



**CHESHIRE FOREST HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS**

**MEETING MINUTES**

Regular Meeting of the Board of Directors  
18 June 2024

According to Article XI, Section I of the Cheshire Forest Homeowners Association By-Laws, a regular meeting of the Board was held on Tuesday, June 18, 2024, at 500 Cheshire Forest Drive, Chesapeake, VA 23322.

The President, Mrs. Karol, opened the meeting at 6:02 pm. Mrs. Monnikendam, Vice President; Mrs. McKlveen, Secretary; Mr. Heinecke, Treasurer; and Directors Mr. Orbison and Mr. Granata were in attendance, constituting a quorum.

Board members absent: none

United Property Associates: Represented by Melissa Arsement.

Mrs. Karol motioned for the Board to move into an Executive Session to discuss Compliance Violations, the Delinquency Report, owner correspondence, and communication. Mrs. Monnikendam seconded the motion, which was approved by all board members.

The Open Session was reconvened at 7:03 pm.

**Business brought out of executive session: None**

Mrs. Karol moved that the agenda be adopted with the addition of 'E—debit Card' under Old Business. Mrs. Monnikendam seconded the motion, which was approved by all board members.

Mrs. Karol moved to approve the May 16, 2024, Minutes of The Regular Meeting of the Board of Directors as written; Mrs. Monnikendam seconded the motion, which was approved by all board members.

**Member forum:** 3 members present. It was reported that geese are an ongoing issue.

- **Documents:** Mrs. Karol moved that "Resolution Number 3 of the Board of Directors, Books and Records" be adopted as written. (Appendix A) Mr. Granata seconded the motion, which was approved by all board members. As the Virginia Statute requires, United Property Associates will mail all Members a copy of the resolution and place it in the Association's Governing Documents.
- **Pool/Tennis Committee:** The timer switch for the court lights has been repaired, and Mr. Heinecke will ensure that the lights are adjusted to turn off by 10 pm. The new ping-pong table was purchased and delivered. The lifeguards have been instructed that only guards may open and close the table. It will be opened at the start of the day and closed and covered before the guards leave for the day.
- **Swim Team:** The Board has instructed UPA not to rent the clubhouse on Friday nights prior to Saturday home swim meets. This will be a policy of the Board moving forward.

**Financial Report:** The Association's June Financial Reports were reviewed by the Board. No discrepancies were noted.

**Managers' report:** The report provided to the Board by Mrs. Arsement was reviewed.



**CHESHIRE FOREST HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS**

**New business:**

**Audit:** DesRoches & Company completed and delivered the annual audit of the Associations' finances for the year ending 2023, which the Board accepted. (Appendix B) The auditor made the following adjustments:

An adjustment was made to reverse an entry posted to assessment income to record deferred revenue.

Necessary adjustments were made to the Association's property and equipment accounts to record depreciation.

Adjusting entries were necessary to properly reflect the certificate of deposit account balances on December 31, 2023, and the interest income for the year that ended.

There are no recommendations to improve or sustain internal controls and other Association Practices during the 2023 audit.

The Operating Schedule will follow the Managers' Report on the Agenda at every board meeting.

Mrs. Karol moved to accept First Choice Pest Control's monthly fly control estimate for July and August 2024 as written (Appendix C). Mr. Granata seconded the motion, which was approved by all board members.

Mr. Heinecke motioned that we adopt the pool pass system as described. (Appendix D) Mr. Merritt seconded the motion. Mrs. McKlveen, Mr. Heinecke, Mr. Merritt, and Mrs. Monnikendam voted to approve the motion. Mr. Granata and Mr. Orbison voted to reject the motion. Mrs. Karol abstained. The motion passed.

With the Agenda completed, the meeting was adjourned at 9:51 pm. The next regular board meeting is scheduled for Tuesday, July 16, 2024.

Jane McKlveen, Secretary

Erin Karol, President



**CHESHIRE FOREST HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS**

Appendix A – Resolution No. 3 of the Board of Directors of Cheshire Forest HOA (books and Records)

**RESOLUTION NO. 3  
OF THE BOARD OF DIRECTORS OF  
CHESHIRE FOREST HOMEOWNERS ASSOCIATION, INC.  
(Books and Records)**

**WHEREAS**, in accordance with Virginia Code, **CHESHIRE FOREST HOMEOWNERS ASSOCIATION, INC.** (“Association”) is required to have a written process for resolving Association complaints from members and citizens. The Association’s Complaint Procedure shall conform to the requirements set forth in the Code, the Common Interest Community Ombudsman Regulation (“CICB Regulations”), and the Association’s Articles of Incorporation, Amended, Restated and Amended Declaration and Amended and Restated Bylaws (“Governing Instruments”), which shall not be in conflict with the Code or the Regulations.

**WHEREAS**, Virginia Code Section 55.1-1815 of the Virginia Property Owners’ Association Act provides that charges for access to the Association’s books and records may be imposed; and,

**WHEREAS**, Virginia Code Section 55.1-1815(D) of the Virginia Property Owners’ Association Act provides that charges may be imposed only in accordance with a cost schedule adopted by the Board; and

**WHEREAS**, the Board of Directors desires to create a policy and procedure by which owners in good standing may request and be provided access to books and records.

**NOW THEREFORE**, it is hereby **RESOLVED** that the Board of Directors of **CHESHIRE FOREST ASSOCIATION, INC.** hereby adopts the following policy to be used for Members requesting access to the Association’s books and records.

**A. RIGHT OF EXAMINATION.** All books and records kept by or on behalf of the Association, including, but not limited to the association’s membership list, addresses and aggregate salary information of association employees, shall be available for examination and copying by an owner in Good Standing or his authorized agent so long as the request is for a proper purpose related to his membership in the association, and not for pecuniary gain or commercial solicitation. This right of examination shall exist without reference to the duration of membership and may be exercised (i) only during reasonable business hours or at a mutually convenient time and location and (ii) upon five (5) days written notice reasonably identifying the purpose for the request and the specific books and records of the association requested.

**B. RIGHT TO WITHHOLD.** Books and records kept by or on behalf of an Association may be withheld from examination or copying by owners and contract purchasers to the extent that they are drafts not yet incorporated into the association’s books and records or if such books and records concern:



## CHESHIRE FOREST HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS

1. Personnel matters relating to specific identified persons or a person's medical records;
2. Contracts, leases, and other commercial transactions to purchase or provide goods or services currently in or under negotiation;
3. Pending or probable litigation. Probable litigation means these instances where there has been a specific threat of litigation from a party or the legal counsel of a party;
4. Matters involving state or local administrative or other formal proceedings before a government tribunal for enforcement of the association documents or rules and regulations promulgated pursuant to §55.1-1819;
5. Communications with legal counsel which relates to subdivisions 1 through 4 or that are protected by the attorney-client privilege or the attorney work product doctrine;
6. Disclosure of information in violation of law;
7. Meeting minutes or other confidential records of an executive session of the board of directors held in accordance with subsection C of § 55.1-1816;
8. Documentation, correspondence or management or board reports compiled for or on behalf of the association or the board by its agents or committees for consideration by the board in executive session; or
9. Individual unit owner or member files, other than those of the requesting lot owner, including any individual lot owner's or member's files kept by or on behalf of the association.

C. **GOOD STANDING.** Good Standing shall mean a Member is current in the payment of assessments and any other financial obligation to the Association, including fines or charges, and compliant with all other responsibilities of membership, including, but not limited to, maintenance of his or her Lot in a condition that does not violate any term or provision of the Association's Governing Documents.

D. **REQUEST FORM.** In order to exercise the Right of Examination, Members must fully complete, sign and date the attached Request Form, Exhibit A, or a substantially similar form, and file, by mail, fax, or email, with the Association to the attention of the Association's Managing Agent at the following address:

Cheshire Forest Homeowners Association, Inc.  
c/o Melissa Arsement, Community Manager  
United Property Associates  
301 Bendix Road, Suite 300  
Virginia Beach, VA 23452  
Email: marsement@unitedpropertyassociates.com  
Fax: (757) 497-9133

D. **FEE SCHEDULE.** Members may be required to pay a charge prior to the providing of copies of and Books and Records to a Member in Good Standing. The Association adopts the attached Fee Schedule, Exhibit B, for copies and hourly charges for the review and duplication of the Association's Books and Records.



**CHESHIRE FOREST HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS**

E. **ESTIMATE OF COSTS.** Upon receipt of a completed Request Form and within a reasonable period of time, the Association shall provide the Member an estimate of the costs associated with responding to the request.

F. **PAYMENT.** Prior to the Association performing any work related to the request, Members must pay the estimated charges in advance. Upon receipt of payment (or clearance of a personal check), the Association shall make arrangements for a meeting at a mutually convenient time to provide the Member with copies of the requested records within five (5) days of receipt of the payment. The Association has the right, but not the obligation, to provide requested records by electronic transmission.

G. **RECONCILIATION.** Upon completion of the services requested, the Association shall compare the estimate with the actual costs incurred by the Association and, if the amount paid is in excess of the actual costs, the association shall promptly refund the difference to the Member. If the actual costs exceed the estimate, the Association shall notify the Member and the Members shall be obligated to pay the difference. The Association may charge the Member's assessment account in the amount of any unpaid charges and may withhold additional services and/or copies until it receives payment.

H. **WAIVER.** The Association shall have the right to waive any of the above requirements, including fees and costs.

**BE IT FURTHER RESOLVED** that this Resolution shall (i) be effective immediately upon execution, (ii) a copy of this Resolution shall be published to each Owner, and (iii) a copy shall be placed among the books and records of the Association.

**IN WITNESS WHEREOF**, the Board of Directors of Cheshire Forest Homeowners Association, Inc., has set their hands on this 19th day of June 2024.

CHESHIRE FOREST HOMEOWNERS ASSOCIATION, INC.

BY: Erin Karol  
(signature)

Erin Karol, President  
(print)

ATTEST: Jane McKlveen  
(signature)  
Jane McKlveen, Secretary  
(print)



**CHESHIRE FOREST HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS**

**Exhibit A**

**RECORD REQUEST FORM (2024)**

You may use this form to request copies of or inspect the official records of the CHESHIRE FOREST HOMEOWNERS ASSOCIATION, INC. ("Association"). In order to properly submit a request, please complete, sign and date this form and mail, fax or email it to the Association's Managing Agent at the address below:

Cheshire Forest Homeowners Association, Inc.  
c/o Melissa Arsement, Community Manager  
United Property Associates  
301 Bendix Road, Suite 300  
Virginia Beach, VA 23452  
Email: marsement@unitedpropertyassociates.com  
Fax: (757) 497-9133

Name of Requesting Owner: \_\_\_\_\_

Lot Address: \_\_\_\_\_  
\_\_\_\_\_

Phone Number: \_\_\_\_\_

Preferred Method of Communication: \_\_\_\_\_ Writing \_\_\_\_\_ E-mail

If Email, provide your Email address: \_\_\_\_\_

**Please Describe the records you wish to copy and/or inspect:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Please Describe the purpose of your request:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Please check applicable box(es):**

I am requesting to receive copies of the above-referenced records [  ]

I am requesting to conduct an in-person inspection of the above-referenced records [  ]

I am requesting to inspect the records on \_\_\_\_\_ at \_\_\_\_\_.

(The Association will provide you confirmation of the appropriate time, date and location for the inspection)



**CHESHIRE FOREST HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS**

Please note, not all Association records are available for review and inspection, per Virginia Code Section 55.1-1815. You will be notified if your request contains records subject to withholding. You will also be notified of the estimated cost, if any, related to your request and such charges must be paid in advance of the Association fulfilling your request.

Be advised, the Association is only obligated to respond to record requests from those members of the Association who are in "Good Standing" as defined by the Association's Books and Records Policy.

Please date, sign, and submit this completed form or a substantially similar request to the Association at the address listed above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



May 28, 2024

To the Board of Directors  
Cheshire Forest Homeowners' Association, Inc.

We have completed our audit of the Association's financial statements for the year ended December 31, 2023. Enclosed please find the following:

1. Management letter to the Board of Directors - This letter provides additional information related to our audit and is intended for the use of the Board of Directors and management.
2. Audited financial statements.
3. Adjusting journal entry - The necessary adjustments that should be made to the Association's general ledger have been summarized on the adjusting journal entry.
4. Adjusted trial balance - The adjusted trial balance is included for informational purposes only.
5. Depreciation schedule - The depreciation schedule is included for informational purposes only.

We appreciate the opportunity to serve you.

Sincerely,

Rebecca A. Gehl, CPA  
DesRoches & Company, CPAs, P.C.





May 28, 2024

To the Board of Directors and Management  
Cheshire Forest Homeowners' Association, Inc.

We have audited the financial statements of Cheshire Forest Homeowners' Association, Inc. ("the Association") for the year ended December 31, 2023, and have issued our report thereon. Professional standards require that we provide you with the following additional information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements 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 statements does not relieve you or management of your responsibilities.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

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*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Association are described in Note 1 to the financial statements.

The Financial Accounting Standards Board (FASB), which establishes Generally Accepted Accounting Principles (GAAP) for United States entities, issued a new standard for revenue

recognition, Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (FASB ASC 606 - "Topic 606")*, which became effective for the Association's 2019 financial statements. While the guidance clearly applies to the Association's transactions with members and nonmembers in their capacity as customers (i.e., ancillary income sources), there is still debate in the industry as to whether or not Topic 606 applies to member assessments. Management has taken the position that Topic 606 does not apply to the Association's regular member assessments. We have evaluated that position and concluded that it is still appropriate under existing GAAP.

In addition, the FASB issued a new standard, ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("Topic 326")*, which became effective for the Association's 2023 financial statements and affects how associations estimate credit losses on certain financial assets. For the Association, Topic 326 applies to the estimate of the allowance for uncollectible accounts (bad debts), which is now referred to as the allowance for credit losses. The standard requires the Association to measure expected credit losses for applicable financial assets so that amounts are reported at their estimated net realizable value based on historical experience, current conditions, and reasonable and supportable forecasts. Topic 326 did not have a material impact on the Association's balance sheet, statement of revenues and expenses or cash flows as previously reported.

With the exception of the above, no new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no other transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. We have evaluated the key factors and assumptions used to develop accounting estimates in determining that such estimates are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in performing and completing our audit.

#### *Significant and/or Unusual Audit Adjustments*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjusting entries were made during our audit to correct all such misstatements. Significant and/or unusual audit adjustments include the following:

- Necessary adjustments were made during our audit in order to convert the Association's financial statements from the cash basis of accounting to the accrual basis of accounting.

- An adjustment was made to reverse an entry posted to assessment income to record deferred revenue.
- Necessary adjustments were made to the Association's property and equipment accounts in order to record depreciation.
- Adjusting entries were necessary to properly reflect the certificate of deposit account balances at December 31, 2023, and interest income for the year then ended.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management "representation" letter dated May 28, 2024.

Other Audit Findings or Issues

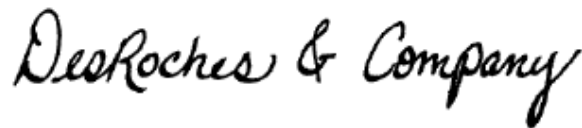
*Recommendations to Improve or Sustain Internal Controls and Other Association Practices*

We did not note any new recommendations during our 2023 audit.


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

Very truly yours,



DesRoches & Company, CPAs, P.C.



**CHESHIRE FOREST HOMEOWNERS'  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

 **DESROCHES  
& COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS



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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Cheshire Forest Homeowners' Association, Inc.

### Opinion

We have audited the accompanying financial statements of Cheshire Forest Homeowners' Association, Inc. ("the Association"), which comprise the balance sheet as of December 31, 2023, and the related statements of revenues and expenses, changes in fund balances, and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association 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.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 the Association'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 the Association'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.

## **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the schedule of future major repairs and replacements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

May 28, 2024

*DeeRoche & Company*



CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEET

December 31, 2023

Assets	Operating Fund	Replacement Fund	Total
Cash and cash equivalents:			
Cash	\$ 152,319	\$ 110,587	\$ 262,906
Swim team cash	12,269	0	12,269
Certificates of deposit	62,381	338,307	400,688
Total cash and cash equivalents	226,969	448,894	675,863
Assessments receivable	4,908	0	4,908
Other receivable	2,833	0	2,833
Property and equipment, net of accumulated depreciation of \$36,538	7,564	0	7,564
Total assets	<u>\$ 242,274</u>	<u>\$ 448,894</u>	<u>\$ 691,168</u>
<b>Liabilities and Fund Balances</b>			
Accounts payable	\$ 4,246	\$ 0	\$ 4,246
Income taxes payable	1,421	0	1,421
Prepaid assessments	17,454	0	17,454
Total liabilities	23,121	0	23,121
Fund balances	219,153	448,894	668,047
Total liabilities and fund balances	<u>\$ 242,274</u>	<u>\$ 448,894</u>	<u>\$ 691,168</u>

See notes to financial statements and independent auditors' report.

**CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.**

**STATEMENT OF REVENUES AND EXPENSES**

**For the year ended December 31, 2023**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Member assessments	\$ 221,820	\$ 52,500	\$ 274,320
Swim team and lesson income	19,579	0	19,579
Interest income	2,574	10,487	13,061
Recreational facility income	6,470	0	6,470
Cell tower lease	6,124	0	6,124
Late and legal fees	5,085	0	5,085
Other income	491	0	491
	<hr/>	<hr/>	<hr/>
Total revenues	262,143	62,987	325,130
<b>Expenses:</b>			
Accounting	7,133	0	7,133
Clubhouse and pool house roof replacement	0	25,568	25,568
Depreciation	4,337	0	4,337
Electric	6,604	0	6,604
Gas	1,411	0	1,411
General repairs and maintenance	26,907	21,564	48,471
Grounds improvements and maintenance	3,175	0	3,175
Income taxes	1,832	0	1,832
Insurance	12,757	0	12,757
Janitorial	7,350	0	7,350
Lawn maintenance	50,948	0	50,948
Legal	4,488	0	4,488
Management	44,415	0	44,415
Miscellaneous	4,313	0	4,313
Pool	68,658	5,700	74,358
Postage and printing	7,445	0	7,445
Social activities	7,169	0	7,169
Swim team and lessons	15,639	0	15,639
Telephone	2,222	0	2,222
Trash	400	0	400
Water and sewer	4,408	0	4,408
	<hr/>	<hr/>	<hr/>
Total expenses	281,611	52,832	334,443
	<hr/>	<hr/>	<hr/>
Excess (deficit) revenues over expenses	\$ (19,468)	\$ 10,155	\$ (9,313)

See notes to financial statements and independent auditors' report.

**CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.**

**STATEMENT OF CHANGES IN FUND BALANCES**

**For the year ended December 31, 2023**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Fund balances - beginning of year	\$ 238,621	\$ 438,739	\$ 677,360
Excess (deficit) revenues over expenses	<u>(19,468)</u>	<u>10,155</u>	<u>(9,313)</u>
Fund balances - end of year	<u>\$ 219,153</u>	<u>\$ 448,894</u>	<u>\$ 668,047</u>

See notes to financial statements and independent auditors' report.

**CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.**

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess (deficit) revenues over expenses	\$ (19,468)	\$ 10,155	\$ (9,313)
Adjustments to reconcile excess (deficit) revenues over expenses to net cash flow from operating activities:			
Depreciation	4,337	0	4,337
Changes in operating assets and liabilities:			
(Increase) decrease in operating assets:			
Assessments receivable	4,959	0	4,959
Other receivable	1,840	0	1,840
Prepaid income taxes	411	0	411
Increase (decrease) in operating liabilities:			
Accounts payable	345	(4,200)	(3,855)
Income taxes payable	1,421	0	1,421
Prepaid assessments	5,072	0	5,072
Net cash flow from operating activities	(1,083)	5,955	4,872
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	0	0	0
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	0	0	0
Increase (decrease) in cash and cash equivalents	(1,083)	5,955	4,872
Cash and cash equivalents at beginning of year	<u>228,052</u>	<u>442,939</u>	<u>670,991</u>
Cash and cash equivalents at end of year	<u>\$ 226,969</u>	<u>\$ 448,894</u>	<u>\$ 675,863</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

Cash paid during the year for income taxes	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cash paid during the year for interest	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See notes to financial statements and independent auditors' report.

CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

[1] NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business Cheshire Forest Homeowners' Association, Inc. ("the Association") is a management association formed as a corporation and organized for the specific purpose of maintaining, preserving and architecturally controlling the individual properties and common areas for the benefit of its members. The Association is located in Chesapeake, Virginia, and consists of 508 homes or lots.

Method of Accounting The Association follows accounting principles generally accepted in the United States of America.

Fund Accounting The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund This fund is used to account for financial resources for the general operations of the Association.

Replacement Fund This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments Association members are subject to quarterly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Member assessments are recognized in the period assessed, regardless of when collected or expensed. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are several months delinquent. Member assessments in the statement of revenues and expenses have been allocated between the funds based upon the Association's 2023 budget reserve requirements. The Association retains excess assessments at the end of the year, if any, for use in future periods.

New Accounting Standard – Allowance for Credit Losses The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires the Association to measure expected credit losses for financial assets at their estimated net realizable value based on historical experience, current conditions, and reasonable and supportable forecasts. Topic 326 became effective for the Association for years beginning after December 15, 2022. The Association adopted the new guidance as of January 1, 2023, using the modified retrospective method which did not result in any change to fund balances at January 1, 2023.

# CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Allowance for Credit Losses The Association treats uncollectible assessments as credit losses. The estimate of expected credit losses considers historical loss information adjusted for current conditions and reasonable, supportable forecasts that affect the collectability of the reported amount. At December 31, 2023, it is the opinion of the Board of Directors that the Association will ultimately prevail against homeowners with delinquent assessments and that credit losses on outstanding balances, if any, will be immaterial. Accordingly, no allowance for credit losses is deemed necessary.

Recognition of Assets During the organizational period of the Association, certain real common property was contributed to the Association by the developer. The property received included land and related improvements, a club house, a pool facility and tennis courts. This property has not been recognized on the Association's financial statements because the Association cannot dispose of the property at the discretion of its Board of Directors, for cash. In addition, the property is not used by the Association to generate significant cash flow from members or nonmembers on the basis of usage. However, the Association's purchases of personal property are recognized as assets at the Association's cost.

Cash and Cash Equivalents The Association includes all cash accounts, money market accounts, and certificates of deposit with an original maturity of three months or less or that do not include a substantial penalty for early withdrawal, to be cash and cash equivalents.

Depreciation Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Revenue Recognition The Association's income from transactions with members and nonmembers in their capacity as customers (i.e., ancillary income sources) is subject to Topic 606, *Revenue from Contracts with Customers*. Under the guidance, an entity recognizes revenue when promised goods or services are transferred to a customer in the amount the entity expects to collect from the customer. Transactions with members in their capacity as owners (i.e., regular member assessments) are outside the scope of Topic 606.

Ancillary Income The Association's ancillary income includes income from clubhouse rentals and swim team operations. Ancillary income is recognized as the related performance obligations are satisfied (i.e., as the related goods and services are provided to members or nonmembers). There was no ancillary income receivable at the beginning or end of the year.

Contract Liabilities The Association recognizes revenue from ancillary income as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the ancillary income. There were no contract liabilities as of the beginning or end of the year.

# CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### [2] INCOME TAXES

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2023, the Association was taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its nonmembership income, such as interest earnings. Net nonmembership income is taxed at 21% by the federal government and 6% by the Commonwealth of Virginia. Accordingly, an income tax provision of \$1,832 has been made for the year ended December 31, 2023.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Association's management believes it is no longer subject to income tax examinations for years prior to 2020.

### [3] FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

During 2021, the Board of Directors hired an outside professional firm to conduct a study to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information of future major repairs and replacements is based on this study.

The Board of Directors is funding for major repairs and replacements over the remaining useful lives of the components based, in part, on the study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, a funding requirement of \$52,500 has been included in the 2024 budget.

**CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, under certain circumstances, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

**[4] CELL TOWER LEASE**

During December 2005, the Association entered into an option and land lease agreement with Alltel Communications, Inc. The lease allows for annual increases consistent with the increase in the Consumer Price Index. Annual rents under this lease currently approximate \$8,000. The initial lease term is for five years and automatically renews for five additional terms of five years each unless notice is given of intent not to renew.

**[5] SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date that the financial statements were available to be issued, May 28, 2024.



**SUPPLEMENTARY INFORMATION**

**CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.**

**SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**December 31, 2023**

**Unaudited**

During 2021, Reserve Advisors, Inc. conducted a study to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components as of the date of the study using a proprietary database, historical costs, and published sources. The study factors in a rate of 0.3% interest earned on the average replacement fund balance and a rate of 2.0% for anticipated inflation.

The following table is a summary of information contained in the professional study concerning the components of common property. The data contained below is for informational purposes only and has not been subjected to auditing procedures. All data is as of the effective date of the study, July 1, 2021.

<u>Component</u>	<u>Estimated Remaining Useful Life</u>	<u>Current Replacement Cost</u>
General site improvements:		
Asphalt pavement	5-19 years	\$ 42,960
Concrete curbs	19-30 years	19,200
Concrete sidewalks	4-30 years	43,500
Fence, wood	17 years	5,750
Gazebos	6 years	13,000
Irrigation system, pump	5 years	5,000
Landscape, partial replacements	3 years	5,000
Light poles and fixtures, parking lot and pool	7 years	12,600
Pipes, subsurface utilities	19 years	6,000
Playground equipment	0-11 years	40,200
Signage, entrance monuments	10 years	8,500
Site furniture, phased	3-15 years	24,000
Tennis courts, color coat	3 years	13,300
Tennis courts, fence	12 years	18,900
Tennis courts, light poles and fixtures	4-19 years	18,400
Tennis courts, surface replacement	12 years	64,400
Clubhouse elements:		
Deck, composite	7 years	37,240
Floor coverings	4-24 years	17,500
Furnishings, phased	4-14 years	28,000
HVAC and split systems	8 years	28,000
Kitchen, cabinets and equipment	9-19 years	15,000
Light fixtures, interior and exterior	4-14 years	4,000

**CHESHIRE FOREST HOMEOWNERS' ASSOCIATION, INC.**

**SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**December 31, 2023**

**Unaudited**

Component	Estimated Remaining Useful Life	Current Replacement Cost
Paint finishes	4 years	6,000
Restrooms renovation	1 year	14,000
Roofs, asphalt shingles	2 years	20,800
Security systems	3 years	6,000
Walls	6-8 years	16,650
Windows and doors	29-30 years	40,200
Pool elements:		
Concrete deck	6 years	17,850
Covers, vinyl	2 years	8,000
Fence, vinyl	10 years	21,600
Furniture, phased	2 years	3,000
Mechanical equipment, phased	10-17 years	15,000
Pool finishes, plaster, tile and coping	1-13 years	69,100
Restrooms renovation	23 years	12,000
Structures and deck, total replacement	26 years	555,000
2021 Reserve study (remaining payment)	0 years	1,450
		\$ 1,277,100

The Association's 2024 minimum recommended annual reserve contribution as stated in the reserve study totals \$57,500.

Client: Cheshire Forest Homeowners' Association, Inc.

Date: 12/31/2023

Adjusting Journal Entry

Account Name	Account #	Debit	Credit
Less: Accumulated Depreciation	12250		4,337.00
Reserve Interest Income	42550	2,880.26	
Replacement Reserve Earned Interest	55160		2,162.89
Operating Reserve Earned Interest	56550		717.37
Accumulated Replacement Reserve	33000		2,162.89
Retained Earnings	34980	6,499.89	
		<u>\$ 9,380.15</u>	<u>\$ 9,380.15</u>

To post the net balance sheet effect of 2023 audit adjustments.

Note: Please post the journal entry to the 2024 general ledger.

Cheshire Forest Homeowners' Association, Inc.

ADJTB

Year End: December 31, 2023

Adjusted Trial Balance

Account	Prelim	Adj's	Rep
<b>1.10.100 Operating Cash</b>	<b>152,317.18</b>	<b>0.00</b>	<b>152,317.18</b>
10100 Cash/Operating Account/TowneBank	99,337.05	0.00	99,337.05
11020 Cash/Operating Reserve/TowneBank	52,980.13	0.00	52,980.13
<b>1.10.200 Reserve Cash</b>	<b>110,587.20</b>	<b>0.00</b>	<b>110,587.20</b>
11030 Cash/Replacement Reserve/TowneBank	2,592.78	0.00	2,592.78
11031 Cash/MM/RR/Pinnacle	107,994.42	0.00	107,994.42
<b>1.10.300 Swim Team Cash</b>	<b>12,269.34</b>	<b>0.00</b>	<b>12,269.34</b>
10110 Cash/Swim Team/Towne	12,269.34	0.00	12,269.34
<b>1.10. Cash</b>	<b>275,173.72</b>	<b>0.00</b>	<b>275,173.72</b>
<b>1.20.100 Operating CD</b>	<b>61,663.77</b>	<b>717.37</b>	<b>62,381.14</b>
11092.001 Cash/CD/Operating Reserve/NCB	20,879.89		
AJE05 To record additional interest		(5.78)	
11092.001 Cash/CD/Operating Reserve/NCB	20,879.89	(5.78)	20,874.11
11122.001 Cash/CD/OP Reserve/ATL Union	40,783.88		
AJE05 To record additional interest		723.15	
11122.001 Cash/CD/OP Reserve/ATL Union	40,783.88	723.15	41,507.03
<b>1.20.200 Reserve CD</b>	<b>336,143.96</b>	<b>2,162.89</b>	<b>338,306.85</b>
11094.001 Cash/CD/Rep Reserve/NCB	105,181.45	0.00	105,181.45
11124.001 Cash/CD/Rep Reserve/AUB	101,959.71		
AJE05 To record additional interest		1,807.87	
11124.001 Cash/CD/Rep Reserve/AUB	101,959.71	1,807.87	103,767.58
11124.002 Cash/CD/Rep Reserve/AUB	29,002.80		
AJE05 To record additional interest		355.02	
11124.002 Cash/CD/Rep Reserve/AUB	29,002.80	355.02	29,357.82
11174.001 Cash/CD/RR/Pinnacle	50,000.00	0.00	50,000.00
11174.002 Cash/CD/RR/Pinnacle	50,000.00	0.00	50,000.00
<b>1.20. Certificates of Deposit</b>	<b>397,807.73</b>	<b>2,880.26</b>	<b>400,687.99</b>
<b>1.40.100 Assessments Receivable</b>	<b>0.00</b>	<b>4,908.42</b>	<b>4,908.42</b>
1310 Assessments Receivable	0.00		
AJE08 To record AR and prepaids		4,908.42	
1310 Assessments Receivable	0.00	4,908.42	4,908.42
<b>1.40. Accounts Receivables</b>	<b>0.00</b>	<b>4,908.42</b>	<b>4,908.42</b>
<b>1.50.250 Other Receivable</b>	<b>0.00</b>	<b>2,833.00</b>	<b>2,833.00</b>
1510 AIR Other	0.00		
AJE12 To record antenna income receivable		2,833.00	

## Cheshire Forest Homeowners' Association, Inc.

Year End: December 31, 2023

Adjusted Trial Balance

ADJTB-1

Account	Prelim	Adj's	Rep
1510 AIR Other	0.00	2,833.00	2,833.00
<b>1.50. Other Receivables</b>	<b>0.00</b>	<b>2,833.00</b>	<b>2,833.00</b>
<b>1.80.200 Furniture &amp; Equipment</b>	<b>44,102.47</b>	<b>0.00</b>	<b>44,102.47</b>
12240 Furniture and Equipment	44,102.47	0.00	44,102.47
<b>1.80.900 Accumulated Depreciation</b>	<b>(32,200.98)</b>	<b>(4,337.00)</b>	<b>(36,537.98)</b>
12250 Less: Accumulated Depreciation	(32,200.98)		
AJE10 To record depreciation		(4,337.00)	
12250 Less: Accumulated Depreciation	(32,200.98)	(4,337.00)	(36,537.98)
<b>1.80. Property &amp; Equipment</b>	<b>11,901.49</b>	<b>(4,337.00)</b>	<b>7,564.49</b>
<b>1. Assets</b>	<b>684,882.94</b>	<b>6,284.68</b>	<b>691,167.62</b>
<b>2.10.100 Accounts Payable</b>	<b>0.00</b>	<b>(4,245.64)</b>	<b>(4,245.64)</b>
3010 Accounts Payable	0.00		
AJE09 To record accounts payable		(4,245.64)	
3010 Accounts Payable	0.00	(4,245.64)	(4,245.64)
<b>2.10.300 Income Taxes Payable</b>	<b>0.00</b>	<b>(1,421.00)</b>	<b>(1,421.00)</b>
3011 Income Taxes Payable	0.00		
AJE03 To reverse PY accruals		411.00	
AJE11 To record income taxes		(1,832.00)	
3011 Income Taxes Payable	0.00	(1,421.00)	(1,421.00)
<b>2.10.500 Prepaid Assessments</b>	<b>0.00</b>	<b>(17,454.46)</b>	<b>(17,454.46)</b>
3310 Prepaid Owner Assessments	0.00		
AJE06 To record AR and prepaids		(17,454.46)	
3310 Prepaid Owner Assessments	0.00	(17,454.46)	(17,454.46)
<b>2.10.800 Deferred Income</b>	<b>(9,267.34)</b>	<b>9,267.34</b>	<b>0.00</b>
24000 Deferred Revenue	(9,267.34)		
AJE07 To reverse improper accrual		9,267.34	
24000 Deferred Revenue	(9,267.34)	9,267.34	0.00
<b>2. Liabilities</b>	<b>(9,267.34)</b>	<b>(13,853.76)</b>	<b>(23,121.10)</b>
<b>3.10.100 Undesignated Equity</b>	<b>(156,896.95)</b>	<b>40,911.88</b>	<b>(115,985.07)</b>
5510 Prior Year Net Inc./Loss	0.00		
AJE01 To reclass reserve transfers		93,812.33	
5510 Prior Year Net Inc./Loss	0.00	93,812.33	93,812.33

Cheshire Forest Homeowners' Association, Inc.  
Year End: December 31, 2023  
Adjusted Trial Balance

ADJTB-2

Account	Prelim	Adj's	Rep
34980 Retained Earnings	(156,896.95)		
AJE02 To reclass expenses posted to equity		(58,471.12)	
AJE03 To reverse PY accruals		5,531.16	
AJE04 To reverse improper posting		39.51	
34980 Retained Earnings	(156,896.95)	(52,900.45)	(209,797.40)
<b>3.10.200 Replacement Reserves</b>	<b>(446,731.16)</b>	<b>0.00</b>	<b>(446,731.16)</b>
33000 Accumulated Replacement Reserve	(503,763.28)	0.00	(503,763.28)
34000 Replacement Reserve Y-T-D Expense	57,032.12	0.00	57,032.12
<b>3.10.300 Operating Reserves</b>	<b>(114,643.90)</b>	<b>0.00</b>	<b>(114,643.90)</b>
32000 Accumulated Operating Reserve	(116,082.90)	0.00	(116,082.90)
34500 Operating Reserve Y-T-D Expense	1,439.00	0.00	1,439.00
<b>3.10. Equity</b>	<b>(718,272.01)</b>	<b>40,911.88</b>	<b>(677,360.13)</b>
<b>3CE Current Earnings</b>	<b>42,656.41</b>	<b>(33,342.80)</b>	<b>9,313.61</b>
<b>3TE Total Equity</b>	<b>(675,615.60)</b>	<b>7,569.08</b>	<b>(668,046.52)</b>
<b>3TL&amp;E Total Liabilities &amp; Equity</b>	<b>(684,882.94)</b>	<b>(6,284.68)</b>	<b>(691,167.62)</b>
<b>4.10.100 Member Assessments</b>	<b>(270,631.00)</b>	<b>(3,689.08)</b>	<b>(274,320.08)</b>
41100 Income-Association Fees	(268,891.38)		
AJE03 To reverse PY accruals		(12,381.53)	
AJE03 To reverse PY accruals		3,592.75	
AJE06 To record AR and prepaids		(3,390.42)	
AJE06 To record AR and prepaids		17,454.46	
AJE07 To reverse improper accrual		(9,267.34)	
AJE08 To agree assessments to potential		303.00	
41100 Income-Association Fees	(268,891.38)	(3,689.08)	(272,580.46)
42000 Income-Advanced Assoc Fees	(1,739.62)	0.00	(1,739.62)
<b>4.10.450 Late &amp; Legal Fees</b>	<b>(9,609.69)</b>	<b>4,524.28</b>	<b>(5,085.41)</b>
41400 Legal Administrative Income	(70.00)	0.00	(70.00)
42440 Due Process Income	(4,065.00)	0.00	(4,065.00)
42530 Interest-Delinquent Fees	(419.08)	0.00	(419.08)
42630 Late Fee Income	(3,114.10)		
AJE03 To reverse PY accruals		4,280.00	
AJE03 To reverse PY accruals		1,994.62	
AJE06 To record AR and prepaids		(1,447.34)	
AJE08 To agree assessments to potential		(303.00)	
42630 Late Fee Income	(3,114.10)	4,524.28	1,410.18
42640 NSF Fee Income	(30.00)	0.00	(30.00)
42660 Court Costs Collections Income	(1,896.53)	0.00	(1,896.53)
42700 Certified Legal Cost	(14.98)	0.00	(14.98)

## Cheshire Forest Homeowners' Association, Inc.

ADJTB-3

Year End: December 31, 2023

Adjusted Trial Balance

Account	Prelim	Adj's	Rep
<b>4.10.600 Antenna Rental</b>	<b>(7,963.56)</b>	<b>1,840.00</b>	<b>(6,123.56)</b>
44700 Cell Tower Lease Income	(7,963.56)		
AJE03 To reverse PY accruals		4,673.00	
AJE12 To record antenna income receivable		(2,833.00)	
44700 Cell Tower Lease Income	(7,963.56)	1,840.00	(6,123.56)
<b>4.10.650 Interest Income</b>	<b>(10,180.33)</b>	<b>(2,880.26)</b>	<b>(13,060.59)</b>
42550 Reserve Interest Income	(10,180.33)		
AJE05 To record additional interest		(2,880.26)	
42550 Reserve Interest Income	(10,180.33)	(2,880.26)	(13,060.59)
<b>4.10.800 Other Income</b>	<b>(420.00)</b>	<b>(70.66)</b>	<b>(490.66)</b>
42500 Other Miscellaneous Income	(420.00)		
AJE06 To record AR and prepaids		(70.66)	
42500 Other Miscellaneous Income	(420.00)	(70.66)	(490.66)
<b>4.10.903 Swim Team &amp; Lesson Income</b>	<b>(19,579.14)</b>	<b>0.00</b>	<b>(19,579.14)</b>
42430 Swim Team Income	(19,579.14)	0.00	(19,579.14)
<b>4.10.904 Recreational Building Income</b>	<b>(6,470.00)</b>	<b>0.00</b>	<b>(6,470.00)</b>
42380 Clubhouse Income	(6,470.00)	0.00	(6,470.00)
<b>4.10. Revenues</b>	<b>(324,853.72)</b>	<b>(275.72)</b>	<b>(325,129.44)</b>
<b>6.10.100 Accounting</b>	<b>7,133.00</b>	<b>0.00</b>	<b>7,133.00</b>
51400 Audit/Tax Preparation Expense	7,133.00	0.00	7,133.00
<b>6.10.200 Depreciation &amp; Amortization</b>	<b>0.00</b>	<b>4,337.00</b>	<b>4,337.00</b>
7000 Depreciation	0.00		
AJE10 To record depreciation		4,337.00	
7000 Depreciation	0.00	4,337.00	4,337.00
<b>6.10.240 Electric</b>	<b>6,604.18</b>	<b>0.00</b>	<b>6,604.18</b>
53800 Utilities-Electric Expense	6,604.18	0.00	6,604.18
<b>6.10.320 Gas</b>	<b>1,410.70</b>	<b>0.00</b>	<b>1,410.70</b>
53850 Utilities-Gas Expense	1,410.70	0.00	1,410.70
<b>6.10.340 General Repairs &amp; Maint</b>	<b>25,468.03</b>	<b>1,439.00</b>	<b>26,907.03</b>
54130 Maint.-Alarm Service Expense	396.00	0.00	396.00
54170 Maint.-Clubhouse Expenses	11,360.96		
AJE02 To reclass expenses posted to equity		1,439.00	
54170 Maint.-Clubhouse Expenses	11,360.96	1,439.00	12,799.96



## Cheshire Forest Homeowners' Association, Inc.

ADJTB-4

Year End: December 31, 2023

Adjusted Trial Balance

Account	Prelim	Adj's	Rep
54470 Maint.-Tennis Courts Expense	1,523.15	0.00	1,523.15
54550 Maint.-Building/Fence/Grounds Expense	10,109.00	0.00	10,109.00
54640 Maint.-Termite Inspection/Treatment Expe	2,078.92	0.00	2,078.92
<b>6.10.360 Grounds Improvements &amp; Maintenance</b>	<b>3,175.00</b>	<b>0.00</b>	<b>3,175.00</b>
54310 Maint.-Landscaping Extras/Tree Removal	3,175.00	0.00	3,175.00
<b>6.10.380 Income Taxes</b>	<b>0.00</b>	<b>1,832.00</b>	<b>1,832.00</b>
53250 Taxes - Federal	0.00		
AJE11 To record income taxes		1,832.00	
53250 Taxes - Federal	0.00	1,832.00	1,832.00
<b>6.10.400 Insurance</b>	<b>12,757.00</b>	<b>0.00</b>	<b>12,757.00</b>
52200 Property Insurance	12,757.00	0.00	12,757.00
<b>6.10.460 Janitorial</b>	<b>7,349.78</b>	<b>0.00</b>	<b>7,349.78</b>
54200 Maint.-Cleaning Service Expense	7,349.78	0.00	7,349.78
<b>6.10.500 Lawn Maintenance</b>	<b>50,603.04</b>	<b>344.64</b>	<b>50,947.68</b>
54300 Maint.-Lawn Contract Expense	50,603.04		
AJE03 To reverse PY accruals		(3,901.00)	
AJE09 To record accounts payable		4,245.64	
54300 Maint.-Lawn Contract Expense	50,603.04	344.64	50,947.68
<b>6.10.520 Legal</b>	<b>4,487.77</b>	<b>0.00</b>	<b>4,487.77</b>
51700 Legal Expense-Corporate	2,507.68	0.00	2,507.68
51950 Legal Expense- Collections	1,980.09	0.00	1,980.09
<b>6.10.540 Management</b>	<b>44,414.64</b>	<b>0.00</b>	<b>44,414.64</b>
52400 Management Fee Expense	44,414.64	0.00	44,414.64
<b>6.10.580 Miscellaneous</b>	<b>4,312.79</b>	<b>0.49</b>	<b>4,313.28</b>
51800 Bank Service Charges	291.50	0.00	291.50
51900 Board Training	474.00	0.00	474.00
52210 Corporate Fees	155.00	0.00	155.00
52600 Misc Expense-General & Administrative	302.56		
AJE04 To reverse improper posting		0.49	
52600 Misc Expense-General & Administrative	302.56	0.49	303.05
52620 Community Management System	2,609.97	0.00	2,609.97
53300 Taxes - Real Estate	479.76	0.00	479.76
<b>6.10.640 Pool</b>	<b>68,657.52</b>	<b>0.00</b>	<b>68,657.52</b>
54660 Maint.-Pool Repairs/Supplies Expense	5,576.56	0.00	5,576.56
54670 Maint.-Pool Contract Expense	63,080.96	0.00	63,080.96
<b>6.10.680 Postage &amp; Printing</b>	<b>7,445.23</b>	<b>0.00</b>	<b>7,445.23</b>

## Cheshire Forest Homeowners' Association, Inc.

ADJTB-5

Year End: December 31, 2023

Adjusted Trial Balance

Account	Prelim	Adj's	Rep
52700 Office Expense-Printing	4,067.78	0.00	4,067.78
52750 Coupon Books	1,589.50	0.00	1,589.50
52900 Postage Expense	1,787.95	0.00	1,787.95
<b>6.10.750 Reserve Expenses</b>	<b>0.00</b>	<b>52,832.12</b>	<b>52,832.12</b>
9800 Reserve Expense	0.00		
AJE02 To reclass expenses posted to equity		57,032.12	
AJE03 To reverse PY accruals		(4,200.00)	
9800 Reserve Expense	0.00	52,832.12	52,832.12
<b>6.10.820 Social Activities</b>	<b>7,169.42</b>	<b>0.00</b>	<b>7,169.42</b>
51301 Easter-Social	930.00	0.00	930.00
51302 Adult Bash-Social	710.10	0.00	710.10
51304 Committee - Beautification	185.84	0.00	185.84
51305 Fourth of July-Social	1,101.46	0.00	1,101.46
51306 Halloween-Social	2,366.43	0.00	2,366.43
51307 Holiday-Children's Xmas Party	551.09	0.00	551.09
51308 Misc. Social Expenses	450.51	0.00	450.51
51311 Social Comm-Youth Triathlon	873.99	0.00	873.99
<b>6.10.882 Swim Team &amp; Lesson</b>	<b>15,638.89</b>	<b>0.00</b>	<b>15,638.89</b>
54680 Maint.-Swim Team Expenses	15,638.89	0.00	15,638.89
<b>6.10.920 Telephone</b>	<b>2,221.90</b>	<b>0.00</b>	<b>2,221.90</b>
53400 Utilities-Telephone & ISP	2,221.90	0.00	2,221.90
<b>6.10.940 Trash</b>	<b>440.00</b>	<b>(40.00)</b>	<b>400.00</b>
51770 Disposal Service-Regular	440.00		
AJE04 To reverse improper posting		(40.00)	
51770 Disposal Service-Regular	440.00	(40.00)	400.00
<b>6.10.960 Water &amp; Sewer</b>	<b>4,408.91</b>	<b>0.00</b>	<b>4,408.91</b>
53700 Utilities-Water Expense	3,015.17	0.00	3,015.17
53760 Utilities-Storm Water Fees	1,393.74	0.00	1,393.74
<b>6.10.990 Reserve Transfers</b>	<b>93,812.33</b>	<b>(93,812.33)</b>	<b>0.00</b>
55160 Replacement Reserve Earned Interest	8,324.45		
AJE01 To reclass reserve transfers		(8,324.45)	
55160 Replacement Reserve Earned Interest	8,324.45	(8,324.45)	0.00
55490 Replacement Reserves	52,500.00		
AJE01 To reclass reserve transfers		(52,500.00)	
55490 Replacement Reserves	52,500.00	(52,500.00)	0.00
56550 Operating Reserve Earned Interest	1,855.88		
AJE01 To reclass reserve transfers		(1,855.88)	
56550 Operating Reserve Earned Interest	1,855.88	(1,855.88)	0.00

Cheshire Forest Homeowners' Association, Inc.

ADJTB-6

Year End: December 31, 2023

Adjusted Trial Balance

Account	Prelim	Adj's	Rep
56800 Operating Reserves	31,132.00		
AJE01 To reclass reserve transfers		(31,132.00)	
56800 Operating Reserves	<u>31,132.00</u>	<u>(31,132.00)</u>	<u>0.00</u>
6.10. Expenses	367,510.13	(33,067.08)	334,443.05
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income (Loss)	(42,656.41)		(9,313.61)

**Tax Asset Detail 1/01/23 - 12/31/23**

FYE: 12/31/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: Miscellaneous</b>												
1		LIFEGUARD CHAIR	5/11/99	1,255	0	0	1,255	0	1,255	0	S/L	7.0
4		UMBRELLAS & LOUNGE CHAIR	5/02/05	2,224	0	0	2,224	0	2,224	0	S/L	7.0
5		UMBRELLAS & TABLES	9/06/07	2,213	0	0	2,213	0	2,213	0	S/L	7.0
7		Tables and Chairs	7/12/10	2,564	0	0	2,564	0	2,564	0	S/L	7.0
8		Chairs	3/23/11	1,966	0	0	1,966	0	1,966	0	S/L	7.0
9		11 chairs & loungers (Kettler)	12/10/13	1,410	0	0	1,410	0	1,410	0	S/L	7.0
10		Fosball and table tennis	10/23/14	1,499	0	0	1,499	0	1,499	0	S/L	7.0
11		Table and Umbrella	5/12/16	1,234	0	0	1,146	88	1,234	0	S/L	7.0
12		Clubhouse Furniture	3/06/17	22,118	0	0	17,378	3,160	20,538	1,580	S/L	7.0
13		Security Alarm and Camera System	8/10/22	7,620	0	0	544	1,089	1,633	5,987	S/L	7.0
		<b>Miscellaneous</b>		<u>44,103</u>	<u>0c</u>	<u>0</u>	<u>32,199</u>	<u>4,337</u>	<u>36,536</u>	<u>7,567</u>		
		<b>Grand Total</b>		<u>44,103</u>	<u>0c</u>	<u>0</u>	<u>32,199</u>	<u>4,337</u>	<u>36,536</u>	<u>7,567</u>		

Appendix C – Fly Mitigation Quote

**1st Choice Pest Control, LLC**  
206 Research Dr., Ste.106  
Chesapeake, Virginia 23320  
757-892-4101  
office@1stchoicepc.com

# ESTIMATE



Cheshire Forest Clubhouse  
5849 Harbour View Boulevard  
Suite 200  
Suffolk, VA 23435

**Service Address**  
500 Cheshire Forest Drive  
Cheshire Forest Clubhouse  
500 Cheshire Forest Drive  
Chesapeake, VA 23322

Estimate # 7640  
Estimate Date 05/21/24  
**Estimate Total \$250.00**

Item	Description	Cost	Quantity	Total
Monthly Fly Control	Twice Per Month • treat trash cans with alpine fly spot bait at each service • install and replace as needed fly bags along tree line adjacent to pool area.	\$250.00	1	\$250.00

**Subtotal \$250.00**  
**Tax \$0.00**  
**Estimate Total \$250.00**

A handwritten signature in black ink that reads "Erin Karol".

06/18/2024

President Cheshire Forest HOA

## Appendix D – Pool Pass system

Full details at [www.pool-pass.com](http://www.pool-pass.com)

pool-pass.com/features

Home Features Screenshots Download Pricing Cards Cloud FAQ Blog Contact

### PoolPass Highlighted Features

- = Desktop/Laptop Feature (Win/Mac)
- = Mobile Feature (iOS)
- = Web Browser Feature

#### Front Desk Check-In

- Barcode check-in
- Member name lookup
- Kiosk mode (unattended check-in)
- Device camera barcode scan
- Track Occupancy with in/out counter
- Check-Out Option
- Guest Register Option
- Multi-member (family) check-in
- RFID check-in
- Restrictions by location (cloud only)

#### Reports/Statistics

- Graph member and guest check-ins
- Filter check-in statistics by location
- Total membership count history
- Member usage graph
- Guest pass usage graph
- Occupancy graph by location
- Graph most popular days/times
- Export statistics to spreadsheet

Cloud accounts store your member data securely in the cloud. An account is required for each facility you want to manage and each account supports an unlimited number of members.

You can access your cloud account through the [web portal](#) or in our [apps](#).

Ready to sign up? [Fill out this form](#) and we'll be in touch. Or, [schedule a demonstration](#) to learn more.

## SEASONAL

**March 1 through Sept 30**

Ideal for pools open in the summer season. Your data will be saved at the end of the season and available the following year.

**\$366**

## ANNUAL

**Access year round**

Full year, uninterrupted service at discounted pricing. Significant savings over the monthly plan.

**\$450**