequently held on August 20, 2020 chaired by CTA President with CTA Vice President, Eagles Nest POA President, Eagles Nest CTA Delegate, and Eagles Nest homeowners.

It was agreed by all during this discussion that changes to the existing CTA Gatehouse Electrical Interface would need to be updated. A plan for update will be developed by CTA Vice President in conjunction / coordinated with Eagles Nest. Until the plan is implemented no changes or charges to the existing Eagles Nest POA electrical access for their sign will be made.

The expected plan of action as of today is for Duke Progress Energy to provide CTA with two cost estimates and CTA to acquire cost estimates for their segment of work. Once these estimates are acquired and agreed to by all parties to include estimated costs, the plan will be submitted to CTA delegates for approval / disapproval.

Estimate/Work 1) The Duke cost to the customer (CTA) for the required extension of the existing power interface to the existing electrical meter location in order for it to achieve updating to existing North Carolina Electrical Code (raising the existing interface approximately 36 inches). Once CTA has this cost, CTA would also request a bid from 1 – 3 local electrical contractors for the cost of a new single/dual meter head access and a new power panel for the existing service to the CTA Gatehouse. During these discussions' consideration would also be discussed with Eagles Nest for the addition of a second Power Access Panel egressing from a second meter solely for Eagles Nest usage. This project maybe able to be completed in 2021 depending on actual cost and an acquisition of valid estimates / costs.

Estimate/Work 2) The Duke cost to CTA to install an electrical conduit from the existing CTA Gatehouse electrical panel (behind Eagle Nest POA sign) to the existing CTA Gatehouse, and the movement of the CTA meter to this location. This also would require CTA to acquire bids from a local electrician to install a meter head and cross connect this service into the existing gatehouse service. The cost of this work is expected to be at least five to ten times the cost of #1, this item will require a budget line and probably cannot be completed until 2022. Additionally, as a part of obtaining these costs, CTA may also investigate the possibility of its hiring of its own local contractor for the new conduit and wiring.

### **Homeowner Pre-Issue of Resident Holiday Guest Passes:**

A proposal has been suggested by SPA and members of CTA to allow the SPA to issue black residential window passes for completion by homeowners for their holiday guests. The purpose of this suggestion is to reduce the documentation required by SPA personnel during peak entry periods.

Update of Additional Payment Requirements for Carolina Trace Country Club Guests  
(Golf/Conferences/Weddings/Gatherings)

During the last two weeks Carolina Trace Gatehouse has experienced major overload for signing in and register guests for the Carolina Trace Country Club.

SPA experienced over 1600 individual guests' vehicles for a major golf tournament and over 50 individual vehicles for a 50-year wedding get together at the club.

To better control this problem and create an equal cost sharing of this burden between CTA and the Club a new policy has been/will developed by the CTA Safety & Security Committee

## CERT Report for Safety & Security Committee for 1 September 2020

1. September CERT training will be about communications. This training will be via Zoom. We hope to have 3 Zoom breakout rooms to provide extra instruction in the various forms of communication we use for CERT.
2. The newly established National CERT Association has designed online training for the CERT Basic Course. It must be followed by a hands-on skills session to complete the requirements to join CERT. We have 2-3 Carolina Trace residents interested in joining the team, so we plan to try out the online course with them in the near future.

## September Tram Report

### Completed in August

- 1) Finished painting of speed bumps and lines
- 2) Completed weed spraying and trimming of all sides of traceway
- 3) Checked and cleared all culverts along Traceway
- 4) Cleared path to North side of earthen dam
- 5) Reviewed and marked all of Traceway roads problem areas (with Mark Mitchell)
- 6) Reviewed South Dam access (Committee formed)
- 7) Added asphalt shingles to school steps and stepping bridges at South exit

### Upcoming September

- 1) Traceway road problem areas repaired. Getting bid from Mark Mitchell
- 2) Seal crack traceway (by end of the year)
- 3) Confirm color and schedule for gate house painting.
- 4) Power wash vinyl fence and sidewalks at gatehouse.
- 5) Clear weed along guardrail Rt. 87
- 6) Spraying Kudzu at South Exit
- 7) Start planning layout for South exit.

## TRACE LAKE AND DAM COMMITTEE REPORT

September 2020

The formation of the TLDC authorized by the CTA Directors is comprised by: David Smoak (chair), Steve Bolstridge, Bill Huggins, Gaith Alkadi, Lee Amcher and Libby Bibb. Ernie Violon and Roger Brown will be used as occasional consultants.

The primary objective of the committee right now is to provide access to Escalante property so that much-needed maintenance can be provided. On the north side of the dam, a lot of overgrowth was cleared by Ron Moeller and Ernie Violon and maintenance work by Escalante can proceed immediately, although a permanent easement through private property is still sought as a guaranteed access for the future.

After several on-site visits on the south side of the dam by most committee members, an empty lot was chosen as the best option to initially pursue. The lot owner was contacted and the outline of an agreement was agreed in principle that would provide an easement through his lot to the strip of Hidden Lake property adjoining numerous lots that was previously used by Escalante maintenance personnel. The owner was actually planning on building a home on the lot in the near future anyways.

A final decision to pursue this lot for access has not been made. A survey of the lot and estimates for the improvements required must be made. An initial budget of \$800 is requested from the CTA Directors to mark several property boundaries is requested. In general, the steps for access to the south side is planned thus:

1. Survey property
2. Present estimates of cost/cost share to CTA Directors for approval
3. Purchase easements between Escalante and various property owners (not CTA!), this would include the north side of the dam also.
4. Supervise property access work to completion
5. Coordinate/liaison Escalante work in the dam area.

As always this plan is subject to change based on circumstances. There are other goals for this TLDC to complete, but without access to the dam property by heavy equipment, nothing else can be accomplished.

Trace Lake and Dam Committee

# CTA 2021 Budget Proposal

## Introduction:

The Finance Committee has received input from the CTA Committees and the Directors regarding projected expenses and projects needed to maintain and improve CTA assets in 2021.

The Finance Committee reviewed the current Budget and the expected financial situation of CTA at the end of 2020 and prepared a proposed budget for 2021. The basis of the proposed budget rests with the following principles:

- It is the goal of the Finance Committee to maintain the soundness of CTA financial situation.
- The proposed 2021 projects will ensure that our capital assets are well maintained and will reduce the need for larger investments in the near future.
- CTA has wisely enhanced its finances by properly funding reserve accounts and those funds are used for the proper purpose.
- Limiting or eliminating an increase in the assessments was a guiding principle for the Finance Committee as well as for the CTA Executive Committee.

## Current Financial Balances

	Jul 31, 20	Jun 30, 20	\$ Change	Comments
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
Business Checking ****9106	235,313.34	180,480.16	54,833.18	
Business Checking MMkt ****6807	95,938.59	93,637.71	2,300.88	
CTA POA Legal ****7347	5,091.60	3,947.60	1,144.00	
CTA POS ***1504	4,000.00	4,000.00	0.00	
Clearing Account	0.00	0.00	0.00	
CTA CD 5 ****4058 10/6/20 \$51K	50,990.25	50,990.25	0.00	
CTA CD 6 ****4065 10/6/20 \$200K	200,555.70	200,555.70	0.00	
CTA CD 7 ****8688 1/27/21 25K	25,262.52	0.00	25,262.52	
CTA CD 8 ****8751 1/27/21 50K	50,446.28	0.00	50,446.28	
<b>Total Checking/Savings</b>	<b>667,598.28</b>	<b>608,873.94</b>	<b>58,724.34</b>	
Accounts Receivable	0.00	0.00	0.00	
Other Current Assets	0.00	0.00	0.00	
<b>Total Current Assets</b>	<b>667,598.28</b>	<b>608,873.94</b>	<b>58,724.34</b>	
<b>TOTAL ASSETS</b>	<b>667,598.28</b>	<b>608,873.94</b>	<b>58,724.34</b>	
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	0.00	0.00	0.00	
Other Current Liabilities	1,170.51	1,441.71	-271.20	Credit Card Balances
<b>Total Current Liabilities</b>	<b>1,170.51</b>	<b>1,441.71</b>	<b>-271.20</b>	
<b>Total Liabilities</b>	<b>1,170.51</b>	<b>1,441.71</b>	<b>-271.20</b>	
<b>Equity</b>				
30100 · Reserve Fund				
30120 · Traceway Upgrades	55,000.00	55,000.00	0.00	
30110 · General Reserve	380,410.31	380,410.31	0.00	
<b>Total 30100 · Reserve Fund</b>	<b>435,410.31</b>	<b>435,410.31</b>	<b>0.00</b>	
<b>Total Equity</b>	<b>435,410.31</b>	<b>435,410.31</b>	<b>0.00</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>436,580.82</b>	<b>436,852.02</b>	<b>-271.20</b>	

At the end of 2020 we are expecting to add \$70,000 to the Traceway Upgrades Fund and \$55,000 to the General Reserve Fund for a total Reserve Balance of \$560,000.

## 2021 Budget

The projects budgeted for 2021 are:

Project	Cost
Traceway Sealing	\$ 130,000.00
Stonegate Culvert	\$ 70,000.00
South Gate	\$ 34,653.00
Main Gate Reader	\$ 6,000.00

The proposed 2021 Budget is:

2021 Carolina Trace Association, Inc Budget					
INCOME	2021 Budget	YTD 6/30/20	2020 Budget	Nts	Notes
POA Assessments (Non Capital Projects)	\$506,750	\$410,475	\$506,750		
Permits / E-Sticker-Contractor/CC	\$12,420	\$10,095	\$12,420		
Renter/Resident E-Sticker Pur/Dep	\$18,000	\$18,320	\$4,500		
POA Property/Pool Insurance Payments	\$10,000	\$9,105	\$12,000		
Interest Inc	\$1,220	\$3,767	\$1,220		
Other Income	\$500	\$2,353	\$0		
<b>Total Operating Income</b>	<b>\$548,890</b>	<b>\$454,115</b>	<b>\$536,890</b>		
Road Maintenance Reserve	\$120,000	\$70,000	\$70,000		\$70,000 from 2021 Improvements and
CY Budgeted Improvements	\$105,875	\$52,000	\$52,000		\$50,000 from Traceway Reserve
CY Reserve	\$0	\$20,470	\$53,875		
<b>Total CTA Infrastructure Improvements</b>	<b>\$225,875</b>	<b>\$142,470</b>	<b>\$175,875</b>		
<b>TOTAL INCOME</b>	<b>\$774,765</b>	<b>\$596,585</b>	<b>\$712,765</b>		
<b>OPERATING EXPENSES</b>					
<b>General Admin. Expenses</b>					
Accounting Fees	\$6,500	\$2	\$6,500		
Board Training	\$500	\$210	\$0		
Boat Ramp	\$2,590	\$2,485	\$2,590		
Computer	\$0	\$0	\$830		
E-Sticker Deposit Return	\$900	\$300	\$0		
Financial Charges	\$100	\$151	\$0		
Insurance	\$36,572	\$36,961	\$36,572		
Miscellaneous Expenses	\$200	\$230	\$0		
Printing/Postage/Shippng	\$100	\$0	\$520		
Professional/Legal Fees	\$200	\$0	\$0		
Waste/Trash Disposal Fee	\$360	\$240	\$360		
Web Presence	\$100	\$20	\$0		
<b>Total Admin Expenses</b>	<b>\$48,122</b>	<b>\$40,599</b>	<b>\$47,372</b>		



<b>Roads &amp; Grounds</b>								
Drainage Maintenance & Repair	\$90,000	\$47,315	\$58,630		\$20,000 + \$70,000 for Stonegate Culvert			
Landscaping/Beautification	\$18,630	\$11,908	\$18,630					
Mowing and Weed Control	\$40,240	\$20,400	\$40,240					
Road Maintenance & Repair	\$167,260	\$34,556	\$37,260		\$37,260 + \$130,000 for Traceway resurfacing			
Sprinkler Maintenance	\$620	\$0	\$620					
Storm Clean-up	\$8,280	\$1,825	\$8,280					
Tree trimming/removal/pruning	\$8,690	\$2,625	\$8,690					
<b>Total Roads &amp; Grounds</b>	<b>\$333,720</b>	<b>\$118,629</b>	<b>\$172,350</b>					
<b>Safety &amp; Security</b>								
CERT Supplies	\$2,480	\$859	\$2,480					
E-Stickers Purchase	\$6,000	\$0	\$12,150					
Gate/Gatehouse Maintenance	\$12,000	\$2,322	\$10,350		\$6,000 + \$6,000 for RFID Reader in Front Gate			
Gatehouse Supplies	\$2,400	\$4,233	\$2,400					
Security Cameras/Recorder	\$1,000	\$1,427	\$0					
Contracted IT Support	\$3,000				Cost of IT contractor/ Add Line Item to Security			
Security Contract	\$303,188	\$174,752	\$303,188					
Utilities								
Utilities/Non Internet	\$12,000	\$6,668	\$14,000					
Utilities/Internet and Video	\$9,000	\$4,067	\$8,000		Includes \$1,190 for IT support. Budgeted separately in 2021.			
Total Utilities	\$22,000	\$10,735	\$22,000					
<b>Total Safety &amp; Security</b>	<b>\$352,068</b>	<b>\$194,327</b>	<b>\$352,568</b>					
<b>South Gate Upgrade</b>								
Landscaping		\$1,900						
Paving/Paving Prep		\$6,593						
Security/Signs/Safety		\$1,850						
Structures		\$1,658						
<b>Total South Gate</b>	<b>\$35,000</b>	<b>\$12,001</b>	<b>\$12,000</b>					
<b>Total Operating Expense</b>	<b>\$768,910</b>	<b>\$365,556</b>	<b>\$584,290</b>					
<b>Equity carried forward to NY Reserve</b>	<b>\$5,855</b>		<b>\$128,475</b>					

The proposed budget is supported by the following assessments based on the 2019 Census. Values will be updated when we compile the 2020 Census.

	Assessed Lots						
	2021 Budget	2020 Census	Data as of 10/6/19				
<b>Lot Assessment Type</b>	Unimproved	Improved	Total				
<b>Number of Assessed Lots</b>	787	1,558	2345				
<b>Assessment for Operations (6:1)</b>	\$50.00	\$300.00	\$506,750				
<b>Assessment Long Range Planning (1:1)</b>	\$75.00	\$75.00	\$175,875				
<b>Total Assessment</b>	\$125.00	\$375.00	\$682,625				
<b>Assessment Increase for 2020</b>	0%	0%					
	Assessment Updated 9/3/19						

The proposed budget allocates \$70,000 from 2021 income and \$50,000 from the Traceway Reserve Fund to Roads and Grounds to complete the resurfacing of Traceway.

Assuming no extraordinary expenses, the Reserve Funds will show:

<b>Reserve Funds</b>			
	<b>Current</b>	<b>Expected 20/12</b>	<b>Expected 21/12</b>
30120 · Traceway Upgrades	\$ 55,000.00	\$ 125,000.00	\$ 75,000.00
30110 · General Reserve	\$ 380,410.31	\$ 435,000.00	\$ 441,000.00
<b>Total Reserves</b>	<b>\$ 435,410.31</b>	<b>\$ 560,000.00</b>	<b>\$ 516,000.00</b>

We respectfully submit this budget for the Directors' approval.

CTA Finance Committee

Oscar Roberto, Treasurer

Ed Nelson, Assistant Treasurer

Mike McDonald, CTA Director

Nate Mahaney, CTA Alt. Director

Cal Saltzman; CTA Vice President and CTA Alt. Director

Updated 8/1/20