



October 28, 2021

SEDGEFIELD HOME OWNERS ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES, FINANCIAL STATEMENTS, AND
ACCOMPLISHMENTS
OCTOBER 2021

October 12, 2021

Present: Dave Willis, Tessa Faddis, Dennis Smith, Dave Teesdale, Scott Wenger, Cortney Wanca, Brian Loveday

Meeting Location: Board Member's Residence, 7:00 p.m.

1. Discussion & Motions

Board agreed to follow Robert's Rules of Order for running meetings.

MOTION: David Teesdale Approve meeting minutes from September

SECOND: Cortney Wanca VOTE: Unanimous Aye

DISCUSSION: Tessa reviewed financial statements. 136 of the 138 homes have paid annual dues through September. A reminder will be sent to residents about paying dues. Majority of expenses in September were related to standard operating expenses including landscaping/mowing, trimming, pool cleaning, entrance signs paint, and miscellaneous repairs at tennis courts.

MOTION: Dave Willis. Approve financials SECOND: David Teesdale VOTE: Unanimous Aye

DISCUSSION: Pool furniture costs are being monitored and will probably be purchased in December time frame.

DISCUSSION: Cortney- Purchased web hosting for the HOA for four years for \$120. Cortney is developing the site. The website name needs to be renewed each year.

DISCUSSION: Scott Wenger – Pickleball court patching is complete. If cracks migrate to portions of court with a different color additional colors of paint will be required.

DISCUSSION: Dave Willis – Conformed annual meeting will be January 23, 2022 at 2 PM at Christ Covenant Church.

DISCUSSION: A quote from Rural Metro website was obtained to cover pool house if there is a fire. The premium is \$33.07. Tessa will follow up to verify premium.

MOTION: Dave Willis. Add Rural Metro fire protection for the pool house (316 Sweetgum Dr.) for under \$100 per year. SECOND: David Teesdale VOTE: Unanimous Aye

DISCUSSION: Pool repairs needed- caulking between tiles and deck caps, underwater light anchor clips, and phone outage.

DISCUSSION: A Traffic Calming Application will be submitted to the Town of Farragut on October 14, 2021.

DISCUSSION: 2020 Sedgefield Audit was delivered to the Board. John Stegner, Tom Hilton, and Cortney Wanca performed the audit. The books were found to be in good order even though two small exceptions were found and detailed in the audit report.

DISCUSSION: Cortney Wanca requested the board continue to make every effort possible to conduct all non-emergency business within a meeting that has been called to order with a quorum of board members, and follows the motion, second, discussion, and voting procedures according to Robert's Rules of Order.

DISCUSSION: Procedure for issuing emails to residents.

MOTION: Cortney Wanca - Communication from the Board to the residents with the Board's name attached should be made with majority approval from Board members. An individual Board member can issue an individual e-mail with their signature. SECOND: Dave Willis. VOTE: Unanimously approved.

DISCUSSION: Soliciting feedback from entire neighborhood via surveys/polls. Cortney Wanca suggested using electronic means to survey the neighborhood rather than relying only on communication from individual members.

2. Committee Reports

PRESIDENT/VICE PRESIDENT: No updates

SECRETARY: No updates

LANDSCAPING: Brain Loveday. Need more residents to volunteer to be on Landscaping Committee.

RECREATION: New water flow meter purchased and installed at pool. Water at pool house will be turned off and winterized in November.

ADVISORY: No updates.

AUDIT: Audit completed and submitted.

BRICK ENTRANCES: No updates.

BUDGET: Each committee needs to prepare a detailed cost estimate of planned events or activities.

WELCOMING: No updates

DECORATING: Committee would like to hang flag signs from Watt Road light poles. No decision made.

SOCIAL: Will have a Halloween parade on Mapletree Drive and will be led by a Rural Metro fire truck.

Action Items

Discuss HOA's Mission Statement and Objectives

Discuss weed management solutions in common grounds.

Discuss grading criteria for Yard of the Month with current committee.

Hold next HOA Board meeting on November 9, 2021 at 7:00 P.M.

MOTION: Dave Willis - Move to adjourn meeting at 9:12 P.M.

SECOND: David Teesdale

VOTE: Unanimous AYE

3. Accomplishments

Patched cracks on the pickleball courts.

4. Miscellaneous

Please submit any external home or property improvement proposals to the Advisory Committee for approval as stated in the Sedgefield Covenants & Restrictions, Article XIII. The form is available on the SHOA website.

<https://sedgefieldhoa.com>

The By Laws, Declaration of Covenants and Restrictions, Forms, and Residents Directory are available on the SHOA website. <https://sedgefieldhoa.com>

Sedgefield Homeowners Association
Income Statement - Summary
October 31, 2021

	Current <u>Actual</u>	YTD <u>Actual</u>	Annual <u>Budget</u>	Budget \$'s <u>Remaining</u>	% of Budget <u>Rec/Spent</u>
Opening Balance 10/1/2021	37,967	28,491	28,491	NA	NA
Total Income	310	40,512	41,150	638	98.9%
Total Operating Expenses	2,129	24,004	33,125	9,121	72.5%
Total Capital Projects	-	8,851	11,000	2,149	80.9%
Total Expenses	<u>2,129</u>	<u>32,856</u>	<u>44,125</u>	<u>11,269</u>	<u>74.9%</u>
Net Income	<u>(1,819)</u>	<u>7,657</u>	<u>(2,975)</u>	<u>10,632</u>	<u>-138.9%</u>
Ending Bank Balance	<u>36,148</u>	<u>36,148</u>	<u>25,516</u>	<u>10,632</u>	<u>29.4%</u>

Comments: There are 2 homes that have dues outstanding. The board has formally reached out to the remaining homes to collect 2021 dues and will continue to work with the remaining homeowners to collect dues and late fees.

Expenses: Majority of costs in October were related to standard operating expenses - mowing and pool closing. We secured domain and web hosting for the subdivision website. The Social Committee hosted a Halloween event and chili cookoff.

Other Comments: As of November, 1 homeowner has paid, leaving 1 home with outstanding dues for 2021. We are working with the remaining homeowner to collect dues. We continue to track under budget for 2021. We have initiated the planning process for 2022 and are working with the different committees to identify projects and maintenance items that need to be addressed in 2022 - 2025.

Respectfully submitted, Tessa Faddis

Sedgefield HOA Treasurer

Reconciliation: SmartBank Checking Account

Book Bal	<u>13,807.48</u>
Bank Bal	17,203.10
OS Items:	
1384	300.00
1388	115.91
1389	527.75
1390	675.00
1391	50.71
1392	8.75
1393	136.32
1394	593.09
1395	137.67
1396	800.00
1397	50.42
Total OS	<u>3,395.62</u>
Adj Bank	<u>13,807.48</u>
Recon Diff	<u>-</u>

SmartBank Savings Account

Book Bal	<u>22,303.40</u>	Totals	
Bank Bal	22,303.40		<u>36,110.88</u>
OS Items:			39,506.50
1384	300.00	-	300.00
1388	115.91	-	115.91
1389	527.75	-	527.75
1390	675.00	-	675.00
1391	50.71	-	50.71
1392	8.75	-	8.75
1393	136.32	-	136.32
1394	593.09	-	593.09
1395	137.67	-	137.67
1396	800.00	-	800.00
1397	50.42	-	50.42
Total OS	-	-	<u>3,395.62</u>
Adj Bank	<u>22,303.40</u>		<u>36,110.88</u>
Recon Diff	<u>-</u>		<u>-</u>

Sedgefield Homeowners Association
Income Statement -Detailed
October 31, 2021

	<u>Current Actual</u>	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Budget \$'s Remaining</u>	<u>% of Budget Rec/Spent</u>
Opening Book/ Bank Balance	37,966.70	28,491.42	28,491.42	NA	NA
Income:					
Dues - Payment received	300.00	40,800.00	41,400.00	(600.00)	97.83%
Write off dues/ half off drawing		(300.00)	(300.00)	-	100.00%
Newsletter Advertising		-	-	-	
Interest/Other Income	0.14	2.20	50.00	(47.80)	4.40%
Late Fees	10.00	10.00	-	10.00	
Total Income	310.14	40,512.20	41,150.00	(637.80)	98.45%
Operating Expenses:					
Business:					
Bank Lock Box	10.00	100.00	120.00	20.00	83.33%
Bank Charges	-	8.00	25.00	17.00	0.00%
Total Bank Expenses	10.00	108.00	145.00	37.00	74.48%
Insurance	-	2,141.00	2,500.00	359.00	85.64%
Legal	-	500.00	1,500.00	1,000.00	33.33%
Office Supplies	8.75	304.29	700.00	395.71	43.47%
Pool Permit	-	340.00	350.00	10.00	97.14%
TN State Annual Report	-	20.46	50.00	29.54	40.92%
Other Expense	136.32	149.89	100.00	(49.89)	0.00%
Total Business Expenses	145.07	3,455.64	5,200.00	1,744.36	66.45%
Landscaping:					
Mowing/Spraying	800.00	6,040.89	6,400.00	359.11	94.39%
Trimming/Mulching/Weeding	-	3,532.46	5,230.00	1,697.54	67.54%
Total Landscaping	800.00	9,573.35	11,630.00	2,056.65	82.32%
Social Events	137.67	517.02	1,000.00	482.98	51.70%
Decorations	-	-	300.00	300.00	0.00%
Pool:					
Labor and Maintenance	496.61	4,182.72	5,000.00	817.28	83.65%
Supplies	96.48	2,141.22	2,500.00	358.78	85.65%
Total Pool	593.09	6,323.94	7,500.00	1,176.06	84.32%
Repairs:					
Electric	-	-	2,000.00	2,000.00	0.00%
Misc. Repairs	-	868.79	1,000.00	131.21	86.88%
Total Repairs	-	868.79	3,000.00	2,131.21	28.96%
Utilities:					
Electric - LCUB	354.76	2,093.77	2,700.00	606.23	77.55%
Phone - TDS	50.71	325.15	300.00	(25.15)	108.38%
Water - First Utility	37.62	738.79	1,350.00	611.21	54.73%
	443.09	3,157.71	4,350.00	1,192.29	72.59%
Total Operating Expenses	2,128.92	24,004.45	33,125.00	8,820.55	72.47%
Operating Income or Loss	(1,818.78)	16,507.75	8,025.00	8,482.75	72.47%
Capital Projects:					
Pool Projects	-	2,482.94	7,000.00	4,517.06	35.47%
Landscaping Projects	-	1,909.33	3,500.00	1,590.67	54.55%
Other Capital Projects	-	4,458.98	500.00	(3,958.98)	891.80%
Total Capital Projects	-	8,851.25	11,000.00	2,148.75	80.47%
Net Income	(1,818.78)	7,656.50	(2,975.00)	10,631.50	NA
Ending Bank Balance	36,147.92	36,147.92	25,516.42	10,631.50	NA

Sedgefield Homeowners Association (SHOA) 2020 Audit Summary - Final

September 2021

Audit committee consists of a Board Member and two other SHOA residents in accordance with SHOA By- Laws.

Auditors: Cortney Wanca, Tom Hilton, and John Stegner

John Stegner was the lead auditor. He reviewed the bank statements and reconciliations, financial statements, tax return and other related documents.

Cortney Wanca (Board Member) reviewed all of the expenses.

Tom Hilton reviewed the dues and bank deposits.

Audit Summary:

Tom Hilton reviewed the deposits and found no exceptions. All SHOA homeowners paid their dues for 2020.

Cortney Wanca reviewed the expenses. The exceptions are noted below.

- Check # 1327 was overpaid by \$.06.
- Check # 1291 was overpaid by \$3.01. Payment request was approved by the treasurer.

The following checks did not have the invoice attached.

- Check # 's 1300,1308,1319,1328, and 1333 did not have invoices attached to the payment. These invoices were located in John Stegner's email or sent by Brian Friske to Cortney Wanca. The amount of these invoices totaled \$7,125.
- Check # 1312 for \$800.00 Silver Landscaping no invoice or payment request form was found. The associated Invoice # 1678 located in John Stegner's email.

John Stegner reviewed the financial statements. Financial Statement for December 31, 2020 was reviewed and tied back to the year-end bank statements. Monthly statements were not reviewed.

The bank statements for all twelve months were received and reviewed.

Bank reconciliations were provided for each month but were not reviewed.

Two signatures were found on all checks.

State of Tennessee annual report was completed and filed on time.

Pool permit was paid to the Knox County Health Department in February for 2020.

All 1099's filed properly and by the end of January 2021 for tax year 2020.

Federal Tax return filed on time and taxes paid for 2020.

Insurance policy reviewed and current premium paid on time and discount taken.
The discount for 2020 is \$234 annually.

Recommendations:

A complete printed file of monthly financial statements, bank statements, and bank reconciliations should be provided to audit team each year.

All payments should have attached supporting documents. This should include the request for payment, invoice, and the third part of the check stub. Checks should not be issued if these documents do not exist.

The treasurer should obtain a third party for approval of expenses. Several expenses were approved by the treasurer who is also a check signer. This is an important safeguard and a check on the treasurer.

Final Comment:

The financial condition of the SHOA was strong at the end of 2020 and except for two small expense items the books were in good order.

Respectfully submitted on behalf of the audit team,
John Stegner, Sedgefield HOA Resident