

CATSPA W PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF OPERATIONS - ACTUAL AND BUDGETED  
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

|                                | Actual<br>2020                              | Budgeted<br>2020 | Variance<br>2020 | Actual<br>2019 | Budgeted<br>2019 | Variance<br>2019 |
|--------------------------------|---|------------------|------------------|----------------|------------------|------------------|
| <b>REVENUES</b>                |   |                  |                  |                |                  |                  |
| Annual Assessments             | \$ 21,931.87                                | \$ 22,599.85     | \$ ( 667.98)     | \$ 16,950.00   | \$ 17,450.00     | \$( 500.00)      |
| Bank Interest                  | 14.80                                       | 45.00            | ( 30.20)         | 42.22          | 40.00            | 2.22             |
|                                | <hr style="border-top: 1px dashed black;"/> |                  |                  |                |                  |                  |
| Total Revenues                 | \$ 21,946.67                                | \$ 22,644.85     | \$ ( 698.18)     | \$ 16,992.22   | \$ 17,490.00     | \$( 497.78)      |
|                                | <hr style="border-top: 1px dashed black;"/> |                  |                  |                |                  |                  |
| <b>EXPENSES</b>                |   |                  |                  |                |                  |                  |
| Road Maintenance               | \$ 31,583.71                                | \$ 20,444.85     | \$ (11,138.86)   | \$ 18,132.39   | \$ 15,000.00     | \$(3,132.39)     |
| Insurance                      | 931.98                                      | 1,000.00         | 68.02            | 935.97         | 1,000.00         | 64.03            |
| Website                        | 300.00                                      | 300.00           | -0-              | 300.00         | 300.00           | -0-              |
| Seasonal Decorations           | 574.17                                      | 200.00           | ( 374.17)        | 60.07          | -0-              | ( 60.07)         |
| Office and Postage             | 76.89                                       | 50.00            | ( 26.89)         | -0-            | 50.00            | 50.00            |
| Meeting Expenses               | -0-   | 100.00           | 100.00           | 147.18         | 100.00           | ( 47.18)         |
| Surveillance and Signage       | -0-   | 500.00           | 500.00           | -0-            | -0-              | -0-              |
|                                | <hr style="border-top: 1px dashed black;"/> |                  |                  |                |                  |                  |
| Total Expenses                 | \$ 33,466.75                                | \$ 22,594.85     | \$ (10,871.90)   | \$ 19,575.61   | \$ 16,450.00     | \$(3,125.61)     |
|                                | <hr style="border-top: 1px dashed black;"/> |                  |                  |                |                  |                  |
| Transfer to (from)<br>Reserves | \$(11,520.08)                               | \$ 50.00         | \$ (11,570.08)   | \$ (2,583.39)  | \$ 1,040.00      | \$(3,623.39)     |
|                                | <hr style="border-top: 3px double black;"/> |                  |                  |                |                  |                  |

Please see Notes to Financial Statements

Compiled by JML

CATSPA W PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020

ASSETS

|                          |              |              |
|--------------------------|--------------|--------------|
| Cash in Bank             | \$ 41,777.59 |              |
| Accounts Receivable      | 1,249.99     |              |
| Prepaid Expenses         | 878.93       |              |
| Investment in Parcel Box | 200.00       |              |
|                          | -----        |              |
| TOTAL ASSETS             |              | \$ 44,106.51 |

LIABILITIES

|                          |             |          |
|--------------------------|-------------|----------|
| Prepaid 2021 Assessments | \$ 7,399.97 |          |
| Accounts Payable         | 225.00      |          |
|                          | -----       |          |
| TOTAL LIABILITIES        |             | 7,624.97 |
|                          |             | -----    |

MEMBERS' EQUITY

|                                |              |              |
|--------------------------------|--------------|--------------|
| Beginning Accumulated Surplus. | \$ 48,001.62 |              |
| Current Year Surplus (Deficit) | (11,520.08)  |              |
|                                | -----        |              |
| TOTAL MEMBERS' EQUITY          |              | \$ 36,481.54 |
|                                |              | =====        |

Please see notes to Financial Statements

Compiled by JML

CATSPAW PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 - THE ASSOCIATION

Catspaw Property Owners Association, Inc. is a property owners association organized as a non-profit North Carolina corporation. The Association began operations on August 31, 1996. As of December 31, 2020, the Association consists of 62 residential lots, 19 of which have houses. The number of lots may change (and historically has changed) due to lot subdivisions and/or lot combinations. A lot is considered "improved with a house" when commencement of said house commences.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles on the accrual basis, in which income is recognized when earned and expenses are recognized when incurred. The Association utilized the modified accrual basis in years before 2015. The Association reports annual financial information on a calendar year basis (the year-end is December 31st). Members' Equity represents the accumulated excess or surplus of revenues over expenses, and consists of reserve funds that are intended to be used for unanticipated events, primarily related to unforeseen road repair expenses.

B. Association Annual Assessments/Accounts Receivable

Property owners are subject to yearly assessments to provide for the Association's operating expenses, primarily road maintenance and improvements. Any excess over budget is retained by the Association for use in future years. As of December 31, 2020, unimproved lots (without a house) are assessed at 5/6 of the assessment for a lot improved with a residence. Assessments are billed in November, and due January 1st. Assessments are considered delinquent if not received by January 31st. The Association follows the procedures in North Carolina General Statutes (NCGS) Chapter 47F in filing a lien for unpaid assessments and collecting sums due. Receivables at the balance sheet date, if any, represent assessments due from property owners. The Association considers all property owners' receivables at the balance sheet date to be collectable. Accordingly, no allowance for doubtful accounts is required. If any receivables should become uncollectible, they will be charged to operations when that determination is made.

C. Annual Budget

The Association is required to prepare a budget annually in accordance with the 2013 (current) Bylaws. The budget includes anticipated income and expenses, planned major roadway repair or replacement expenses, and a reserve for unanticipated events.

Road maintenance and improvements can be delayed because of weather conditions; and accordingly minor budget variances between years may occur.

D. Cash in Bank

The Association maintains two bank accounts with Wells Fargo. One is an operating account, and the other is an interest-bearing savings account. Bills of the Association may be paid by 2 signature checks or by online banking. All expenditures are approved by a majority of the Board before disbursements are made.

E. Supplementary Road Expense Schedules

Schedules of road maintenance expense details are provided as supplementary information to the Statement of Operations. These schedules show how expenses can vary from year to year, and break out the expenses between the road that Catspaw shares with Walnut Gap from the roads that are the exclusive responsibility of the Catspaw Association. The Walnut Gap Community does not have an Association. The Walnut Gap Road Fund is a voluntary road fund that collects voluntary payments from property owners in the Walnut Gap subdivision as well as some property owners in the Devon subdivision.

CATSPA W PROPERTY OWNERS ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE OF ROAD MAINTENANCE EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

|   | For the Year Ended December 31, 2020 |                     |                     | For the Year Ended December 31, 2019 |                     |                     |
|---|--------------------------------------|---------------------|---------------------|--------------------------------------|---------------------|---------------------|
|   | Shared Road                          | Catspaw Roads       | 2020 Totals         | Shared Road                          | Catspaw Roads       | 2019 Totals         |
| Grading, Ditch Cleaning, Rock                 | \$ 2,147.41                          | \$ 22,386.30        | \$ 24,533.71        | \$ 1,960.00                          | \$ 7,026.45         | \$ 8,986.45         |
| Culvert Replacements                          |                                      | 1,650.00            | 1,650.00            |                                      |                     |                     |
| Signage                                       |                                      |                     |                     |                                      | 250.49              | 250.49              |
| Mowing  | 225.00                               |                     | 225.00              | 675.00                               | 1,002.50            | 1,677.50            |
| Leaf Removal                                  | 236.25                               | 4,132.50            | 4,368.75            | 779.38                               | 4,965.50            | 5,744.88            |
| Tree Cutting                                  |                                      | 806.25              | 806.25              |                                      | 600.00              | 600.00              |
| Special Projects<br>Walnut Gap/Catspaw Corner |                                      |                     |                     |                                      | 873.07              | 873.07              |
| <b>TOTALS</b>                                 | <b>\$ 2,608.66</b>                   | <b>\$ 28,975.05</b> | <b>\$ 31,583.71</b> | <b>\$ 3,414.38</b>                   | <b>\$ 14,718.01</b> | <b>\$ 18,132.39</b> |

CATSPAW PROPERTY OWNERS ASSOCIATION, INC.

2020 ROAD MAINTENANCE EXPENSES

AS COMPARED TO PRIOR YEARS ROAD MAINTENANCE EXPENSES

| Expenses                         | 2020 Actual  | 2019 Actual  | 2018 Actual | 2017 Actual | 2016 Actual  | 2015 Actual  |
|----------------------------------|--------------|--------------|-------------|-------------|--------------|--------------|
| Grading Ditch<br>Cleaning & Rock | \$ 24,533.71 | \$ 8,986.45  | \$ 2,460.00 | \$ 920.00   | \$ 6,125.70  | \$ 10,870.88 |
| Culvert Replacements             | 1,650.00     |              |             | 1,275.21    | 3,812.29     |              |
| Mowing                           | 225.00       | 1,677.50     | 2,245.00    | 560.00      | 3,340.00     | 240.00       |
| Leaf Removal                     | 4,368.75     | 5,744.88     | 2,400.00    | 1,682.50    | 1,740.00     |              |
| Special Projects                 |              | 873.07       | 320.00      | 479.75      | 4,640.48     | 150.00       |
| Tree Cutting                     | 806.25       | 600.00       |             |             |              |              |
| Signage                          |              | 250.49       | 777.26      | 1,866.74    |              | 35.23        |
| -----                            |              |              |             |             |              |              |
| TOTALS                           | \$ 31,583.71 | \$ 18,132.39 | \$ 8,202.26 | \$ 6,784.20 | \$ 19,658.47 | \$ 11,296.11 |
| =====                            |              |              |             |             |              |              |