

# CAROLINA TRACE ASSOCIATION

[www.carolinatrace.org](http://www.carolinatrace.org)

Minutes of CTA Board of Directors Meeting – August 1, 2023 (held via Zoom)

## DIRECTORS or ALTERNATES (# of voting lots)

Eagles Nest (62)	Jennifer Williams	Highland Woods (44)	absent	South Landing (138)	Joe Zanga
Golf East (82)	David Hardman	Lakewood (47)	Charles Wick	Southwind (154)	Rachel Butcher
Golf North (137)	Mary Wild	Laurel Thicket (246)	Dottie Gilbert	Stonegate (44)	Art Beaman
Golf West (45)	Fern Jeremiah	Mallard Cove (194)	Greg Burke	Village at Trace (36)	Tom Boerger
Harbor Creek (154)	Ernie Patterson	North Shore (311)	Bill Glance	Woodfield (70)	Elaine Bednarcik
Hidden Lake (236)	Ken Harden	Sedgemoor (168)	Lisa Roberts	Woodmere/Trentwood (230)	Amanda Reible

## OFFICERS

President and Chair of the Executive Committee	Kate Woods
Vice President and Chair of the Security and Safety Committee	Burton Witaschek
Treasurer and Chair of the Finance Committee Assistant Treasurer	Candace Cochran Dave Thomas
Secretary	Sharon Sheldon

## COMMITTEE CHAIRS, GUESTS

Jeff Wennberg (Utilities)	Vince Roy (Utilities)	Randi Constant (guest, NSPOA)
Jeff Sheldon (guest, NSPOA)	Libby Bibb (TUFF)	Rod Loss (TRAM)
Paul Zizzo (guest, HLPOA)		Grant Gilbert (Membership, CTCC)

**Total Attendance: 30** (Quorum = 2/3 directors (i.e., 12 POAs), and any affirmative vote must represent 51% of all POA lots as per the 2022 census)

**CALL TO ORDER** - Having noted the presence of a quorum, Kate Woods, CTA President, called the meeting to order at 7:00 p.m.

**APPROVAL OF MINUTES** – The July 5, 2023 minutes were unanimously approved as submitted.

## **GROUPS**

**CTCC** – Grant Gilbert, Membership

- The community ‘Cars and Clubs’ event was attended by 60-70 with a good collection of cars.
- CTCC would like to host this quarterly; shine up your classics and watch for the next one.

**UTILITY REPORT** – Vince Roy, written report (pending)

- CWS had issues with those paying by personal check; dunning notices were sent but the issue has been corrected and appropriate apologies made.
- CT was represented by Vince at the recent public hearing (which was limited to 20 total from CWS customers)
- AARP newsletter reported on the rising cost of water; some communities are worse off than CT. (Secretary’s note – here’s the link: <https://www.aarp.org/money/budgeting-saving/info-2023/why-your-water-bill-keeps-rising.html>)

**CT FIRE DEPARTMENT** - Chief Chris Meyers, absent, no report

- Questions for the Chief can be sent to the secretary

**PRESIDENT’S REMARKS** - Kate Woods, written report

- No discussion

**FINANCIAL REPORT** - Candace Cochran, Treasurer, written report

- Candace’s last day as Treasurer is August 2, 2023. The Board thanks Candace for the two years of work, especially in light of organizing the files that she took over following a bumpy period of revolving volunteers.
- All finances are up to date (accounts receivable, payable)
- Treasurer’s laptop has been turned over to Kate Woods for the next Treasurer
- 2024 Budget Draft – Dave Thomas
  - After a review of pertinent questions and a detailed discussion, the Board voted on an amended budget to be sent back to the POAs for review (motion by Ken Harden (HLPOA), seconded by Joe Zanga (SLPOA)). It is anticipated the 2024 budget will be voted on at the September 5 in-person CTA Board meeting.
  - The Board requested the points raised during budget discussion be placed in writing and shared with the Board members for their use in explaining the budget to the POAs. (Secretary’s note: That document has been created and shared; it is also attached to these minutes).

**SECRETARY** - Sharon Sheldon, written report

- No discussion

## **COMMITTEE REPORTS**

### **SECURITY & SAFETY (S&S) – Burt Witaschek, written report**

- No discussion

### **TRACEWAY ROADS AND MAINTENANCE (TRAM) – Ernie Patterson, no written report**

- Bradford Pear ad hoc discussion will occur at the August 14 town hall.

### **TRACE LAKE AND DAM COMMITTEE (TLDC)- Kate Woods, Chair, written report**

- August 10 is the next hydrilla treatment.
- The leaking valve at the dam has not been resolved.

## **OLD BUSINESS**

- Results of 2020, 2021 and 2022 audits – the financial audits show no improprieties; report packet attached to these minutes.
- North Gate restriping has been completed. TRAM volunteers met with the contractor on two different Sundays to get this resolved.
- Bradford/Callery Pear Tree Townhall is August 14, 6:00 p.m. at CTCC.

## **NEW BUSINESS:**

- Art Beaman (SGPOA) submitted a motion in support of rebating back to the POAs the difference between the original 2023 contract with SPA vs the renegotiated 2023 contract, which has resulted in a reduction of amounts payable to SPA for the remainder of this year.
  - SGPOA expressed a concern as to whether CTA was legally obligated to return funds. Discussion by Board members reflected that budgets are fluid from year to year, overages in expenditures in a budget category rarely require special assessments, and expenditures can vary within a budget over the course of a year. The census is provided by each POA and the yearly assessments are decided with the budget vote.
  - A review of the bylaws did not reveal any requirement for CTA to refund assessments to the POAs due reductions in anticipated expenditures.
  - The motion referenced \$17,500, but it is not clear how those figures were calculated.
  - It was suggested that a better use of this budget savings would be to provide a down payment in 2023 toward the visitor pass system that is proposed with the 2024 budget, as these are all approved security line items if the proposed budget passes at the September Board meeting.
  - Art Beaman (SGPOA) retracted the motion and proposed a new motion that would ask for research into whether CTA is legally obligated to refund the difference if a contract is renegotiated mid-year at reduced cost. This was seconded by Joe Zanga (SLPOA). 14 of the 17 POAs present voted against this motion.
- Art Beaman (SGPOA) submitted a motion in support of adding the Stonegate/Traceway drainage issue that was previously addressed by volunteers in 2019 to now be addressed by drainage and engineering experts.

- TRAM mentioned that this actually is being addressed in the 2024 budget. There is a belief that this is an upstream mitigation issue. TRAM would like to address that with Escalante first and determine the upstream issues, then work on the paving near this area, with the pond work being the last on the list. Reasoning is that inspection during recent heavy rains showed the water was not flooding across Traceway as it did in the past
- The motion was submitted by Art Beaman (SGPOA) but no second.
- Art Beaman (SGPOA) submitted an amended revised motion that was seconded by Joe Zanga (SLPOA), to add at the end of his original motion, “TRAM repaving and upstream mitigation prior to Stonegate pond drainage issues.” Question was called, and revised motion approved unanimously by the Board.

## CALENDAR

- **Bradford/Callery Pear Town Hall** – August 14, 6-7:30 p.m. at CTCC. Open invitation to CT residents.
- **Next CTA Meeting** – September 5 (CTA BOD Meeting) – Please note THIS IS AN IN-PERSON MEETING at the CTCC Ballroom. CTA has no plans to allow Zoom participation in this meeting. CTA Directors should contact the President or the Secretary if this is a concern. It is anticipated that CTA BOD will vote on the 2024 budget.

**ADJOURNMENT** – Following a motion by Bill Glance (NSPOA) and seconded by Charles Wick (LWPOA), the meeting was adjourned by the President at 9:07 p.m.

Respectfully submitted,

Sharon Sheldon, Secretary  
Carolina Trace Association

## REPORTS AND OTHER ATTACHMENTS

- President’s Remarks
- Financial Reports
- Audit Results for 2020, 2021 and 2022
- Communications Report
- Security & Safety Report (CERT)
- TLDC Report
- 2024 Budget v1
- Stonegate POA Motion to Rebate SPA Contract Overage for Q4
- Stonegate POA Motion to Add Traceway N/Stonegate Drainage Issue to 2024 Budget

# August 1, 2023 CTA Board Meeting Reports and Attachments

*Secretary's Note:* due to the unusual number of pages for this month's reports, the following is a table of contents for help with navigation.

- Sharon Sheldon

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## President's Remarks August 2023

1. I have confirmed our Nominating Committee for this year. CTA Director from Golf West and veteran Nominating Committee member Debbie Betts has agreed to serve this year. CTA Director from VTPOA, Tom Boerger has agreed to serve this year. CTA Alternate Director from Hidden Lakes, Paul Zizzo has agreed to serve this year as well. I thank them for volunteering their time to the important duty of confirming and selecting next year's officer nominees.
2. It has come to my attention that the developer who proposed the Swanny Lake RV park has applied for a special use permit in order to circumvent the County Commissioners denial of his rezoning request. This special use permit, if granted, will allow him to develop without the normal restrictions and protections imposed by county planning and zoning. There will be a hearing this month where we will again present CTA's environmental concerns surrounding this proposed development.
3. I would like to remind everyone that there will be a town hall on August 14<sup>th</sup> at 6pm at the Country Club about the Bradford Pear Tree plans. I urge Directors and residents to attend so they can voice their opinions on proposed plans and so that we as a community can stay as informed as possible on the proceedings.

# Carolina Trace Association

## Balance Sheet Comparison

As of June 30, 2023

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Business Checking ****9106	258,676.80
Business Money Market (6807) - 1	70,212.21
POS Account (1504) -1	3,567.95
<b>Total Bank Accounts</b>	<b>\$332,456.96</b>
Accounts Receivable	
11000 Accounts Receivable	0.00
<b>Total Accounts Receivable</b>	<b>\$0.00</b>
Other Current Assets	
12000 Undeposited Funds	3,421.25
CDAR ***0014 11/3/2022 \$100k	100,264.63
CDAR ***2181 11/03/2022 \$75k	75,003.74
CDAR ***3944 11/10/2022 \$50k	50,000.00
CDAR ***3952 11/10/2022 \$50k	50,000.00
CDAR ***8215 11/03/2022 \$50k	50,000.00
CDAR ***8273 \$100k	100,158.44
CDAR 100,279.63 (deleted)	-100,158.44
CDARS ****1822 - 21/08/05 (deleted)	100,062.34
CDARS ****5015 2/3/22 (deleted)	-100,158.44
CDARS ****6998 - 22/02/03 (deleted)	72.26
CTA CDARS2 ****2834 - 21/05/06 (deleted)	100,000.00
<b>Total Other Current Assets</b>	<b>\$428,665.78</b>
<b>Total Current Assets</b>	<b>\$761,122.74</b>
<b>TOTAL ASSETS</b>	<b>\$761,122.74</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Kate Woods (2889) -1	27.50
Penny Turner (6741) -1	-15.99
Robert Violon (5180) -1	-317.72
<b>Total Credit Cards</b>	<b>\$ -306.21</b>
<b>Total Current Liabilities</b>	<b>\$ -306.21</b>
<b>Total Liabilities</b>	<b>\$ -306.21</b>

# Carolina Trace Association

## Balance Sheet Comparison

As of June 30, 2023

	TOTAL
Equity	
30000 Opening Balance Equity	-95.88
30100 Reserve Fund	
30110 General Reserve	485,311.89
30120 Traceway Upgrades	125,000.00
<b>Total 30100 Reserve Fund</b>	<b>610,311.89</b>
32000 Unrestricted Net Assets	21,182.02
Net Income	130,030.92
<b>Total Equity</b>	<b>\$761,428.95</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$761,122.74</b>



# Carolina Trace Association

## Balance Sheet

As of August 1, 2023

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Business Checking ****9106	255,119.49
Business Money Market(6807)	70,271.86
POS Account(1504)	5,043.05
<b>Total Bank Accounts</b>	<b>\$330,434.40</b>
Accounts Receivable	
11000 Accounts Receivable	0.00
<b>Total Accounts Receivable</b>	<b>\$0.00</b>
Other Current Assets	
12000 Undeposited Funds	0.00
CDAR ***0014 11/3/2022 \$100k	100,264.63
CDAR ***2181 11/03/2022 \$75k	75,003.74
CDAR ***3944 11/10/2022 \$50k	50,000.00
CDAR ***3952 11/10/2022 \$50k	50,000.00
CDAR ***8215 11/03/2022 \$50k	50,000.00
CDAR ***8273 \$100k	100,158.44
CDAR 100,279.63 (deleted)	-100,158.44
CDARS ****1822 - 21/08/05 (deleted)	100,062.34
CDARS ****5015 2/3/22 (deleted)	-100,158.44
CDARS ****6998 - 22/02/03 (deleted)	72.26
CTA CDARS2 ****2834 - 21/05/06 (deleted)	100,000.00
<b>Total Other Current Assets</b>	<b>\$425,244.53</b>
<b>Total Current Assets</b>	<b>\$755,678.93</b>
<b>TOTAL ASSETS</b>	<b>\$755,678.93</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Kate Woods(2889)	3,172.00
Penny Turner(6741)	0.00
Robert Violon(5180)	0.00
<b>Total Credit Cards</b>	<b>\$3,172.00</b>
<b>Total Current Liabilities</b>	<b>\$3,172.00</b>
<b>Total Liabilities</b>	<b>\$3,172.00</b>

# Carolina Trace Association

## Balance Sheet

As of August 1, 2023

	TOTAL
Equity	
30000 Opening Balance Equity	-10,113.54
30100 Reserve Fund	
30110 General Reserve	485,311.89
30120 Traceway Upgrades	125,000.00
<b>Total 30100 Reserve Fund</b>	<b>610,311.89</b>
32000 Unrestricted Net Assets	21,182.02
Net Income	131,126.56
<b>Total Equity</b>	<b>\$752,506.93</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$755,678.93</b>

# Carolina Trace Association

## Profit and Loss Comparison

January 1 - August 1, 2023

	TOTAL	
	JAN 1 - AUG 1, 2023	JAN 1 - AUG 1, 2022 (PY)
Income		
49900 Uncategorized Income	65.00	
Income		
Assessments POA	567,775.50	539,054.25
E- Sticker Taxable		
E-Sticker - Cont/Vendr	13,030.30	8,670.31
<b>Total E- Sticker Taxable</b>	<b>13,030.30</b>	<b>8,670.31</b>
E-Sticker - Residents Non Txbl	18,780.25	14,401.05
E-Sticker Deposit		150.00
<b>Total E-Sticker - Residents Non Txbl</b>	<b>18,780.25</b>	<b>14,551.05</b>
Insurance Proceeds POA	10,481.20	11,585.70
Interest Income	240.62	21.40
Other Income	1,500.00	134.55
<b>Total Income</b>	<b>611,807.87</b>	<b>574,017.26</b>
Services	127.28	
Unapplied Cash Payment Income	46,678.79	38,128.75
<b>Total Income</b>	<b>\$658,678.94</b>	<b>\$612,146.01</b>
<b>GROSS PROFIT</b>	<b>\$658,678.94</b>	<b>\$612,146.01</b>
Expenses		
66900 Reconciliation Discrepancies		-329.90
Operating Expenses		167.07
General Admin Expenses	172.00	45.35
66910 Bank Service Charges	25.00	
Accounting Fees	15,000.00	
Boat Ramp		5,000.00
E-Sticker Deposit Return	100.00	150.00
Income Tax	59.90	1.95
Insurance	34,966.82	34,694.00
Miscellaneous Funds		1,885.65
Trash/Waste Disposal Fees	315.00	195.00
Web Presence	237.60	149.60
<b>Total General Admin Expenses</b>	<b>50,876.32</b>	<b>42,121.55</b>

# Carolina Trace Association

## Profit and Loss Comparison

January 1 - August 1, 2023

	TOTAL	
	JAN 1 - AUG 1, 2023	JAN 1 - AUG 1, 2022 (PY)
Roads & Grounds		101.41
Drainage Maintenance & Repair	14,088.88	10,511.95
Landscaping/Beautification	9,857.45	15,128.11
Long Range Planning		
Bridge(s) Inspection/Repairs	15,000.00	
Gate(s) Maintenance and Repair	1,690.00	
Lake Trace Maintenance		1,917.02
Large Truck Parking Pad	6,500.00	5,600.00
Major Road/Bridge Main/Repair	116,161.66	
North Gate (deleted)		15,069.87
Remaining Sealcoating (deleted)		17,669.73
Sign Island Erosion Control	25,000.00	
Traceway Road Expansion	20,000.00	
<b>Total Long Range Planning</b>	<b>184,351.66</b>	<b>40,256.62</b>
Mowing & Weed Control	25,669.00	27,200.00
Roadside Trash	300.00	900.00
Routine Road Maintenance & Repair	26,905.85	20,256.26
Sprinkler Maintenance	44.54	
Storm Clean-up	525.00	4,988.71
Tree Trimming/Removal/Pruning	1,300.00	2,927.62
<b>Total Roads &amp; Grounds</b>	<b>263,042.38</b>	<b>122,270.68</b>
Safety & Security		13,623.13
CERT Supplies	548.86	855.72
Computers	7,554.54	4,022.44
E-Sticker Purchase	9,045.43	9,068.98
Gate / Gatehouse Maintenance	1,212.37	1,221.03
Gate House Supplies	2,165.45	4,053.33
Security Camera/Recorder	11,343.12	4,197.80
Security Contract	166,833.15	187,494.22
Utilities	167.97	28.86
Utilities - Not Internet & Video		
Electricity 1621	3,322.94	2,278.53
Electricity 6357	486.06	672.14
Electricity 9609	225.46	217.71
Electricity 9633	634.29	511.70
Electricity 9837	5,349.56	5,015.65
Propane		34.10
Water & Sewer	1,669.05	717.89

# Carolina Trace Association

## Profit and Loss Comparison

January 1 - August 1, 2023

	TOTAL	
	JAN 1 - AUG 1, 2023	JAN 1 - AUG 1, 2022 (PY)
<b>Total Utilities - Not Internet&amp; Video</b>	<b>11,687.36</b>	<b>9,447.72</b>
Utilities Internet & Video		
Internet - MG	1,147.79	1,559.49
Internet - NG	839.82	1,214.79
Internet- SG	944.79	864.93
Telephone	140.00	957.04
<b>Total Utilities Internet &amp; Video</b>	<b>3,072.40</b>	<b>4,596.25</b>
<b>Total Utilities</b>	<b>14,927.73</b>	<b>14,072.83</b>
<b>Total Safety &amp; Security</b>	<b>213,630.65</b>	<b>238,609.48</b>
<b>Total Operating Expenses</b>	<b>527,549.35</b>	<b>403,168.78</b>
Unapplied Cash Bill Payment Expense	3.03	0.00
<b>Total Expenses</b>	<b>\$527,552.38</b>	<b>\$402,838.88</b>
NET OPERATING INCOME	<b>\$131,126.56</b>	<b>\$209,307.13</b>
NET INCOME	<b>\$131,126.56</b>	<b>\$209,307.13</b>

Carolina Trace Association

Business Checking \*\*\*\*9106, Period Ending 07/31/2023

RECONCILIATION REPORT

Reconciled on: 08/01/2023

Reconciled by: ctatreasu@gmail.com

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	172,466.86
Checks and payments cleared (43).....	-38,627.46
Deposits and other credits cleared (12).....	149,417.29
Statement ending balance.....	<u>283,256.69</u>
Uncleared transactions as of 07/31/2023.....	-1,996.02
Register balance as of 07/31/2023.....	281,260.67
Cleared transactions after 07/31/2023.....	0.00
Uncleared transactions after 07/31/2023.....	-26,141.18
Register balance as of 08/01/2023.....	255,119.49

Details

Checks and payments cleared (43)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/23/2023	Transfer			-590.96
05/25/2023	Transfer			-554.82
05/25/2023	Transfer			-15.99
05/30/2023	Bill Payment	AutoPay	Duke Energy - 7763-4977	-607.86
05/30/2023	Bill Payment	AutoPay	Spectrum - SG - 5220	-134.97
05/30/2023	Bill Payment	BankCheck	Ron Moeller	-89.64
05/30/2023	Bill Payment	BankCheck	Walls Lawn Care	-3,990.00
05/30/2023	Bill Payment	BankCheck	Walls Lawn Care	-3,667.00
06/06/2023	Bill Payment	CK:2332	Spectrum - NG - 0859	-139.97
06/13/2023	Bill Payment	CK:2333	Duke Energy - 7763-4977	-500.04
06/13/2023	Bill Payment	CK:2334	Duke Energy - 8003-4980	-32.16
06/13/2023	Bill Payment	CK:2340	Burt Witaschek	-250.00
06/13/2023	Bill Payment	CK:2339	Chatham Alarm Services	-83.85
06/13/2023	Bill Payment	CK:2338	Renter Deposit Refund	-50.00
06/13/2023	Bill Payment	CK:2337	Duke Energy - 2901-1529	-69.46
06/13/2023	Bill Payment	CK:2335	Duke Energy - 8201-4982	-704.28
06/13/2023	Bill Payment	CK:2336	Gatehouse Petty Cash	-300.00
06/20/2023	Check	72723	Spectrum - NG - 0859	-167.97
06/22/2023	Bill Payment	CK:2341	Carolina Water Service of Nor...	-247.47
06/22/2023	Expense		TJ Johnson	-450.45
06/22/2023	Bill Payment	CK:2342	Duke Energy - 3415-1534	-113.00
06/22/2023	Expense		TJ Johnson	-977.50
06/29/2023	Bill Payment	72724	Delmar Witt	-300.00
06/29/2023	Bill Payment	72725	Spectrum - SG - 5220	-134.97
06/29/2023	Credit Card Payment			-854.27
06/29/2023	Credit Card Payment			-37.87
06/29/2023	Credit Card Payment			-549.06
07/05/2023	Bill Payment	72726	Spectrum - NG - 0859	-139.97
07/05/2023	Expense		Walls Lawn Care	-3,667.00
07/05/2023	Expense		Walls Lawn Care	-650.00
07/05/2023	Bill Payment	72727	TJ Johnson	-890.00
07/13/2023	Bill Payment	72729	Duke Energy - 2901-1529	-70.85
07/13/2023	Bill Payment	72734	Carolina Water Service of Nor...	-329.47
07/13/2023	Bill Payment	72731	Duke Energy - 7763-4977	-428.97
07/13/2023	Bill Payment	72732	Duke Energy - 8003-4980	-32.27
07/13/2023	Bill Payment	72733	Duke Energy - 8201-4982	-755.45
07/13/2023	Bill Payment	72730	Duke Energy - 3415-1534	-121.98
07/13/2023	Bill Payment	72735	Cushman Tree Service	-525.00
07/18/2023	Bill Payment	72737	J. Singh, CPA P.A.	-5,000.00

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/18/2023	Bill Payment	72736	Gatehouse Petty Cash	-100.00
07/27/2023	Bill Payment	72739	J. Singh, CPA P.A.	-10,000.00
07/27/2023	Bill Payment	72738	Spectrum - MG - 8416	-167.97
07/27/2023	Bill Payment	72740	Spectrum - SG - 5220	-134.97
<b>Total</b>				<b>-38,627.46</b>

## Deposits and other credits cleared (12)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/25/2023	Deposit		1 E-Stickers	1,730.00
05/25/2023	Deposit		1 E-Stickers	320.00
06/06/2023	Deposit		1 E-Stickers	1,130.00
06/06/2023	Deposit			480.00
06/13/2023	Deposit			33,693.50
06/22/2023	Deposit			37,966.25
06/29/2023	Deposit			26,503.75
07/11/2023	Deposit			37,162.50
07/13/2023	Deposit			9,937.50
07/18/2023	Deposit		3 Gate House Petty Cash	13.79
07/18/2023	Deposit		1 E-Stickers	200.00
07/27/2023	Deposit		1 E-Stickers	280.00
<b>Total</b>				<b>149,417.29</b>

**Additional Information**

## Uncleared checks and payments as of 07/31/2023

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/25/2023	Transfer			-554.82
06/29/2023	Transfer			-37.87
06/29/2023	Transfer			-854.27
06/29/2023	Transfer			-549.06
<b>Total</b>				<b>-1,996.02</b>

## Uncleared checks and payments after 07/31/2023

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/01/2023	Bill Payment	72741	SPA	-7,001.04
08/01/2023	Bill Payment	72742	Walls Lawn Care	-3,667.00
08/01/2023	Bill Payment	72743	Walls Lawn Care	-440.00
08/01/2023	Transfer			-3,172.00
08/01/2023	Transfer			-520.42
08/01/2023	Transfer			-161.92
08/01/2023	Bill Payment	72744	SPA	-11,428.80
<b>Total</b>				<b>-26,391.18</b>

## Uncleared deposits and other credits after 07/31/2023

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/01/2023	Deposit		1 E-Stickers	250.00
<b>Total</b>				<b>250.00</b>

Carolina Trace Association

Robert Violon(5180), Period Ending 08/01/2023

RECONCILIATION REPORT

Reconciled on: 08/01/2023

Reconciled by: ctatreasu@gmail.com

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	568.69
Charges and cash advances cleared (7).....	733.25
Payments and credits cleared (2).....	-1,140.02
Statement ending balance.....	<u>161.92</u>
Uncleared transactions as of 08/01/2023.....	-161.92
Register balance as of 08/01/2023.....	0.00

Details

Charges and cash advances cleared (7)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/23/2023	Expense		Lowes Home Improvement C...	22.27
06/02/2023	Expense		Insite Solutions	157.54
06/02/2023	Expense		Rae Products and Chemicals	231.34
06/15/2023	Expense		Lowes Home Improvement C...	160.18
07/05/2023	Expense		MicroSoft Products	106.99
07/17/2023	Expense		Murphy Express	10.08
07/17/2023	Expense		Lowes Home Improvement C...	44.85

Total 733.25

Payments and credits cleared (2)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/25/2023	Transfer			-590.96
06/29/2023	Transfer			-549.06

Total -1,140.02

Additional Information

Uncleared payments and credits as of 08/01/2023

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/01/2023	Transfer			-161.92

Total -161.92



Carolina Trace Association

Kate Woods(2889), Period Ending 08/01/2023

RECONCILIATION REPORT

Reconciled on: 08/01/2023

Reconciled by: ctatreasu@gmail.com

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	562.26
Charges and cash advances cleared (11).....	4,038.89
Payments and credits cleared (3).....	-1,429.15
Statement ending balance.....	<u>3,172.00</u>

Register balance as of 08/01/2023.....3,172.00

Details

Charges and cash advances cleared (11)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/21/2023	Expense		Amazon	20.06
05/25/2023	Expense		Amazon	17.92
05/30/2023	Expense		QuickBooks Payments	27.50
06/06/2023	Expense			35.00
06/06/2023	Expense		Office Depot	139.09
06/06/2023	Expense		Office Depot	641.99
06/13/2023	Expense		Amazon	12.83
06/30/2023	Expense		QuickBooks Payments	27.50
07/06/2023	Expense			35.00
07/14/2023	Expense		Pipeworx Plumbing Inc	85.00
07/25/2023	Expense		id-Enhancements	2,997.00

Total 4,038.89

Payments and credits cleared (3)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/24/2023	Credit Card Credit		Amazon	-20.06
05/25/2023	Transfer			-554.82
06/29/2023	Transfer			-854.27

Total -1,429.15

Carolina Trace Association

**Business Money Market(6807), Period Ending 08/01/2023**

**RECONCILIATION REPORT**

Reconciled on: 08/01/2023

Reconciled by: ctatreasu@gmail.com

Any changes made to transactions after this date aren't included in this report.

**Summary**

USD

Statement beginning balance.....	70,164.64
Checks and payments cleared (0).....	0.00
Deposits and other credits cleared (2).....	107.22
Statement ending balance.....	<u>70,271.86</u>

Register balance as of 08/01/2023.....70,271.86

**Details**

Deposits and other credits cleared (2)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/31/2023	Deposit			49.54
06/30/2023	Deposit			57.68

**Total** 107.22

Carolina Trace Association

Penny Turner(6741), Period Ending 08/01/2023

RECONCILIATION REPORT

Reconciled on: 08/01/2023

Reconciled by: ctatreasu@gmail.com

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	154.18
Charges and cash advances cleared (8).....	420.10
Payments and credits cleared (2).....	-53.86
Statement ending balance.....	<u>520.42</u>
Uncleared transactions as of 08/01/2023.....	-520.42
Register balance as of 08/01/2023.....	0.00

Details

Charges and cash advances cleared (8)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/21/2023	Expense		Zoom	15.99
06/16/2023	Expense		Amazon	14.40
06/16/2023	Expense		Amazon	7.48
06/21/2023	Expense		Zoom	15.99
07/03/2023	Expense		Amazon	294.56
07/03/2023	Expense		Amazon	10.69
07/21/2023	Expense		Zoom	15.99
07/25/2023	Expense		NC State Registration	45.00

Total 420.10

Payments and credits cleared (2)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/25/2023	Transfer			-15.99
06/29/2023	Transfer			-37.87

Total -53.86

Additional Information

Uncleared payments and credits as of 08/01/2023

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/01/2023	Transfer			-520.42

Total -520.42

## Carolina Trace Association

POS Account(1504), Period Ending 08/01/2023

## RECONCILIATION REPORT

Reconciled on: 08/01/2023

Reconciled by: ctatreasu@gmail.com

Any changes made to transactions after this date aren't included in this report.

## Summary

USD

Statement beginning balance.....	606.80
Checks and payments cleared (0).....	0.00
Deposits and other credits cleared (64).....	4,436.25
Statement ending balance.....	<u>5,043.05</u>

Register balance as of 08/01/2023.....5,043.05

## Details

Deposits and other credits cleared (64)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/19/2023	Deposit	2068070135	1 E-Stickers	174.80
05/22/2023	Deposit	2068075905	1 E-Stickers	19.40
05/22/2023	Deposit	2068075905	1 E-Stickers	77.60
05/22/2023	Deposit	2068071887	1 E-Stickers	19.40
05/23/2023	Deposit	2068078418	1 E-Stickers	38.80
05/24/2023	Deposit	2068080527	1 E-Stickers	58.20
05/26/2023	Deposit	2068086397	1 E-Stickers	136.20
05/30/2023	Deposit	2068093819	1 E-Stickers	38.80
05/30/2023	Deposit	2068091235	1 E-Stickers	38.80
05/30/2023	Deposit	2068091235	1 E-Stickers	38.80
05/30/2023	Deposit	2068087674	1 E-Stickers	38.80
05/31/2023	Deposit	2068095358	1 E-Stickers	175.00
06/01/2023	Deposit	2068098000	1 E-Stickers	174.60
06/02/2023	Deposit	2068101084	1 E-Stickers	77.60
06/05/2023	Deposit	2068107195	1 E-Stickers	77.60
06/05/2023	Deposit	2068107195	1 E-Stickers	19.40
06/05/2023	Deposit	2068102708	1 E-Stickers	77.70
06/06/2023	Deposit	2068110097	1 E-Stickers	19.40
06/07/2023	Deposit	2068111795	1 E-Stickers	77.60
06/08/2023	Deposit	2068114488	1 E-Stickers	38.80
06/09/2023	Deposit	2068117593	1 E-Stickers	38.80
06/12/2023	Deposit	2068123222	1 E-Stickers	77.70
06/12/2023	Deposit	2068123222	1 E-Stickers	77.60
06/12/2023	Deposit	2068119156	1 E-Stickers	77.70
06/13/2023	Deposit	2068126101	1 E-Stickers	19.40
06/14/2023	Deposit	2068127441	1 E-Stickers	77.60
06/15/2023	Deposit	2068130400	1 E-Stickers	136.20
06/16/2023	Deposit	2068133389	1 E-Stickers	19.40
06/20/2023	Deposit	2068138887	1 E-Stickers	58.20
06/20/2023	Deposit	2068138887	1 E-Stickers	38.80
06/20/2023	Deposit	2068141393	1 E-Stickers	194.40
06/20/2023	Deposit	2068134905	1 E-Stickers	58.20
06/21/2023	Deposit	2068143377	1 E-Stickers	77.60
06/22/2023	Deposit	2068145699	1 E-Stickers	126.25
06/26/2023	Deposit	2068155196	1 E-Stickers	38.90
06/26/2023	Deposit	2068150609	1 E-Stickers	116.40
06/27/2023	Deposit	2068157434	1 E-Stickers	19.40
06/28/2023	Deposit	2068159137	1 E-Stickers	58.20
06/29/2023	Deposit	2068161614	1 E-Stickers	97.20
06/30/2023	Deposit	2068165038	1 E-Stickers	77.70
07/03/2023	Deposit	2068169857	1 E-Stickers	19.40
07/03/2023	Deposit	2068169857	1 E-Stickers	58.20

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/03/2023	Deposit	2068166293	1 E-Stickers	135.90
07/05/2023	Deposit	2068174285	1 E-Stickers	38.80
07/05/2023	Deposit	2068172947	1 E-Stickers	38.80
07/06/2023	Deposit	2068175579	1 E-Stickers	58.20
07/07/2023	Deposit	2068178238	1 E-Stickers	58.20
07/10/2023	Deposit	2068183714	1 E-Stickers	38.80
07/10/2023	Deposit	2068179775	1 E-Stickers	58.20
07/11/2023	Deposit	2068186404	1 E-Stickers	38.80
07/12/2023	Deposit	2068188389	1 E-Stickers	38.80
07/13/2023	Deposit	2068191122	1 E-Stickers	38.90
07/14/2023	Deposit	2068194059	1 E-Stickers	97.10
07/17/2023	Deposit	2068199563	1 E-Stickers	19.40
07/17/2023	Deposit	2068195480	1 E-Stickers	77.70
07/18/2023	Deposit	2068202231	1 E-Stickers	174.80
07/19/2023	Deposit	2068203883	1 E-Stickers	116.50
07/20/2023	Deposit	2068206736	1 E-Stickers	38.80
07/21/2023	Deposit	2068209531	1 E-Stickers	58.20
07/24/2023	Deposit	2068215352	1 E-Stickers	19.40
07/24/2023	Deposit	2068211165	1 E-Stickers	77.60
07/25/2023	Deposit	2068217907	1 E-Stickers	58.20
07/26/2023	Deposit	2068219697	1 E-Stickers	58.20
07/27/2023	Deposit	2068222117	1 E-Stickers	116.40

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Total 4,436.25

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# Memo from CTA Treasurer for CTA Audit Results 2021 & 2022

TRAM and SECURITY:

Attaching the document: CTA 2021 & 2022 -CONSTRUCTION SERVICE  
COMMENTS

Please read section: 4. 1099 to Subcontractors

Her concerns were regarding Nu-Pipe changing the name to who the checks were written to. Basically, is Alston reporting this income to the IRS?

Her recommendation: Having every contractor fill out a W-9 prior to work. This form shows who to write the check out to and their EIN or SSN. Then the 1099s can be created from the W-9s. If they decide to have the check written to an individual instead of the company, then a new W-9 has to be filled out.

I did ask if this would come back negatively to the CTA if Nu-Pipe aka Alston (or Bobby Branch) was not doing their taxes properly and she said no. However, it could potentially create red flags in the future if it does persist in the eyes of the IRS. She said it is in our best interest to do the W-9 and the 1099s. It assists the IRS in catching individuals attempting tax fraud. We need to take additional steps in NOT assuming every company does their taxes.

Yes, I had done 1099s for the 2021 and 2022 tax years (the businesses that were on the required 1099 list that was handed down to me). The former treasure did them in 2020 as well. The 1099s for Alston were not done for those two years when he requested the name change.

Attached is the 2021-1099 list of identified businesses that required 1099s from us. This list of businesses came from the last assistant treasurer that did the CTA taxes (I THINK Neal Jenson but I could be WRONG). I don't recall his name? Dave Thomas and I met him at the Country Club for him to teach us how to do the taxes in the 2021 time frame?

These are her suggestions going forward.

BURT and SECURITY:

Section: 1. Petty Cash

This has been implemented under Brandon with his Excel sheet tracking the amounts etc. Keeping it at \$300 at any given moment may be a little difficult for the new treasurer? I personally would not be able to do this with my schedule. Possibly, the new treasurer has more available free time to go to the bank on a daily or weekly basis?

Treasurer and Assistant Treasurer: Dave Thomas

Section: 2. Internal controls over cash disbursements

North Shore POA does this. This is done monthly at our POA meeting. Bills get paid once a month and require two signatures on the checks. However, with the lack of volunteers within the CTA, I don't know how this could be implemented in the future? I always felt that Ernie V and I did this very well for TRAM. He would send me an email saying all work was completed and to pay the company for \$xxxx. I didn't print these emails for verification so this might be her concern? As well with Security if the amount was higher than usual, email communication was obtained but not printed out for audit verification.

Candace

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**Candace Cochran**  
**Treasurer, Carolina Trace Association, Inc.**  
**Sanford, NC 27332**  
[www.carolinatrace.org](http://www.carolinatrace.org)

**CAROLINA TRACE ASSOCIATION, INC.**

Financial Statement for the  
years ended December 31, 2021  
and Independent Auditors' Report



**J. Singh, CPA, P.A.**  
**Certified Public Accountant**  
1103 Woodland Avenue  
Sanford, North Carolina 27330

(919) 774-7424

**Independent Auditor's Report**

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

**Opinion**

We 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, 2021 and 2020, and the related notes to the financial statement.

In our 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, 2021 and 2020 in accordance with the cash receipts and cash disbursements basis of accounting.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carolina Trace Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash and disbursements basis of accounting described in Note 2, and for determining that the cash and disbursements basis of accounting is an acceptable basis for the preparation of the financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Carolina Trace Association Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carolina Trace Association Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

July 20, 2023  
Sanford, North Carolina

Carolina Trace Association, Inc.  
Statement of Cash Receipts and Cash Disbursements  
For the year ended December 31, 2021 and 2020

	2021	2020
<b>CASH RECEIPTS:</b>		
Assessments - Property Owners Association	\$ 710,371	\$ 689,845
E-Stickers - Taxable	14,164	12,528
E-Stickers - Non-taxable	44,415	31,960
Insurance Claim Proceeds	9,977	9,105
Interest Income	551	4,296
Other income	673	1,013
<b>Total cash receipts</b>	<b>\$ 780,151</b>	<b>\$ 748,747</b>
<b>CASH DISBURSEMENTS:</b>		
Accounting fees	-	4,002
Boat ramp	2,500	2,485
E-Sticker deposit return	630	500
Insurance	33,783	35,543
Printing & postage	60	-
Professional and legal fees	1,500	-
Trash/waste disposal fees	1,100	490
Bank service charges	90	84
Finance charges	53	60
Miscellaneous expense	107	580
Web presence	20	174
Board training	17	-
Drainage maintenance & repair	159,166	51,710
Mowing & weed control	38,525	40,000
Road maintenance & repair	136,416	53,638
Storm clean-up	-	1,825
Tree trimming, removal and pruning	12,780	3,657
Landscaping and beautification	18,495	17,913
Roads & grounds - other	39,141	-
Computer	6,618	-
CERT supplies	2,000	2,148
E-sticker purchases	26,868	5,511
Gate/Gatehouse Maintenance	2,183	7,023
Gate house supplies	4,087	8,288
Security camera, Recorder	10,106	1,741
Security and gate services	315,328	299,667
Utilities	12,772	11,647
Phone & video services	8,419	5,151
Safety & security - Other	22,068	3,712
Other expenses	1,340	-
Lake trace committee	2,177	-
South Gate maintenance	18,861	16,290
<b>Total cash disbursements</b>	<b>877,210</b>	<b>573,839</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(97,059)</b>	<b>174,908</b>
<b>CASH BEGINNING OF THE YEAR</b>	<b>610,332</b>	<b>435,424</b>
<b>CASH END OF THE YEAR</b>	<b>\$ 513,273</b>	<b>\$ 610,332</b>

Carolina Trace Association, Inc.  
Notes to the Financial Statement  
For the year ended December 31, 2021

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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, 2021

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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, 2021, organization’s cash balance on deposit with this financial institution exceeded insured limits by \$171,977.

Related Party Transactions – Carolina Trace Association, Inc., has evaluated all transactions for the year ended December 31, 2021, 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, 2021 and 2020, RMR Customs Homes, Inc. was engaged to perform certain maintenance, repair and landscaping services for Carolina Trace Association, Inc. and received payment of \$5,154 and \$550, respectively for those services.

### 3. DATE OF MANAGEMENT’S REVIEW

The organization has evaluated subsequent events through July 20, 2023, the date the financial statement was available to be issued.

**CAROLINA TRACE ASSOCIATION, INC.**

Financial Statement for the  
years ended December 31, 2022  
and Independent Auditors' Report

**J. Singh, CPA, P.A.**  
**Certified Public Accountant**  
1103 Woodland Avenue  
Sanford, North Carolina 27330

(919) 774-7424

**Independent Auditor's Report**

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

**Opinion**

We 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, 2022 and 2021, and the related notes to the financial statement.

In our 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, 2022 and 2021 in accordance with the cash receipts and cash disbursements basis of accounting.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carolina Trace Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash and disbursements basis of accounting described in Note 2, and for determining that the cash and disbursements basis of accounting is an acceptable basis for the preparation of the financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

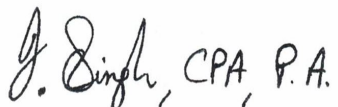
## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Carolina Trace Association Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carolina Trace Association Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



July 24, 2023  
Sanford, North Carolina



Carolina Trace Association, Inc.  
Statement of Cash Receipts and Cash Disbursements  
For the year ended December 31, 2022 and 2021

	2022	2021
<b>CASH RECEIPTS:</b>		
Assessments - Property Owners Association	\$ 719,362	\$ 710,371
E-Stickers - Taxable	10,677	14,164
E-Stickers - Non-taxable	23,736	44,415
Insurance Claim Proceeds	11,586	9,977
Interest Income	842	551
Other income	482	673
<b>Total cash receipts</b>	<b>\$ 766,685</b>	<b>\$ 780,151</b>
<b>CASH DISBURSEMENTS:</b>		
Boat ramp	10,000	2,500
E-Sticker deposit return	250	630
Insurance	34,694	33,783
Printing & postage	-	60
Professional and legal fees	-	1,500
Trash/waste disposal fees	195	1,100
Bank service charges	-	90
Finance charges	-	53
Miscellaneous expense	1,886	107
Web presence	150	20
Board training	-	17
Income tax	2	-
General administration expenses - other	145	-
Drainage maintenance & repair	23,292	159,166
Mowing & weed control	44,200	38,525
Road maintenance & repair	21,257	136,416
Storm clean-up	5,989	-
Tree trimming, removal and pruning	3,493	12,780
Landscaping and beautification	20,373	18,495
Roads & grounds - other	101	39,141
Roadside trash	1,200	-
Computer	8,823	6,618
CERT supplies	1,270	2,000
E-sticker purchases	12,085	26,868
Gate/Gatehouse Maintenance	4,353	2,183
Gate house supplies	7,220	4,087
Security camera, Recorder	4,643	10,106
Security and gate services	325,237	315,328
Utilities	16,597	12,772
Phone & video services	7,266	8,419
Safety & security - Other	14,948	22,068
Other expenses	167	1,340
Lake trace committee	-	2,177
South Gate maintenance	-	18,861
Other major repairs/improvements	78,293	-
<b>Total cash disbursements</b>	<b>648,129</b>	<b>877,210</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>118,556</b>	<b>(97,059)</b>
<b>CASH BEGINNING OF THE YEAR</b>	<b>513,273</b>	<b>610,332</b>
<b>CASH END OF THE YEAR</b>	<b>\$ 631,829</b>	<b>\$ 513,273</b>

Carolina Trace Association, Inc.  
Notes to the Financial Statement  
For the year ended December 31, 2022

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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, 2022

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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, 2022, organization’s cash balance on deposit with this financial institution exceeded insured limits by \$290,247.34.

Related Party Transactions – Carolina Trace Association, Inc., has evaluated all transactions for the year ended December 31, 2022, 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, 2022 and 2021, RMR Customs Homes, Inc. was engaged to perform certain maintenance, repair and landscaping services for Carolina Trace Association, Inc. and received payment of \$6,184 and \$5,154, respectively for those services.

### 3. DATE OF MANAGEMENT’S REVIEW

The organization has evaluated subsequent events through July 24, 2023, the date the financial statement was available to be issued.

**J. SINGH, CPA, P. A.**  
**CERTIFIED PUBLIC ACCOUNTANT**

**1103 Woodland Avenue**  
**Sanford, North Carolina 27330**

*Telephone: 919-774-7424*

*Fax: 919-774-7426*

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

July 24, 2023

**CONSTRUCTIVE SERVICE COMMENTS**  
**FOR DECEMBER 31, 2021 & 2022**

As part of our audit, auditing standards require us to select and examine a statistically valid sample of cash disbursements. If an error rate in excess of what would be expected in the sample is found, further testing is required. During the course of our audit certain matters came to our attention that we consider weaknesses in internal control over cash disbursements. Auditing standards require auditors to perform certain tests of cash disbursements to determine if documentation exists to substantiate the propriety of the disbursements tested. Our examination revealed many instances of improperly documented disbursements of cash, including missing invoices and instances of disbursements being made without other proper documentation. Proper documentation is important to prevent loss of cash due to fraud and to insure disbursements are for the ordinary, necessary and approved activities of the Organization.

An organization's system of internal control over cash disbursements should be designed in a manner that helps insure the safeguarding of assets and reliability of financial information. Management should insure that such an internal control system is in place and working properly at all times.

As a result of our review of the system of internal control over cash disbursements of Carolina Trace Association, Inc., we recommend the following:

**1. Petty Cash**

Petty cash should be kept on an impressed system and on a fixed predetermined amount that is approved by Board of Directors. Petty cash should be reconciled regularly to insure the receipts (purchases) and cash always equals the fixed predetermined amount. For example, if the policy states petty cash amount to be \$300, then the total of receipts (purchases) and the remaining cash in the petty cash fund should always equal \$300.

Regular reconciliation of petty cash fund can help reduce error, eliminate fraud and helps keep track of the expenses purchased with petty cash fund.

## **2. Internal controls over cash disbursements**

Strong internal controls over cash disbursements helps avoid internal fraud, duplicate payments, missing or late payments. Invoices should be marked approved on the face of the invoice and initialed by the authorized individual assigned to approve the invoices for payment. Two individuals should authorize the payment of the invoice before the funds are drafted from the Organization's bank account. One individual could be authorized to enter the payment and another to approve the payment after reviewing all of the supporting documents.

Segregation of duties over cash disbursements can mitigate fraud, theft, or the possibility of having one person taking too much control over the process.

## **3. Missing Invoices**

During our examination, various disbursements were made with a proper approved invoice or other supporting documents. For instance, payments to Bobby Branch were made in July and August 2021 for \$7,325 and \$6,725, respectively with proper invoice. Another instance, various payments to Walls Lawn Care were made through out the year without a proper invoice.

We recommend before making a payment to a vendor or subcontractor, proper invoice should be in hand and approved by an appropriate/authorized individual.

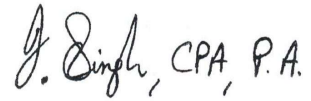
## **4. 1099 to Subcontractors**

Certain payments were made to subcontractors, but no corresponding 1099-NEC was issued to the subcontractors. For instance, a check was written to "William A. Phillips" for \$40,000 in March 2021 and \$74,050 was written to "Alston Phillips" for \$74,050 in September 2021. Although both of these individuals are the same person, why were the checks issued in two different names? There was no 1099-NEC issued for the work done by William A Phillips or Alston Phillips for 2021. Another instance, payments were made to "Bobby Branch" for work performed but a 1099 was issued to "Bobby Branch Tree Removal" for 2021. These amounts paid to subcontractors are significant and proper care should be given to the vendor's name before authorizing payment.

We recommend obtaining a signed W-9 from all subcontractors that are hired to perform work for Carolina Trace Association, Inc before any work in completed. A 1099-NEC should be issued on an annual basis using the appropriate information from the form W-9. Significant penalties can occur if the Organization doesn't file a 1099 or if the Organization doesn't file on a timely basis.

In addition, the Organization should plan to have a financial statement audit on a regular basis to detect and prevent fraud and assess the accuracy of financial statements.

Please let us know if you have any questions or if we can help you in any way. We appreciated the opportunity to provide audit services.

A handwritten signature in black ink that reads "J. Singh, CPA, P.A." The signature is written in a cursive style.

J. Singh, CPA, P. A.  
July 24, 2023

**J. SINGH, CPA, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**1103 WOODLAND AVENUE**  
**SANFORD, NORTH CAROLINA 27330**

July 20, 2023

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, 2021, 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 2021-1, 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 2021-2, 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 20, 2023  
Sanford, N. C.



**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**Finding 2021-1 – 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:** Kate Woods

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

**Finding 2021-2: - 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:** Kate Woods

**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.

**J. SINGH, CPA, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**1103 WOODLAND AVENUE**  
**SANFORD, NORTH CAROLINA 27330**

July 24, 2023

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

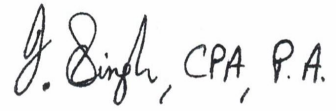
In planning and performing my audit of the Statement of Cash Receipts and Cash Disbursements for Carolina Trace Association, Inc. as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, I considered Organization's internal 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 2022-1, 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 2022-2, 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.

A handwritten signature in black ink that reads "J. Singh, CPA, P.A." The signature is written in a cursive style with a large initial "J" and "S".

July 24, 2023  
Sanford, N. C.

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Finding 2022-1 – 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:** Kate Woods

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

**Finding 2022-2: - 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:** Kate Woods

**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.

J. SINGH, CPA, P.A.  
CERTIFIED PUBLIC ACCOUNTANT

1103 Woodland Avenue  
Sanford, North Carolina 27330

*Telephone: 919-774-7424*

*Fax: 919-774-7426*

July 20, 2023

Carolina Trace Association, Inc.  
Sanford, N. C. 27332

**\*\*\*FINAL INVOICE\*\*\***

Professional services in connection with audit of  
your financial statements for the year ended December 31, 2021

**\$ 5,000.00**

**THANK YOU**

J. SINGH, CPA, P.A.  
CERTIFIED PUBLIC ACCOUNTANT

1103 Woodland Avenue  
Sanford, North Carolina 27330

*Telephone: 919-774-7424*

*Fax: 919-774-7426*

July 24, 2023

Carolina Trace Association, Inc.  
Sanford, N. C. 27332

**\*\*\*FINAL INVOICE\*\*\***

Professional services in connection with audit of  
your financial statements for the year ended December 31, 2022

**\$ 5,000.00**

**THANK YOU**

**CAROLINA TRACE ASSOCIATION, INC**  
**51 TRACEWAY SOUTH**  
**Sanford, N.C. 27332**

July 20, 2023

J. Singh, CPA, P.A.

This representation letter is provided in connection with your audit of the Statement of Cash Receipts and Cash Disbursements of Carolina Trace Association, Inc. for the year ended December 31, 2021, and the related notes to the financial statement, for the purpose of expressing an opinion as to whether the financial statement presents fairly, in all material respects, the cash receipts and cash disbursements of Carolina Trace Association for the year ended December 31, 2021.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 31, 2021, the following representations made to you during your audit.

**Financial Statement**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2023, including our responsibility for the preparation and fair presentation of the financial statement.
- We acknowledge our understanding that the statement is prepared on the cash receipts and disbursements basis of accounting with is a comprehensive basis of accounting other than generally accepted accounting principles.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatement are immaterial, both individually and in the aggregate, to the financial statement as a whole. A list of the uncorrected misstatement, if any, is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed.
- Material concentrations have been appropriately disclosed.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed.
- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statement.



- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization’s statement of cash receipts and cash disbursements by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statement.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statement.
- We have disclosed to you the identity of the organization’s related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- Carolina Trace Association, Inc. is an exempt organization under the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization’s tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

\_\_\_\_\_  
Signature, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature, Treasurer

\_\_\_\_\_  
Date

**CAROLINA TRACE ASSOCIATION, INC**  
**51 TRACEWAY SOUTH**  
**Sanford, N.C. 27332**

July 24, 2023

J. Singh, CPA, P.A.

This representation letter is provided in connection with your audit of the Statement of Cash Receipts and Cash Disbursements of Carolina Trace Association, Inc. for the year ended December 31, 2022, and the related notes to the financial statement, for the purpose of expressing an opinion as to whether the financial statement presents fairly, in all material respects, the cash receipts and cash disbursements of Carolina Trace Association for the year ended December 31, 2022.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 31, 2022, the following representations made to you during your audit.

**Financial Statement**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2023, including our responsibility for the preparation and fair presentation of the financial statement.
- We acknowledge our understanding that the statement is prepared on the cash receipts and disbursements basis of accounting with is a comprehensive basis of accounting other than generally accepted accounting principles.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatement are immaterial, both individually and in the aggregate, to the financial statement as a whole. A list of the uncorrected misstatement, if any, is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed.
- Material concentrations have been appropriately disclosed.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed.
- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statement.

- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization’s statement of cash receipts and cash disbursements by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statement.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statement.
- We have disclosed to you the identity of the organization’s related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- Carolina Trace Association, Inc. is an exempt organization under the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization’s tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

\_\_\_\_\_  
Signature, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature, Treasurer

\_\_\_\_\_  
Date

**CAROLINA TRACE ASSOCIATION, INC.**

Financial Statement for the  
years ended December 31, 2020  
and Independent Auditors' Report

**J. Singh, CPA, P.A.**  
**Certified Public Accountant**  
1103 Woodland Avenue  
Sanford, North Carolina 27330

(919) 774-7424

**Independent Auditor's Report**

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

**Opinion**

We 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, 2020 and 2019, and the related notes to the financial statement.

In our 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, 2020 and 2019 in accordance with the cash receipts and cash disbursements basis of accounting.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carolina Trace Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash and disbursements basis of accounting described in Note 2, and for determining that the cash and disbursements basis of accounting is an acceptable basis for the preparation of the financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Carolina Trace Association Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carolina Trace Association Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

July 14, 2023  
Sanford, North Carolina

Carolina Trace Association, Inc.  
Statement of Cash Receipts and Cash Disbursements  
For the year ended December 31, 2020 and 2019

	2020	2019
<b>CASH RECEIPTS:</b>		
Assessments - Property Owners Association	\$ 689,845	\$ 678,011
E-Stickers - Taxable	12,528	13,294
E-Stickers - Non-taxable	31,960	18,995
Insurance Claim Proceeds	9,105	12,012
Interest Income	4,296	2,381
Reimbursements to POA's	-	2,770
Other income	1,013	1,168
<b>Total cash receipts</b>	<b>\$ 748,747</b>	<b>\$ 728,631</b>
<b>CASH DISBURSEMENTS:</b>		
Accounting fees	4,002	544
Boat ramp	2,485	2,500
Computer	-	52
E-Sticker deposit return	500	1,420
Insurance	35,543	34,324
Printing & postage	-	134
Professional and legal fees	-	12
Trash/waste disposal fees	490	250
Bank service charges	84	-
Finance charges	60	-
Miscellaneous expense	580	-
Web presence	174	-
Drainage maintenance & repair	51,710	44,662
Grounds maintenance	-	7,411
Mowing & weed control	40,000	15,858
Road maintenance & repair	53,638	12,828
Storm clean-up	1,825	1,000
Tree trimming, removal and pruning	3,657	4,925
Landscaping and beautification	17,913	43,414
CERT supplies	2,148	1,887
E-sticker purchases	5,511	21,475
Gate/Gatehouse Maintenance	7,023	16,576
Gate house supplies	8,288	2,673
Mirror pass purchases	-	2,012
Security camera, Recorder	1,741	5,594
Security and gate services	299,667	297,194
Utilities	11,647	11,620
Phone & video services	5,151	15,916
Safety & security - Other	3,712	-
North Gate Project	-	38,550
South Gate maintenance	16,290	191
<b>Total cash disbursements</b>	<b>573,839</b>	<b>583,022</b>
<b>INCREASE IN CASH</b>	<b>174,908</b>	<b>145,609</b>
<b>CASH BEGINNING OF THE YEAR</b>	<b>435,424</b>	<b>289,815</b>
<b>CASH END OF THE YEAR</b>	<b>\$ 610,332</b>	<b>\$ 435,424</b>



Carolina Trace Association, Inc.  
Notes to the Financial Statement  
For the year ended December 31, 2020

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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, 2020

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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, 2020, organization’s cash balance on deposit with this financial institution exceeded insured limits by \$171,426.

Related Party Transactions – Carolina Trace Association, Inc., has evaluated all transactions for the year ended December 31, 2020, 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, 2020 and 2019, RMR Customs Homes, Inc. was engaged to perform certain maintenance, repair and landscaping services for Carolina Trace Association, Inc. and received payment of \$550 and \$3,533, respectively for those services.

### 3. DATE OF MANAGEMENT’S REVIEW

The organization has evaluated subsequent events through July 14, 2023, the date the financial statement was available to be issued.

FROM: J. SINGH, CPA, P. A.

TO: BOARD OF DIRECTORS, CAROLINA TRACE ASSOCIATION, INC.

July 3, 2023

SUBJECT: Communication with those charged with governance during planning

We are engaged to audit the Statement of Cash Receipts and Cash Disbursements of Carolina Trace Association, Inc, for the year ended December 31, 2020. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 1, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the Statement of Cash Receipts and Disbursements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statement does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement of Cash Receipts and Cash Disbursements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statement and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the Organization. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

This information is intended solely for the use of the Board of Directors and management of Carolina Trace Association, Inc., and is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "J. Singh, CPA, P.A." The signature is written in a cursive style with a large, stylized initial "J".

J. Singh, CPA, P.A.

**J. SINGH, CPA, P. A.**  
**CERTIFIED PUBLIC ACCOUNTANT**

**1103 Woodland Avenue**  
**Sanford, North Carolina 27330**

*Telephone: 919-774-7424*

*Fax: 919-774-7426*

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

July 14, 2023

**CONSTRUCTIVE SERVICE COMMENTS**

As part of our audit, auditing standards require us to select and examine a statistically valid sample of cash disbursements. If an error rate in excess of what would be expected in the sample is found, further testing is required.

An organization's system of internal control over cash disbursements should be designed in a manner that helps insure the safeguarding of assets and reliability of financial information. Management should insure that such an internal control system is in place and working properly at all times.

As a result of our review of the system of internal control over cash disbursements of Carolina Trace Association, Inc., we recommend the following:

1. Petty Cash

Petty cash should be kept on an impressed system and on a fixed predetermined amount that is approved by Board of Directors. Petty cash should be reconciled regularly to insure the receipts (purchases) and cash always equals the fixed predetermined amount. For example, if the policy states petty cash amount to be \$300, then the total of receipts (purchases) and the remaining cash in the petty cash fund should always equal \$300.

Regular reconciliation of petty cash fund can help reduce error, eliminate fraud and helps keep track of the expenses purchased with petty cash fund.

2. Internal controls over cash disbursements

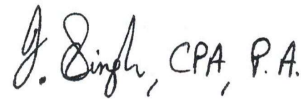
Strong internal controls over cash disbursements help avoid internal fraud, duplicate payments, missing or late payments. Invoices should be marked approved on the face of the invoice and initialed by the authorized individual assigned to approve the invoices for

payment. Two individuals should authorize the payment of the invoice before the funds are drafted from the Organization's bank account. One individual could be authorized to enter the payment and another to approve the payment after reviewing all of the supporting documents.

Segregation of duties over cash disbursements can mitigate fraud, theft, or the possibility of having one person taking too much control over the process.

In addition, the Organization should plan to have a financial statement audit on a regular basis to detect and prevent fraud and assess the accuracy of financial statements.

Please let us know if you have any questions or if we can help you in any way. We appreciated the opportunity to provide audit services.

A handwritten signature in black ink that reads "J. Singh, CPA, P.A." The signature is written in a cursive style.

J. Singh, CPA, P. A.  
July 14, 2023

**CAROLINA TRACE ASSOCIATION, INC**  
**51 TRACEWAY SOUTH**  
**Sanford, N.C. 27332**

July 14, 2023

J. Singh, CPA, P.A.

This representation letter is provided in connection with your audit of the Statement of Cash Receipts and Cash Disbursements of Carolina Trace Association, Inc. for the year ended December 31, 2020, and the related notes to the financial statement, for the purpose of expressing an opinion as to whether the financial statement presents fairly, in all material respects, the cash receipts and cash disbursements of Carolina Trace Association for the year ended December 31, 2020.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 31, 2020, the following representations made to you during your audit.

**Financial Statement**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2023, including our responsibility for the preparation and fair presentation of the financial statement.
- We acknowledge our understanding that the statement is prepared on the cash receipts and disbursements basis of accounting with is a comprehensive basis of accounting other than generally accepted accounting principles.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatement are immaterial, both individually and in the aggregate, to the financial statement as a whole. A list of the uncorrected misstatement, if any, is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed.
- Material concentrations have been appropriately disclosed.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed.
- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statement.



- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization’s statement of cash receipts and cash disbursements by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statement.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statement.
- We have disclosed to you the identity of the organization’s related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- Carolina Trace Association, Inc. is an exempt organization under the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization’s tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

\_\_\_\_\_  
Signature, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature, Treasurer

\_\_\_\_\_  
Date

## CTA Communications/Secretary Report - August 2023

**Add/Drop Resident Reports:** The July 2023 reports were distributed to CTA Directors, Alternates, POA Secretaries and Social/Communications Chairs on July 29. Please report any errors to Burt Witaschek ([ctavicep@gmail.com](mailto:ctavicep@gmail.com)) as we have new employees at the gatehouse who are putting this report together and we want to give them necessary feedback to keep reports as a useful tool for POAs.

**CTA News:** Will be sent at least monthly, as soon as possible following the Board meeting. Sometimes events will necessitate the need to send additional updates throughout the month.

**New Resident Welcome Letter/Packet:** working with Security & Safety to revamp the Carolina Trace welcome packet that is distributed to new residents by the gatehouse staff. Each POA should also have their own, POA-specific welcome packet to distribute using the New Resident lists (distributed monthly). We continue to work on clarifying the role of CTA vs POAs in our community.

**Communications Committee:** this committee is up to four people; primary objective is to review CTA communications on occasion in addition to organizing resources for Annual Reports.

-Sharon Sheldon, Secretary

## **July Safety & Security Committee**

**The committee met Friday July 28<sup>th</sup> via Zoom.**

The new SPA local manager, JR Wilburn, was in attendance. JR is head of gatehouse security staff for Carolina Trace, Carolina Lakes and Andersen Creek. He has extensive experience in military security as well as a degree in criminal justice. JR and our new Site Supervisor, Brandon Cruz have already initiated a new turn around procedure which incorporates securing a DL or vehicle registration from an un-authorized visitor or delivery driver from the visitor lane and then returning it to them when they finish their turn around and stop on the opposite side of the gatehouse. They are also working on continued training for the rest of the gate staff, highlighting the control of traffic through the visitor lane with the use of the visitor gate arm.

Northgate lane striping is once again scheduled to be completed this Sunday, July 30<sup>th</sup>.

The new barrier arm gate slab for the north entry gate has been poured and awaiting the electrical to be completed before the gate contractor can install the motor. S&S is looking at ways to protect the new barrier arm from incoming traffic. Two options we are considering are a concrete filled bollard or a jersey barrier.

## CERT Report for Safety & Security Committee for August 2023

1. CERT training for August will be a presentation on Personal Safety in the Home & Workplace from the Lee County Sheriff's Office. It will be held in the Lee County Emergency Operations Center on August 15th at 6 PM.
2. Our CERT instructors are busy preparing for the CERT Basic Course on August 18, 19, 25 & 26. There is still time to sign up for the course. Contact Penny Turner at [leectynccert@gmail.com](mailto:leectynccert@gmail.com).
3. Our CERT Ham group is preparing for the North Carolina Parks on the Air event on September 9-10. The goal is to activate all 107 North Carolina State Parks during the 2-day event. The Lee County Ham Radio group has signed up to activate Raven Rock State Park and the House in the Horseshoe State Historic Site. An activation consists of making at least 10 ham radio contacts from the park location.

Penny Turner  
[leectynccert@gmail.com](mailto:leectynccert@gmail.com)  
919-902-1217

## TLDC Report August 2023

### **Hydrilla**

The date for the next hydrilla treatment is August 10th. There may be irrigation restrictions with this treatment, but SOLitude has not made that decision yet. We will send a notice as soon as we have that information.

### **Dam**

Escalante home office visited last week and met with the engineering firm on site. They are set to meet the December deadline for work to begin on the dam.

### **Algae**

Escalante is aware of the blue green algae witnessed in the lake. They have contacted SOLitude to get their professional assessment.

### **Lake Lowering Requests**

The deadline to submit requests for lake lowering is August 31<sup>st</sup>. The policy description can be found here,

<https://www.carolinatrace.org/file/document/1890183746/ftFaUIIQKLcUldz7.pdf>.

Applications can be found here,

<https://www.carolinatrace.org/file/document/1890183746/KuHQIKL5du1VwRCS.pdf>

### **Future of Boating on Lake Trace**

The committee sees the increase in high powered electric motors and has concerns surrounding how we maintain the peaceful aspect of Lake Trace. We are asking for Harbor Creek to assist with the protection of Lake Trace and our community's tranquility by allowing for the purchase and posting of "No Trespassing" signs near Harbor Creek Marina and the installation of a cost-effective camera to record those attempting to use the boat ramp. The committee also recommends the posting of a "No Wake Zone" sign in the same area for boaters to see as they enter Lake Trace from the Harbor Creek Marina.

**2024 Carolina Trace Association, Inc. - Budget: 1st Revision (08-2-23)**

LINE #	INCOME	2023 Budget	YTD 2023	2024 Budget	Notes
1	POA Assessments (Non Capital)	\$517,000	\$565,042	\$503,712	
2	Contractor Passes	\$12,420	\$7,912	\$15,525	Raise price to \$25 (from \$20)
3	E-Sticker Purchase	\$18,000	\$10,861	\$22,500	Raise price to \$25 (from \$20)
4	POA Property/Pool Insurance Payments	\$10,000	\$10,481	\$10,000	
5	Interest Inc	\$1,000	\$133	\$1,000	
6	Other Income	\$0	\$1,500	\$0	
7	<b>Total Operating Income</b>	<b>\$558,420</b>	<b>\$595,929</b>	<b>\$552,737</b>	
8	Major Road & Bridge Maintenance (Reserve)	\$100,000	\$100,000	\$0	
9	Reserve Allocation	\$36,800	\$39,954	\$34	
10	Capital Budget Improvements	\$76,500	\$73,346	\$287,846	
11	<b>Total CTA Infrastructure Improvements</b>	<b>\$213,300</b>	<b>\$213,300</b>	<b>\$287,880</b>	
12	<b>TOTAL INCOME</b>	<b>\$771,720</b>	<b>\$809,229</b>	<b>\$840,617</b>	
	<b>OPERATING EXPENSES</b>				
	<b>General Admin. Expenses</b>				
13	Accounting Fees	\$6,500	\$0	\$6,500	
14	Insurance	\$36,572	\$34,967	\$36,572	
15	Board Training	\$500	\$0	\$500	
16	Boat Ramp (annual)	\$5,000	\$0	\$5,000	
17	Computer	\$500	\$0	\$500	
18	E-Sticker Deposit Return	\$500	\$100	\$0	
19	Financial Charges	\$100	\$25	\$100	
20	Miscellaneous Expenses	\$400	\$0	\$400	
21	Printing/Postage/Shipping	\$100	\$0	\$100	
22	Professional/Legal Fees	\$1,000	\$122	\$1,000	
23	Waste/Trash Disposal Fee	\$360	\$315	\$360	
24	Web Presence	\$120	\$238	\$370	
25	<b>Total Admin Expenses</b>	<b>\$51,652</b>	<b>\$35,767</b>	<b>\$51,402</b>	
	<b>Roads &amp; Maintenance</b>				
26	Drainage Maintenance & Repair	\$15,000	\$13,700	\$15,000	
27	Landscaping/Beautification	\$15,630	\$8,574	\$15,630	
28	Mowing and Weed Control	\$44,000	\$18,335	\$44,000	
29	Routine Road Maintenance & Repair	\$22,000	\$26,906	\$30,000	Truck Parking Pads: Refurbish
30	Storm Clean-up	\$8,280	\$0	\$8,280	
31	Tree trimming/removal/pruning	\$8,690	\$1,300	\$16,190	Bradford Pear Tree Removal/Restoration
32	Roadside Trash	\$1,500	\$0	\$1,200	
33	<b>Total Roads &amp; Grounds</b>	<b>\$115,100</b>	<b>\$68,815</b>	<b>\$130,300</b>	
	<b>Safety &amp; Security</b>				
34	Security Contract	\$340,300	\$148,403	\$305,000	
35	CERT Supplies	\$2,500	\$78	\$2,500	
36	E-Stickers Purchase	\$8,000	\$3,051	\$9,000	
37	Gate Maintenance	\$10,000	\$1,690	\$5,000	
38	Automated Gate Passes			\$9,600	\$800/month
39	Gatehouse Supplies	\$3,000	\$2,065	\$3,000	
40	Security Cameras/Recorder	\$9,000	\$11,343	\$2,500	
41	Contracted IT Support	\$3,200	\$0	\$3,200	
	Utilities				
42	Utilities/Non Internet	\$13,550	\$9,948	\$13,550	
43	Utilities/Internet and Video	\$10,000	\$2,559	\$10,000	
44	Total Utilities	\$23,550	\$12,507	\$23,550	
45	<b>Total Safety &amp; Security</b>	<b>\$399,550</b>	<b>\$191,644</b>	<b>\$363,350</b>	
	<b>Long Range Planning (Capital)</b>				
46 - 1	Bridge(s) Inspection Repairs	\$15,000	\$15,000	\$20,000	Complete North Bridge Footer Pours
47 - 2	Crusher Stone Runs (along roads, where required)			\$30,000	Eliminate steep drop offs
48 - 3	Traceway Road (Asphalt Overlay)			\$150,000	~ 1 Mile coverage
49 - 4	Culvert Repair (Country Club Road/Entrance)			\$0	1st Rev: Project pending Escalante development
50 - 5	Gatehouse System Hardware (Computers - '23)		\$5,804	\$50,000	Automated Visitor Passes
51 - 6	Gatehouse Maintenance	\$6,500	\$1,042	\$22,846	NG Barrier gate & SG upgrade
52 - 7	Lake Trace Maintenance (annual)	\$5,000	\$0	\$5,000	
53 - 8	Add General Contract Labor			\$10,000	Due to reduced volunteer help
54 - 9	Centralized Boat Launch/Dock (for Trace)				1st Rev: Excluded from 2024 Budget
55	Traceway Road Widening (as required) - C	\$20,000	\$20,000		
56	Sign Island Erosion Control - C	\$25,000	\$25,000		
57	Major Road & Bridge Maintenance (Reserve)	\$100,000	\$100,000	\$0	Itemized within Income Section
58	Large Truck Parking Pad - C	\$5,000	\$6,500		
59	Reserve Allocation	\$36,800	\$39,954	\$34	Add to Reserves, if all listed projects approved
60	<b>Total Long Range Planning</b>	<b>\$213,300</b>	<b>\$213,300</b>	<b>\$287,880</b>	

<b>Total Operating Expense</b>	<b>\$566,302</b>	<b>\$566,302</b>	<b>\$545,052</b>
<b>Long Range Planning (Capital)</b>	<b>\$213,300</b>	<b>\$213,300</b>	<b>\$287,880</b>
<b>Total CTA Budget</b>	<b>\$779,602</b>	<b>\$779,602</b>	<b>\$832,932</b>

**Assessed Lots**

**Lot Assessment Type**

Number of Assessed Lots

Assessment for Operations (6:1)  
 Assessment Long Range Planning (1:1)  
 Total Assessment  
 Assessment Increase for 2023

2023 Budget 2022 Census Data		
Unimproved	Improved	Total
776	1,594	2,370
\$50.00	\$300.00	\$517,000
\$90.00	\$90.00	\$213,300
\$140.00	\$390.00	\$730,300

**2024 Budget 2023 Census Data**

Unimproved	Improved	Total
780	1,619	2,399
\$48.00	\$288.00	\$503,712
\$120.00	\$120.00	\$287,880
\$168.00	\$408.00	\$791,592

20%  
 5%  
 Assessment Updated

**Reserve Funds**

	Exp'd 12/25	Exp'd 12/24	Exp'd 12/23	Exp'd 12/22	Exp'd 12/21
Beginning (est)		\$700,658	\$638,640	\$508,000	
30110 - General Reserve (Roads, Bridges, etc.)		\$0	\$100,000	\$100,000	
Reserve Allocation		\$34	\$36,800	\$17,100	
Surplus Reserve (Income - Budget)		\$7,685	-\$7,882	\$13,540	
Bridge Repair Reserves Usage - '23			-\$66,900		
<b>Total Reserves</b>	<b>\$0</b>	<b>\$708,377</b>	<b>\$700,658</b>	<b>\$638,640</b>	<b>\$508,000</b>

# CTA 2024 Budget Discussion Synopsis

## August 1, 2023 CTA Board Meeting

The following is an addendum to the minutes for the August 1, 2023 CTA BOD meeting, as requested by the Board.

After a detailed budget discussion (see questions, comments and answers, below), the CTA BOD approved a revised version of the proposed 2024 budget to be considered by the POAs. CTA Directors are requested to bring their POA's vote on the 2024 budget to the in-person CTA meeting at CTCC on September 5.

### GENERAL/ADMIN/OVERALL QUESTIONS

- General contract labor line item
  - Helps hire insured workers to replace drop in volunteer workers (trend is that volunteer pool is shrinking each year).
  - Each POA must have its own insurance to cover volunteers.
- Do these 2024 line items account for inflation or are they projections based on the 2023 numbers thus far?
  - Primarily, related contractors/services let CTA know (prior to each new budget year) whether costs are going to fluctuate (or not). Line items reflect this.
- CTA bylaws state, "The "Long Range Planning Assessment" shall be allocated equally for improved and unimproved purchased lots." Are assessments for the lots being calculated accordingly?
  - Yes – all projects under "Long Range Planning" apply to the 1:1, for that portion of the overall Assessment (BOTH lot identifications). See Assessment Summary, page 2 of the proposed budget. Note the ratios of 6:1 (Operations), v/s 1:1 (Long Range Planning – Capital).
  - Percentage increases are deceiving since the dollar amounts are small to begin with and give the impression that there's an imbalance in any change to assessments from year to year.
- Boat Ramp costs?
  - In 2022, CTA increased its funding to Harbor Creek to assist with marina repairs (cement boat launch, etc.)
  - It is not anticipated that CTA will pay Harbor Creek \$5000 for 2024. One longtime board member reported that HC boat launch usage was once assessed at \$.50 per lot.
  - Harbor Creek's marina has a camera and footage can be reviewed to determine how often it is used. The launch is not for public access as it is private property and can be used only by CT residents and property owners.
  - Some Board members were not aware that this launch was open to all residents and property owners. The CTA website will clarify on its Lake Trace Recreation page. POAs are asked to include this amenity in their welcome packet materials.



- TLDC will consider alternatives to the HC boat launch once lake issues are resolved (hydrilla, dam, etc)

## **SECURITY & SAFETY**

- Clarification in renegotiation of SPA contract.
  - As reported at earlier meetings, the S&S renegotiated the SPA contract and removed the patrol car and additional employee that was on this shift due to the nightly patrols. Further discussion:
    - One employee on staff for the overnight shift is consistent with other gated communities in our area.
    - Review of incident logs year over year did not prove a need for the patrol car; the LCSO also patrols our neighborhood randomly. S&S will monitor the logs and CTA Directors are asked to solicit feedback on incidents from residents and to also encourage them to contact the gatehouse so the incident logs are more accurate.
    - The SPA contract is renegotiated every three years; S&S will continue to monitor and receive feedback.
- General discussion as to “security” as opposed to “controlled access,” and it was explained that “security” has no one definition for all individuals. Bottom line, SPA gatehouse staff is not law enforcement and would need to contact LCSO just like the resident would. Agreement that back gates continue to be an issue; and S&S is continually seeking to resolve those issues. Community awareness is appreciated.
- Proposed Visitor Pass Upgrades
  - Goal is to move away from the limitations of paper passes (lost passes, etc.), provide increased efficiency through use of current technology, and free up gatehouse staff from near-constant phone answering.
  - Proposed system allows for four different ways to provide guests with passes: phone call; direct text, web portal for QR code or calling into an automated system. Note that older residents can still make phone calls.
  - The system could be expanded to include remote QR readers at the back gates for visitors that meet that criteria.

## **TRAM (Roads and Maintenance)**

- The last long range report for the six miles of CTA roads is from 2016. It would cost approximately \$2,000,000 to pave all six miles of Traceway; therefore, TRAM’s plan is to pave as much as it can every year. Reserves need to be both built up and drawn down for such large projects.
- Paving on Traceway
  - Reference to “one mile” of paving is a total of various wear patches in both north and south sides and not one continuous stretch of road.

- Other paving will be triaged; TRAM's CTA liaison Ernie Patterson will provide a color coded map showing priority paving for CTA review. This includes Traceway at Stonegate, Golf North and other areas.
- Will get bids that include whether certain areas can be patched and paved or whether a grinding and repaving is needed.
- Traffic counters will be borrowed from Lee County to show trends on road usage. There are twice as many homes and amounts of roads on the north side of the lake as the south.
- Crush and run is planned for areas with severe drop off (on north and south sides).
- Gravel parking pads – current pads will be paved to avoid wash out. Such pads are for use by heavy vehicles (moving, delivery, construction) to help save POA roads.
- Request from Stonegate to revisit a 2019 drainage issue; Stonegate was assured that this project is on TRAM's watch list, and the project will begin with upstream mitigation. This particular issue affects certain Stonegate property owners, CTA and Escalante.
- Bridgework (north bridge – left of gatehouse) will be completed in 2024 with the lowering of the lake. Part of this work (including south bridge) was completed in winter 2023.
- Projects changed from original, proposed 2024 budget:
  - The funds requested for the culvert work at Traceway N and Arnold Pond (joint project with Escalante Golf) will be placed into reserve. Since draft budgeting, CTCC GM Ray Reyes has informed TRAM that environmental some state and federal permitting is required to look at the damage caused by a falling tree at the Arnold Pond dam. This will need to be addressed by CTCC prior to culvert work.

**BRADFORD/CALLERY PEAR PROJECT** (Reminder of town hall set for 8/14, 6 pm at CTCC)

- Questions about this project were deferred and will be addressed at the community town hall.
- Will Escalante's Bradford Pear trees be included with the CTA project?
  - It is unlikely that their project will occur during the timeline of CTA's project.

**TLDC** (in response to lake amenities in TRAM proposal)

- TLDC will consider any lake use enhancements in upcoming years, following the lake clean up (hydrilla) and dam work.

- Five of the 18 POAs have access to Lake Trace for its residents; CTCC members have access via the launch at the club.
- CTA Directors are asked to discuss such issues with their residents and report to the TLDC to revisit in 2025.

### **CAPITAL EXPENSES/LONG RANGE**

- Reserve allocations. In 2022 and 2023, it was \$100,000 per year.
- Capital projects approved for any given year dictate whether funds go into reserves or out for projects.

### **RESERVES**

- Why is no money being allocated to reserves for 2024?
  - **This might be a moot point due to budget amendment:** Due to the number (and dollar amounts) of capital project items, some reserve money will be required – even “with” an increase in the Long Range Planning (Capital) portion of Total Assessment.
- Clarification if CTA are utilizing some funds from reserves along with the operational budget to cover some projects therefore what “would be allocated” would be used? Shouldn’t the budget reflect that money from income is being allocated to reserves in the amount to cover part of the capital projects? And then show all capital project money coming from reserves?
  - This is exactly how Reserves are generated . . . combinations of excess budget AND reduced capital spending – from excess Long Range Planning Assessment dollars. Then, with each new budget – CTA decides what infrastructure work is required, along with new additions (Gates, etc.).

## CTA Budget 2024 - Security & Safety Line Items - Explanation

### 2024 S&S Budget Requirements Explanations (operating expenses)

**Security Contract** : Annual Base Pay = \$297,148.80 Holiday Pay @1.5 x Base Rate

\$7,192.80 Total \$304,341.60 rounded up to \$305,000.00 (compared to \$340,300.00 in 2023 Budget)

**CERT Supplies** : \$2500.00 {no change from 2023 Budget}

**E-Sticker Purchase** : \$9,000.00 (anticipated cost increase up from \$8,000.00 in 2023 Budget) See also lines 2 & 3 under INCOME. Contractor passes & E-Sticker Purchase increase to \$25 from \$20 in 2023 budget. Estimated revenue increase of \$7,605.00

**Gate Maintenance** : \$5,000.00 (down from \$10,000.00 in 2023 budget)

**Automated Gate Passes** : \$9600.00 / \$800.00 monthly (cloud storage and remote dial-in services for Automated visitor Pass system [see line 50 LRP Capital])

**Gatehouse Supplies** : \$3,000.00 (no change from 2023 budget)

**Security Cameras / Recorders** : \$2500.00 (anticipated replacement of camera and / or related hardware) \$9,000.00 added to 2023 budget for NVR upgrade accomplished 2<sup>nd</sup> quarter 2023.

**Contracted IT Support** : \$3,200.00 (no change from 2023 budget)

**Utilities / Non-internet** : \$13,500.00 (no change from 2023 budget)

**Utilities / Internet & Video** : \$10,000.00 (no change from 2023 budget)

**Total S&S "Operating"** : \$363,350.00 (down from \$399,550.00 from 2023 budget. Savings = \$36,200.00 from 2023 budget)

## **LRP (Capital)**

### **Line 50**

**Gatehouse System Hardware** : \$50,000.00 (TEM auto visitor gate management. \$39,957.84 + \$10,000.00 for needed CTA provided hardware and add ons as TBD)

#### **SYSTEM OVERVIEW**

The Gatehouse Solutions Visitor and Resident Management Software Package is the leading software in managing visitor and resident access into properties secured by guards and concierge attendants. The software is designed to continue to operate even when network connectivity is lost so that residents and visitors are never inconvenienced with long lines and compromised security.

The user-friendly Guard Workstation helps streamline visitor entry and resident gate access by accurately and efficiently processing requests and maintaining operational effectiveness of gated community security personnel.

The simple and organized design of the Administrative Workstation allows administrators to efficiently control the community's database. The cloud-based platform offers the flexibility everyone is looking for.

NOTE: This system is in operation at Carolina Lakes currently. It is a proven system that virtually eliminates lost visitor passes and greatly improves efficiency. At least two POAs in CT have inquired of this system. This system has the potential for reducing the need for the second gate guard, which would amount to even more savings.

### **Line 51**

**Gatehouse Maintenance** : \$22,846 (As Quoted from Secure Access Services) to include second barrier gate motor & arm assembly on exit lane at North Gate. See S&S report for July CTA meeting. Also, to upgrade the South Gate Motors with original gate motors from the North Gate. \$9,854.16 for North Gate upgrade (North Gate entry barrier gate was in 2023 budget. Quoted price at the time increased to \$9,854.16 and will be reflected again in the second barrier gate to be installed on exit gate on North Gate). Quoted price for South Gate upgrade is \$7,038.39. Total quoted for North and South Gate upgrades: \$16,892.55. Additional \$5,953.45 for incidentals such as Jersey Barriers on North Gate and miscellaneous expenses such as Media Center replacements and sun shade improvements.

#### **SUMMARY**

While Safety & Security is asking for \$72,846.00 for much needed upgrades of our gate and visitor pass technologies, we have reduced our operating expenses by \$36,200.00 and increased revenue by \$7,605 (approximately) thereby reducing the request from \$72,846.00 to \$29,041.00

Submitted by Burt Witaschek  
CTA Vice President and Chair, Security & Safety Committee

Subject: Proposal for Expansion of Parking Areas along Traceway for Improved Truck Parking and Resident Access to Stonegate Pond and Golf North Pond

Proposal Summary: I propose the expansion of the existing parking areas along Traceway at both Stonegate Pond and Golf North Pond to accommodate large trucks and provide parking spaces for residents to access the lakes from their dam areas. This expansion will facilitate the parking needs of moving and other large trucks, allowing them to offload their contents to vehicles that will cause less damage to the residential roads within the Property Owners Associations (POAs) on the north side of Lake Trace. Additionally, it will enable residents of Carolina Trace to park and utilize the dam areas for fishing activities with their families.

Rationale:

1. Improved Truck Parking: By providing designated parking spaces for large trucks along Traceway, we can alleviate the current challenges faced by these vehicles. They will no longer need to park on residential streets, reducing potential damage and congestion in our community. This solution will help maintain the integrity of our roads while addressing the parking needs of moving and other large trucks effectively.
2. Enhanced Resident Access: Expanding the parking areas will also greatly benefit the residents of Carolina Trace who wish to access Stonegate Pond and Golf North Pond for recreational activities, especially fishing. By providing designated parking spaces near the dam areas of the lakes, residents will have convenient and safe access to these beautiful natural resources within our community. This will foster community engagement, promote family bonding, and encourage outdoor activities.

Benefits:

1. Reduced Road Damage: By relocating the parking of large trucks to designated areas, we can prevent their presence on residential roads, minimizing wear and tear. This initiative will contribute to the preservation of our road infrastructure and ensure the long-term sustainability of our community's transportation network.
2. Improved Safety: Separating truck parking from residential areas will enhance safety by reducing potential hazards such as accidents, congestion, and restricted visibility caused by oversized vehicles on narrow streets. Residents, especially children and seniors, will benefit from improved pedestrian safety within the community.
3. Enhanced Recreational Opportunities: By expanding the parking areas and providing easy access to the dam areas of Stonegate Pond and Golf North Pond, residents will have more opportunities to enjoy recreational activities such as fishing, nature walks, and picnics. This will contribute to the overall well-being and satisfaction of our community members.

Conclusion: The expansion of parking areas along Traceway will address the parking needs of large trucks, promote road preservation, and provide residents with safe and convenient access to Stonegate Pond and Golf North Pond. This proposal aligns with our commitment to continuously enhance the living experience of Carolina Trace residents and foster a strong sense of community.

TRAM request approval of this project. We believe that this proposal will contribute significantly to the betterment of our community and the overall satisfaction of its residents.

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## Subject: Proposal for Replacement of Culvert at Lake Arnold for Traceway Improvement

**Project Overview:** The proposed project entails the replacement of the existing culvert that connects Lake Arnold to the drainage system under Traceway. The current culvert is outdated, and its deteriorating condition has resulted in decreased water flow capacity, posing a risk of flooding during heavy rainfall. The replacement culvert will be designed to meet modern standards and ensure optimal water management.

**Cost Sharing:** To undertake this project, it is essential to secure the cooperation and financial commitment of both Escalante and CTA. The estimated cost for the culvert replacement is \$80,000, and it is proposed that both parties split this expense evenly, contributing \$40,000 each. This cost-sharing approach reflects a fair and equitable distribution of financial responsibility between the organizations involved.

### Benefits and Rationale:

1. **Improved Drainage:** The new culvert will enhance the drainage capacity, reducing the risk of flooding in the vicinity. This improvement will safeguard nearby properties and infrastructure from water-related damage and provide a safer environment for residents and visitors.
2. **Long-term Cost Savings:** By proactively replacing the aging culvert, we can avoid potential future repair costs and emergency maintenance expenses that may arise from a complete failure of the current infrastructure. Investing in this project now will save us from greater financial burdens in the future.
3. **Environmental Stewardship:** The upgraded culvert will contribute to the overall environmental health of the area by promoting the natural flow of water and preventing water stagnation. This will help maintain the ecological balance, preserve vegetation, and support the well-being of local wildlife.

TRAM request that the Board approve this proposal. We believe that this investment will yield substantial benefits for both Escalante and CTA

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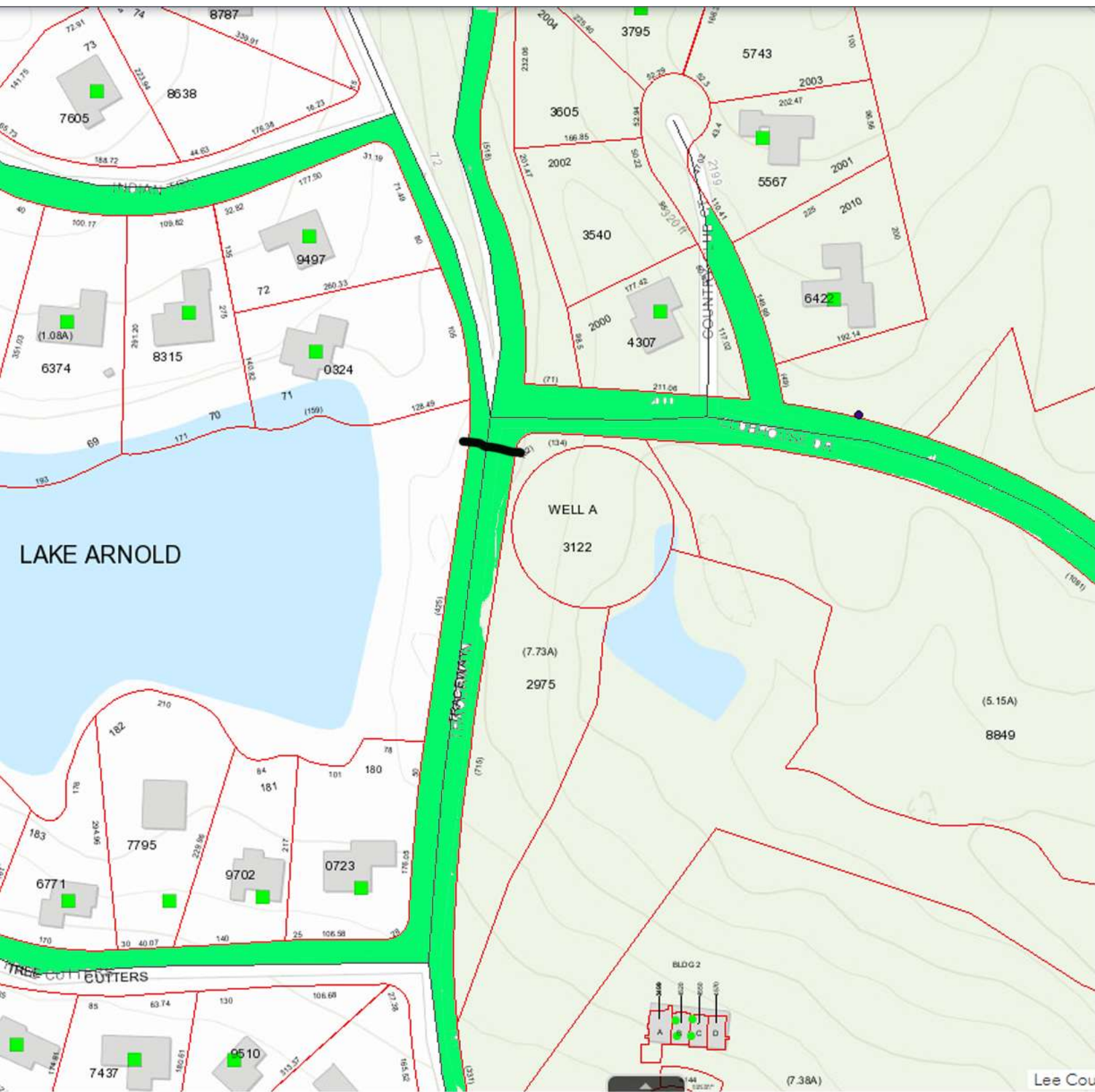
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TRAM request that the Board approve this proposal. We believe that this investment will yield substantial benefits for both Escalante and CTA



Subject: Proposal for Fishing Platforms, Recreational Amenities, and Accessibility Enhancements at Lake Trace

TRAM is recommending a proposal for the addition of fishing platforms, recreational amenities, and accessibility enhancements at Lake Trace, with the intention of improving the overall experience for residents of all POAs and promoting outdoor activities within our community. This proposal outlines the key features and benefits of the proposed project, including the addition of fishing platforms, a kayak/canoe/paddle board launch site, parking enhancements, an aeration fountain, benches, picnic tables, and universal access sidewalks.

1. **Fishing Platforms:** We propose the installation of fishing platforms on both sides of Lake Trace, extending from the Gatehouse to the North Bridge. These platforms will provide dedicated spaces for anglers to enjoy their favorite pastime, while also ensuring the preservation and protection of the lake's ecosystem. By providing designated fishing areas, we aim to enhance the recreational opportunities at Lake Trace and allow fishing families better access to resources in our community.
2. **Kayak/Canoe/Paddle Board Launch Site:** To promote water-based recreational activities, we suggest the addition of a kayak/canoe/paddle board launch site on the side of the lake nearest to Highway 87. This launch site will enable enthusiasts to easily access the water and enjoy various non-motorized water sports. By accommodating these activities, we hope to encourage a healthy and active lifestyle while capitalizing on the natural beauty of Lake Trace.
3. **Parking Enhancements:** To alleviate the current parking limitations and ensure convenient access to the proposed amenities, we propose the addition of parking spaces along the west side of Traceway. These new parking areas will supplement the existing parking options available in the turnaround. Adequate parking facilities are vital to encourage visitation and enable residents to fully enjoy the recreational opportunities offered at Lake Trace.
4. **Aeration Fountain:** To maintain a healthy and vibrant aquatic ecosystem, we recommend installing an aeration fountain on the main side of the lake. The fountain will improve water circulation, oxygen levels, and overall water quality, benefiting the fish population and enhancing the aesthetics of Lake Trace. This addition aligns with our commitment to preserving and enhancing the natural environment while ensuring a sustainable recreational area.
5. **Benches, Picnic Tables, and Universal Access Sidewalks:** To further enhance the visitor experience and encourage social interaction, we propose placing benches and three picnic tables near the docks. These amenities will provide comfortable seating and gathering spaces for individuals and families, allowing them to relax, enjoy picnics, and appreciate the scenic views of Lake Trace. Moreover, we aim to ensure inclusivity and accessibility by constructing universal access sidewalks connecting the parking areas to the docks. This will enable individuals with mobility challenges to navigate the area easily, fostering a welcoming environment for all members of our community.

In conclusion, this proposal seeks your approval to implement these enhancements at Lake Trace. By adding fishing platforms, a kayak/canoe/paddle board launch site, parking improvements, an aeration fountain, benches, picnic tables, and universal access sidewalks, we strive to create an inviting and enjoyable recreational area that will attract residents and visitors alike.

We believe that these enhancements will contribute to the quality of life in our community, promote outdoor activities, and foster a sense of community engagement. We ask your support for this proposal allowing us to move forward with the implementation of these improvements.

Thank you for your time and consideration. We look forward to your positive response and the opportunity to work together in enhancing Lake Trace for the benefit of our community.



Subject: Proposal for Fishing Platforms, Recreational Amenities, and Accessibility Enhancements at Lake Trace

TRAM is recommending a proposal for the addition of fishing platforms, recreational amenities, and accessibility enhancements at Lake Trace, with the intention of improving the overall experience for residents of all POAs and promoting outdoor activities within our community. This proposal outlines the key features and benefits of the proposed project, including the addition of fishing platforms, a kayak/canoe/paddle board launch site, parking enhancements, an aeration fountain, benches, picnic tables, and universal access sidewalks.

1. **Fishing Platforms:** We propose the installation of fishing platforms on both sides of Lake Trace, extending from the Gatehouse to the North Bridge. These platforms will provide dedicated spaces for anglers to enjoy their favorite pastime, while also ensuring the preservation and protection of the lake's ecosystem. By providing designated fishing areas, we aim to enhance the recreational opportunities at Lake Trace and allow fishing families better access to resources in our community.
2. **Kayak/Canoe/Paddle Board Launch Site:** To promote water-based recreational activities, we suggest the addition of a kayak/canoe/paddle board launch site on the side of the lake nearest to Highway 87. This launch site will enable enthusiasts to easily access the water and enjoy various non-motorized water sports. By accommodating these activities, we hope to encourage a healthy and active lifestyle while capitalizing on the natural beauty of Lake Trace.
3. **Parking Enhancements:** To alleviate the current parking limitations and ensure convenient access to the proposed amenities, we propose the addition of parking spaces along the west side of Traceway. These new parking areas will supplement the existing parking options available in the turnaround. Adequate parking facilities are vital to encourage visitation and enable residents to fully enjoy the recreational opportunities offered at Lake Trace.
4. **Aeration Fountain:** To maintain a healthy and vibrant aquatic ecosystem, we recommend installing an aeration fountain on the main side of the lake. The fountain will improve water circulation, oxygen levels, and overall water quality, benefiting the fish population and enhancing the aesthetics of Lake Trace. This addition aligns with our commitment to preserving and enhancing the natural environment while ensuring a sustainable recreational area.
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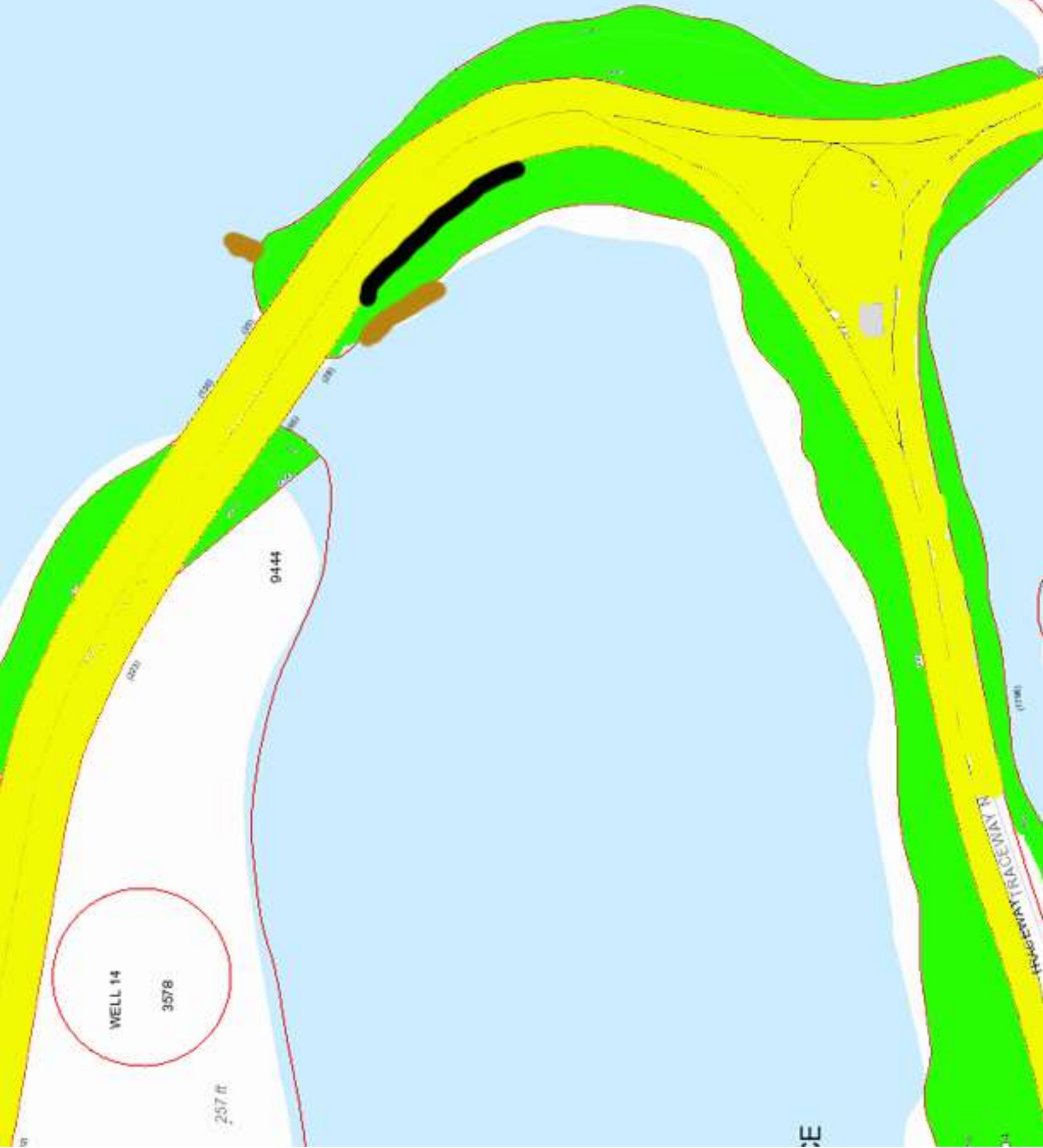
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LAKE TR



WELL 14  
3578

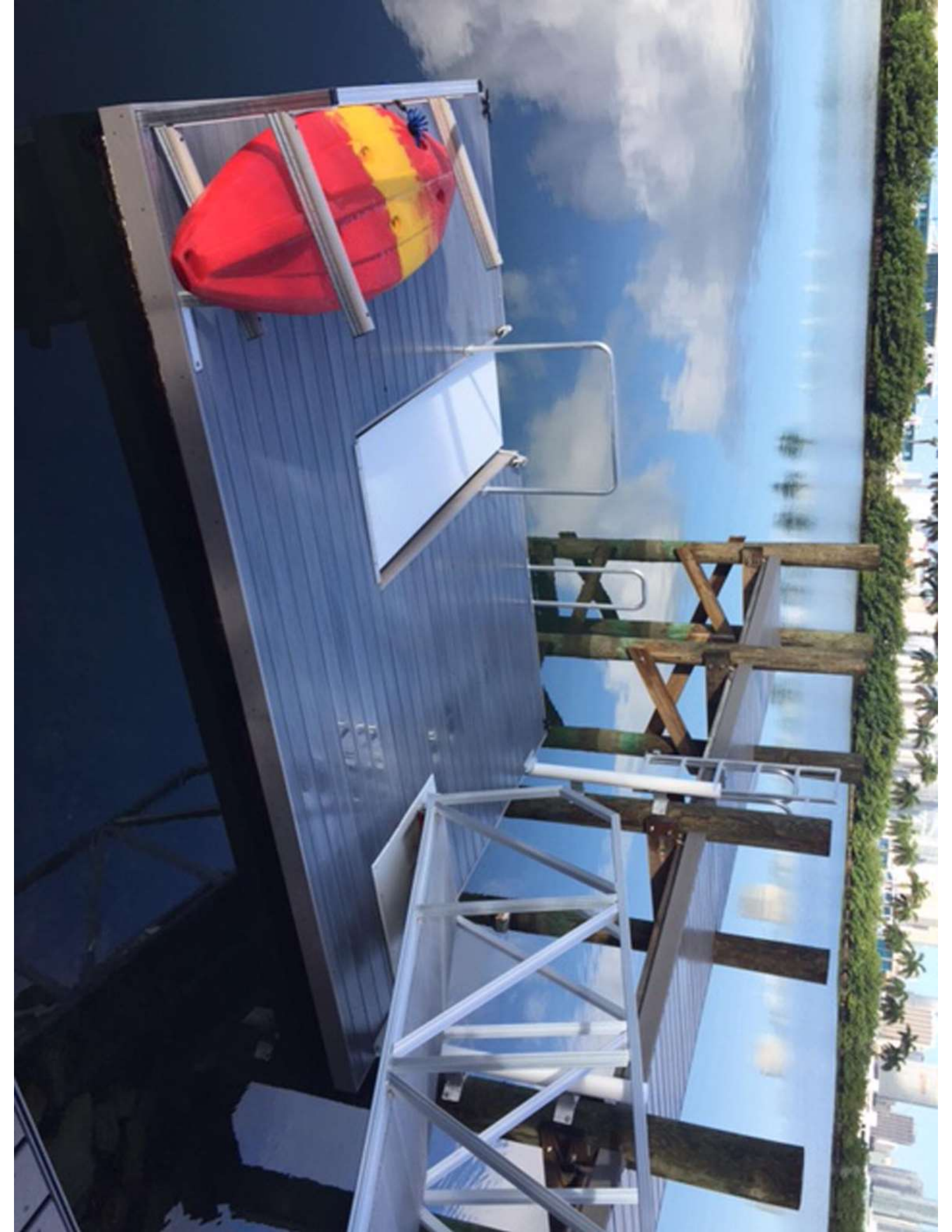
9444

257 ft.

HENDERSON MANSION  
11706

5098

6694



## **Stonegate Motion Regarding SPA Contract Renegotiation**

Whereas CTA-SPA has negotiated a new contract that eliminates some SPA contract obligations for 2023, reducing the cost of the 2023 contract by about \$17,500.

Whereas in the 2023 Budget, CTA Inc. improved lot owner members were assessed and paid their POA's on the basis of the \$340,300 cost of the CTA-SPA 2023 contract. This resulted in an overpayment of about \$17,500.

Therefore Art Beaman Stonegate POA CTA Delegate makes a motion as follows.

The CTA Treasurer will issue a credit on the last quarter CTA invoice for 2023 CTA assessments in the exact amount of the overpayment for each POA.

**From Art Beaman, CTA Director, Stonegate POA**

**July 27, 2023**

**Motion:** Propose that the CTA BOD include a capital project in the CTA 2024 budget for the improvement to the original 5-20-2019 project, that would result in providing a safe and adequate design, preventing further damage to the Trace roadway and to adjacent private property.



July 25, 2023

SUBJECT: CTA/TRAM CAPITAL PROJECT FOR 2024 BUDGET

1. The flood mitigation system, TRAM installed, at Carrs Creek/Traceway needs to be improved so it can be operated in a safe manner, utilize the full 12.6 sq. ft. flow area of the 48" diameter culvert under Traceway and prevent further damage to the roadway and adjacent private property.

2. Background Information:

On May 20, 2019 CTA entered a contract with Vortex Draining Systems (VDS) to repair the sink hole at Carrs Creek. (Enc. 1)

The contract was modified to include a TRAM in-house design to handle Carrs Creek overflow and increased ground water run-off along Traceway from Irish Blvd. to Carrs Creek. The design can no longer handle the increased flow into the system.

During steady rain or heavy thunderstorms the inlet grate plugs-up at Sedgemoor and Carrs Creek. The volunteers are out in the storm, in up to 16 inches of water, working to unplug the inlet grates at Carrs Creek. The Sedgemoor culverts just back-up and the water flows over Traceway damaging the roadway and adjacent golf course and Stonegate POA private property.

When there is advanced warning of possible flood conditions, the inlet grates on Carrs Creek are removed and warning signs posted. A very dangerous solution.

Before the sink hole repair, Carrs Creek formed its own channel from the Creek to a side inlet of the sink hole. The excess ground water from Irish Blvd. also made its own channel down to a side inlet of the sink hole. In time the large sink hole inlet used the full capacity of the 48" diameter culvert (12.6 sq. ft. flow area). The TRAM design reduced the inlet size to 5.7 sq. ft. flow area. (A decrease of 55% capacity), with a vertical inlet flow. With this restricted inlet it does not take long before the water flow overpowers the entire system.

The current design is not working as a safe, effective flood mitigation system and must be re-designed to utilize the full capacity of the 48" RCP culvert under Traceway.

3. TRAM may already have an alternate design on file that may work. When Tracy Spade (a professional engineer) was on TRAM she was working with several interested contractors and a local engineer (J. Thomas Engineering Co.) on a flood mitigation system at Carrs Creek. Since she was relocating, she recommended that J. Thomas be hired to provide continuity and help TRAM develop a statement of work (SOW) that would be used to get competitive bids on the project. The CTA/BOD approved this recommendation.
4. On February 11, 2019 J. Thomas Engineering, Inc. made a proposal to CTA in the amount of \$5850 to do this work with TRAM. (Enc.2)

Note: At the May 7, 2019 CTA Board Meeting, CTA President (D. Smoak) advised CTA Board that CTA Executive Committee and TRAM Committees jointly decided not to hire J. Thomas Engineering. It would eventually do its own in-house TRAM design within the Vortex Drainage Systems contract dated May 20, 2019.

Stonegate POA has a special interest in this project since SPOA had allocated \$145,000 of its Zone 1 tort claim award to Carrs Creek recovery and the sediment was already building up again within 3 years.

We will continue working with NCDQ/DWR and the US EPA to help us protect the NC designated Carrs Creek Wetlands within SPOA.



# Vortex Drainage Systems

Kevin Harrington, Owner  
[kharrington@vortexdrainagesystems.com](mailto:kharrington@vortexdrainagesystems.com)  
[www.vortexdrainagesystems.com](http://www.vortexdrainagesystems.com)  
 Tel: (919) 995-5090



## invoice

Name:	Ernie Violon	Date:	May 20th, 2019
Address:	Carolina Trace, Sanford NC	Phone:	(919) 589 2238
Jobsite:		Email:	Reviolon1@gmail.com

DESCRIPTION	~ FT	Price
<i>If you desire to select items, please initialize to accept each bid separately.</i> <b>Note: All estimates are approximations. All prices include labor and materials.</b>		
<b>Catch Basin:</b> Remove and dispose of metal endwall and pump out water at the bottom of the sink hole. Excavate to suitable soil and install and compact ABC foundation for catch basin. Build forms and pour concrete catch basin invert. Build 3'x3'x5' catch basin using DOT Block or equivalent. Install 3'x3' cast iron grate. Backfill and compact with suitable soil.		\$7,440
<b>36" RCP Pipe extension: 8ft</b> Excavate as necessary to install 36" RCP pipe from the existing RCP pipe to the above catch basin. Backfill and compact with suitable soil		\$2,340
<b>Headwall:</b> At the outfall of the 42" RCP pipe, excavate as necessary and pour a concrete pad at the invert elevation of the RCP Pipe. Build 5' high by 4' wide headwall and 5ft high by 8ft long wingwalls on either side.		\$5,670
<b>Check Dam:</b> Grade the area by the lake to create a check dam down to the catch basin described above. Lay geotextile fabric over the headwall from the lake down to the catch basin and lay Class A rip rap stone to stop erosion.		\$1,420
<b>Grading:</b> <ul style="list-style-type: none"> <li>Grade either side of headwall and downstream of the outfall to maximize water throughput and prevent debris from blocking the flow.</li> <li>Grade a larger bowl around the catch basin to collect all water pooling in the area between the road and lake.</li> <li>Grade a swale along the side of the road to pitch all runoff from the road towards the catch basin.</li> </ul>		\$4,260

PD  
 CES  
 BP  
 5/17/19

Lay and pin down Excelsior Erosion Control straw matting around areas of high volume of water over grass seed. Use seed and straw over other areas disturbed during construction		
<b>Change Order:</b>		\$3,000
<ul style="list-style-type: none"> <li>• <i>Increased pipe size from 36" to 48" and increased catch basin size</i></li> <li>• <i>Delays due to dry utility relocates</i></li> <li>• <i>Replacement of one 3'x3' cast iron grate with two 2'x3' cast iron grates</i></li> </ul>		
<b>GRAND TOTAL</b>		<b>\$24,130</b>
<b>Less: Payment 1</b>		<b>(\$4000)</b>
<b>Less: Payment 2</b>		<b>(\$10,000)</b>
<b>OUTSTANDING BALANCE</b>		<b>\$10,130</b>

*Thanks for you Business!!!*

Please make checks payable to:  
Vortex Drainage Systems  
1113 Fairview St  
Durham  
NC 27707

**J THOMAS ENGINEERING, INC.**

143 Charlotte Avenue, Suite 104  
 Sanford, North Carolina 27330  
 (919) 777-6010 phone  
 www.jthomasengineering.com

**PROPOSAL FOR ENGINEERING SERVICES**

PROJECT: CAROLINA TRACE STONEGATE POND OUTLET REPAIR  
 DATE: 2/11/2019

TASK	DESCRIPTION	ESTIMATED TIME TO COMPLETE	DESIGN FEE
1	Conduct a field survey (location / topography) of the outlet structure and rehabilitation area (approx. 0.25 acres)	4 WEEKS	\$1,050
2	Prepare a plan that shows the design of recommended storm drainage improvements for the outlet structure.	6 WEEKS	\$4,800
<b>TOTALS</b>		<b>10 WEEKS</b>	<b>\$5,850</b>

NOTES:

- A. Tasks are based on site meetings with the committee on 11/9/2018 and 11/26/2018 and the 'Pre-Design Project Cost Estimate' prepared by JTE and dated 12/10/2018. This proposal only includes the rehabilitation of the 'secondary' outlet that has been recently uncovered. This proposal does not include:
- Property Boundary Surveys
  - Hydrologic study of the pond, pond routing, or detailed analysis of the outlet hydraulics
  - Soils analysis and/or geotechnical engineering.
  - Permitting
  - Bid Assistance / Construction Admin
- B. The 'Estimated Time to Complete' is based on anticipated time to compete the scope of work and current workload.

**PROPOSAL ACCEPTED BY:**

Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_