
Cinnamon Lake Thymes



Annual Report 2022

CINNAMON LAKE'S BOATING SOURCE



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Dear Cinnamon Lake Members:

Dear Member:

With your support we were able to start the road improvement project in 2022. Yes, this was a long time coming and it was important that we take it on. During the road meetings our members expressed concern on how poor roads reflected on our property values. From the Association's Board perspective, poor roads also affected our ability to sell lots. Overwhelmingly we heard from our members that this was an important effort and we thank you for your support!

The low interest loan we got allowed us to take on all the roads in the shortest period of time we could. We should be able to improve all the roads and, barring no surprises, have enough left over to begin building an ongoing road maintenance fund. Roads are not a one-and-done project.

Another 2022 success was our ability to contribute to the Reserve Fund. We transferred \$50,000 from the 2022 operating funds. This on top of the \$100,000 that was transferred from the 2021 operating funds into the reserve fund points to sound budget management. The work of previous Boards set the path and we will continue to do our best to follow it.

Our community is continuing to grow. We are the third largest and the fastest growing community in Ashland County. We now have 573 homes in Cinnamon Lake. In 2022, we issued 156 building permits, 56 tree permits and saw four new homes built. Additionally, we welcomed 68 new members to our Association.

You will find the budget performance and the Auditor's report in the following pages. We want to provide members with a picture of Cinnamon Lake's operations that met Generally Accepted Accounting Principles. It was the strength of our financials that allowed us to choose the best loan terms for the road project.

As you read this booklet you will see the many activities that occurred, and you will see the faces of many of the volunteers who worked to make this a better community. In the Potential Future Issues section you will read about the challenges for which we must plan.

Whether it's boating or fishing, raising a family or relaxing, choosing to live in Cinnamon Lake is why this community is growing. However, as a self-funded homeowners association, it is also our joint responsibility to ensure we maintain and enhance the community we call home.

Thank you for being a member of the Cinnamon Lake community!

The CLA Board of Directors

Victor Dubina – President	Dave Baker – Vice President	Donna Van Trees – Secretary
Rick Young – Treasurer	Doug Gaut – Member-at-Large	Juanita Lebo – Member-at-Large
John Baxter – Member-at-Large		

2022 Cinnamon Lake Association Staff

Office

Anna Gibson
Office Manager
With CLA since 2003

Sue Safarik
Office Assistant
With CLA since 2010

Jill Youngpeter
Office Assistant
With CLA since 2021

Marlaine Fiocco
Office Assistant
With CLA since 2013

Maintenance

Jim Smith
Maintenance Supervisor
With CLA since 2014

Jim Morrow
Maintenance Staff
With CLA since 2018 With

Scott Zubricky
Maintenance Staff
CLA since 2022

Bob Meadows
Maintenance Staff
With CLA since 2018

Joe Henthorn
Maintenance Staff
With CLA since 2022

Front Gate

Virginia Yates
Supervisor
With CLA since 2014

Kay Wright
Assistant Supervisor
With CLA since 2010

Debbie Gale
Gate Attendant
With CLA since 2010

Julie Harmon
Gate attendant
With CLA since 2017

Tim Harmon
Patrol
With CLA since 2018

Jim Larkin
Gate Attendant
With CLA since 2020

Emily Turek
Gate Attendant
With CLA since 2018

Paul Wright
Gate Attendant
With CLA since 2010

Pool

Tamara Gablaski
Pool Manager

2022 Highlights in Reviewed

At the 2022 Annual meeting the membership passed a Special Road Assessment, Loan Approval and Collateral Pledge. The passage allowed the Board of Directors to take out a loan of up to \$2.5 million to fix the roads in as short of time as possible. Work began in late summer of 2022 and an unusually warm weather allowed some work, programmed for 2023, to be completed in 2022.

Work on the first culvert replacement begins.



Road paving.



Cinnamon Drive gets a new coat.





Although road work was the big project, other projects were on the books as well. Deteriorating pillars and rotten concrete forced an upgrade to the front gate. The new concrete approaches will help prevent water from seeping under the gate house. The lanes were widened and the contractor/guest lane is now the inside lane with the outside lane strictly for members. In addition, work began on repairing the Pavilion at Recreation Area 1.



The Fish and Lake Committee continued to be an integral part of keeping our lake healthy and stocked. Not only did they stock the lake, they also helped purchase and spread algaecide treatment in the lake to



combat the growth of algae. Fish and Lake also began a water quality testing program to gain a better understanding of the condition of the lake. In addition, Fish and Lake has built a relationship with the Ohio Department of Natural Resources and the Ashland County Soil and Water Conservation District in an effort to obtain a grant to improve the weirs. Improving the weirs are necessary steps to manage the water flowing into the Lake. Funding for these efforts comes from the lunches served during the two annual garage sales, the Spaghetti Dinner, the Pancake breakfast and the lunch served at the Run, Bike Run competition.

Pancake breakfast 2022.



Spaghetti Dinner 2022.



Fun at the Lake



Beach Party 2022.



The Events Committee's activities helped foster a sense of community from the family Beach Party to the Steel Drum Concert and the Cardboard Boat Races brought young and old out for some fun.

Steel Drum Concert 2022.



Cardboard Boat Races 2022.



The 2022 Run-Bike-Run Race.



And kids can have fun, too.



Trunk-or-Treat 2022.

Easter 2022.



Christmas 2022.



Neighborhood Watch continues to look for ways to make our community safe. In 2022 the Watch Committee presented Bill Daly with its annual Hero Award to his efforts in assisting a woman who had health issues at the campground. Members have participated in the past in parades, served as flaggers in running events and taken other opportunities to remind members of the need to: See Something—Say Something.



Cinnamon Lake is home to many veterans. The Veterans Group was responsible for developing a Veteran's Memorial at the front pond area. In 2022 the Memorial was dedicated at a well-attended event. The keynote address was by the Cinnamon Lake Election Referee, Ashland Mayor Matt Miller.



Frozen in time

The Declaration of Covenants, Conditions and Restrictions (CCRs), passed by the membership in 2007, states that “The annual operating expense shall be the amount of funds, estimated by the Board of Directors, to be necessary for all operating expenses of the Association for the balance of the succeeding fiscal year.” State law says that homeowners’ associations shall “Annually adopt and amend an estimated budget for revenues and expenditures. Any budget shall include reserves in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of special assessments, ...”

The CCRs begin the budget process with expenses; how much is it going to take to operate this association the next year at the same level as the year before. But the CCRs then limit the other side of the budget equation. The 2007 CCRs limit the dues to \$75 per year, establish a process to determine the annual operating assessment, and have an end date to the Cost of Living Adjustment – all subject to being frozen at the end of 2007, unless changed by a vote of the membership. Because the language is in the CCRs, the understanding is that any change is required to be voted upon as if the CCRs are being amended, in other words, 50 percent plus one of owners must approve. (In essence this requires about 700 members to vote **yes** to change the CCRs.) This has been a difficult number to get to.

The CCRs limited the income side of the budget process. Our income is essentially frozen at 2007 levels. Every Board of Directors has struggled with this problem. The only solution has been to keep cutting services, paying employees under going rates, and postponing necessary maintenance. (What core income growth there has been is tied to new homes being built, which increase the dues and assessment categories, as well as new member initiation and transfer fees.)

The limitations established in 2007 have also made it difficult for Boards of Directors to meet a fiduciary responsibility set out in state law – to include adequate contributions to a reserve fund. A 2015 study, commissioned by the Board, calculated that an adequate contribution to the Reserve Fund should be about \$250,000 a year, for 20 years. If this level of contribution could be maintained, road improvements, lake dredging and other major infrastructure issues could be undertaken without the need of a special assessment.

Between the CCRs and State requirements, the Boards of Directors are between a rock and a hard place. Regardless of what a Board of Directors does, it cannot change the fact that costs have gone up considerably since 2007. Gas does not cost the same; building materials have gone up; in fact, just about every cost has gone up in the last 16 years. Rising costs, and limited income growth, is a real concern.

Ultimately, the question is what do we want our community to be like in the future.

Budget Performance

Budgets are management tools. They are the best way to ensure that member investment, i.e. dues and assessments, are spent as wisely as possible. Budgets are based on the calendar year. The Cinnamon Lake Association budget cycle actually begins in September. The Maintenance Department and Office, as well as the committees, submit a proposed project and activity list for the following year. The budgets of the Maintenance Department as well as Office Operations make up most of the Cinnamon Lake Association budget.

The Finance Committee reviews the budget requests and, based on guidance from the Board, begins to develop a budget for the following year. The Finance Committee reviews budget performance on a monthly basis and reports back to the Board. The Finance Committee's work on the following year's budget should be completed by November for approval by the Board at its December meeting.

Committee Budgets are not included in the overall Cinnamon Lake Budget. Committees are granted funds for specific projects or their budgets are dependent upon fundraising efforts. These amounts cannot be predicted with any accuracy and are not part of the day-to-day operations of CLA. Any funds provided to the committees come from the Time Warner funds or new member fees.

There are a series of Other Income Funds that are not included in the Budget because they cannot be accurately forecast or counted on to maintain day-to-day operations. (See the list below.) When the fiscal year ends, the actual collections are accounted for in the year just ended and are then applied to projects, needs and committee requests for the following fiscal year.

Although these accounts are not included in the current fiscal year budget, all of these accounts are still reported in our normal accounting reports which are made available monthly and annually. These reports are formatted using standard accounting practices.

On funds not budgeted: 4210 (Finance charges), 4999-A (Time Warner), 4999-B (Sunrise), 4999-C (T-Shirt Sales), 4999-D (Rental of Office Storage), 4999-H (New Member Initiation), 4999-I (Fines), 4999-P (Food Truck Permit), 4999-S (Annual Renters Fee), and 4999-Q (Sales of Items).

Cinnamon Lake Financial Management Philosophy – Venture Funds

Cinnamon Lake offers many benefits to its members. The Common Areas are used by all members in good standing. Amenities like the pool, the docks, the lodge and the campground are not used by all.

The Board, in an effort to find a balance, decided to approach the docks, the lodge, the campground and the pool as a venture fund. More specifically, each of those operations are viewed as a stand-alone enterprise and although initial funding was provided, over time, these enterprises must pay for themselves. Funds not used (or overspent) in a budget year, are carried over to the following year. The Board feels this approach will help maintain these amenities and hopefully address the complaints of those members who say money is always put into the general fund and not applied to the respective amenities.

The 2022 budget performance numbers is followed by the auditor reviewed financial statements.

A word from the Treasurer on the Budget

The following pages provide a year-end picture of the CLA 2022 budget, how well we performed against it, and how performance compared against the prior two years. The 2022 compilation by our accounting firm follows. Every third year we undergo a full audit; in the in-between years reviews and compilations are conducted. Following generally accepted accounting practices, you may find some headings different from what you may see in the budget. The accounting firm results are what is reported.

Cinnamon Lake Association accounting is done on an accrual basis. The budget however reflects actual cash expectations and performance. The budget is prepared based on those expectations and performance. Doing this allows us to ensure that sufficient cash is available to cover normal operations. As you review 2022 performance, you will see in some cases we exceeded certain expense categories. This is because we banked money in the past to have enough money to undertake needed upgrades. Cash basis accounting requires us to record expenses when they occur; it does not reflect when the monies were banked, especially and specifically as a result of venture fund activities.

Again, the most important document is the accounting firms' report.

We have been focused on managing, or more accurately, controlling expenses. Only by keeping a tight grip on money going out can we begin to deal with our most important financial challenge. Our income stream is frozen. Dues and assessments are set in the Declaration of Covenants, Conditions and Restrictions (CCRs). The Board cannot change that. The CCR also prevents any cost of living adjustment. Only a vote by the entire membership can make changes. The cost of doing business has gone up. Increases are still expected. This is the reason expenses are watched carefully. This is why some once common activities are no longer done.

Although members want us to take care of infrastructure issues through normal operating expenses, the road improvement project clearly demonstrates that dues and assessments by themselves can not cover the real costs of improvements. A 2015 Reserve Fund Study, done for the CLA, suggested an annual reserve fund contribution of over \$250,000 a year, for 20 years, to adequately protect ourselves for future contingencies—such as lake dredging, road maintenance and other major infrastructure issues. This is difficult to do on a budget of less than \$700,000.

We have put processes in place to contribute more to the reserve fund and to prudently manage day-to-day operations. However, our underlying financial growth is dependent upon more housing growth which in turn generates new dues and assessments. That, in the long term, is not sustainable.

2022 Actual Cash Income Performance versus the Planned Budget, and 2021 and 2020 Actual

Income	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
4200 · DUES*	\$103,601.34	\$95,000.00	\$103,875.00	\$91,187.68
4201 · ASSESSMENT*	\$424,539.00	\$419,000.94	\$428,176.80	\$374,990.80
4205 · GATE PASSES	\$12,070.00	\$6,700.00	\$11,965.00	\$10,025.00
4206 · LOT SALES	\$26,839.00	\$6,000.00	\$27,661.84	\$36,626.00
4208 · BUILDING PERMITS	\$4,316.00	\$3,500.04	\$7,175.00	\$10,800.00
4211 · LABOR, MAINTENANCE	\$275.00		\$2,089.12	\$160.00
4213 · GRAVEL SALES	\$520.00		\$2,575.00	\$2,240.00
4215 · MARKETING COMMITTEE FUND				\$0.00
4216 · BOAT DOCK RENTALS	\$19,111.46	\$19,800.00	\$18,656.17	\$13,362.50
4217 · STORAGE INCOME	\$9,113.75	\$7,500.00	\$7,812.50	\$6,410.00
4218 · RENTAL INCOME C. CENTER	\$80.00	\$100.08	\$150.00	\$300.00
4219 · POOL INCOME	\$10,201.58	\$10,500.12	\$11,106.95	\$9,060.63
4220 · LODGE RENTAL	\$7,450.00	\$3,500.04	\$7,675.00	\$3,220.00
4225 · BOAT LAUNCH/REMOVAL FEES	\$0.00	\$0.00	\$0.00	\$350.00
4230 · ADVERTISING INCOME-PUBLICATION	\$7,745.00	\$4,000.08	\$7,915.90	\$12,436.50
4230G · GARAGE SALE ADVERTISING	\$685.00	\$600.00	\$740.00	\$0.00
4231 · PAVILION RENTAL	\$550.00	\$500.04	\$400.00	\$80.00
4233 · YEARLY BOAT STICKER	\$7,450.00	\$6,600.00	\$6,805.00	\$7,255.00
4237 · BOAT REGISTRATIONS	\$1,875.00	\$1,800.00	\$2,700.00	\$1,740.00
4238 · OMV REGISTRATION STICKER	\$2,675.00	\$1,000.08	\$1,817.50	\$2,632.50
4240 · CAMPING FEES	\$18,745.00	\$16,000.08	\$18,745.86	\$13,478.75
4252 · SNOW REMOVAL	\$0.00			\$0.00
4253 · DUMPSTER PER USE	\$1,397.50		\$1,005.00	\$1,270.00
4254 · TRASH*	\$56,791.66	\$57,500.04	\$50,580.00	\$48,959.12
4255 · BRUSH DUMPSTER	\$0.00			\$0.00
4270 · ICE INCOME	\$4,141.50	\$2,800.08	\$3,633.00	\$2,320.00
4800 · UTILITY TRANSFER			-\$6.13	\$13.93
4998 · CREDIT CARD CONVENIENCE FEE	\$1,818.51	\$1,600.08	\$1,637.66	\$991.89
5009 · RETURNED CHECK CHARGES	\$338.23		\$25.00	\$50.00
Transfer to Reserve Account-2022	-\$50,000.00		-\$100,000.00	-\$10,000.00
Road fund set aside				-\$12,400.00
Reserve fund set aside – 2023 **	-\$50,000.00			-\$28,000.00
	<u>\$622,329.53</u>	<u>\$664,001.70</u>	<u>\$624,917.17</u>	<u>\$599,560.00</u>

* Actual collected.

** For Jan. 2023 transfer.

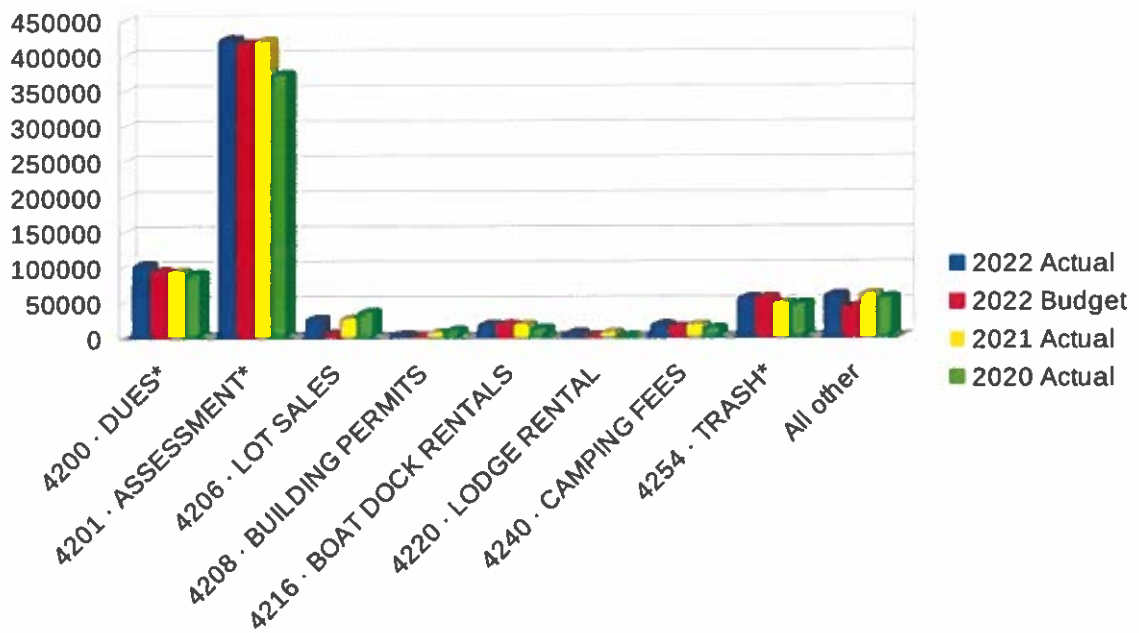
2022 Actual Cash Expense Performance versus the Planned Budget, and 2021 and 2020 Actual Expenses				
	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
5000 · ADMINISTRATIVE COLLECTION EXP.	\$1,759.22	\$2,500.08	\$3,612.57	681.50
5001 · COMMUNITY RELATIONS	\$559.20	\$500.04	\$164.75	110.17
5002 · WATER FOR MOST LOCATIONS	\$1,484.91	\$1,500.00	\$1,339.22	1,722.68
5003 · SEWER MOST LOCATIONS	\$217.54	\$300.00	\$373.95	180.78
5004 · BRUSH DUMPSTER EXPENSE				
5005 · ADVERTISING-GARAGE SALE	\$313.75	\$500.04	\$425.58	0.00
5006 · ADVERTISING-PUBLICATION	\$3,518.88	\$2,500.08	\$2,652.94	10,434.81
5015 · CAMPGROUND EXPENSES	\$5,658.69	\$4,500.00	\$5,647.94	4,201.40
5030 · ELECTRIC ASSOCIATION	\$7,792.74	\$11,000.04	\$9,600.41	8,763.55
5040 · FUEL	\$15,366.47	\$12,200.04	\$11,037.07	7,625.72
5043 · PROPANE	\$1,096.60	\$1,000.08	\$876.56	114.01
5044 · NATURAL GAS	\$3,182.40	\$2,500.08	\$2,085.25	1,838.48
5045 · REPAIRS GENERAL				
5055 · LAKE MAINTENANCE	\$19,729.38	\$5,500.08	\$4,312.70	4,206.52
5056 · DOCK EXPENSE	\$7,555.64	\$7,000.08	\$3,458.51	6,305.86
5060 · LODGE EXPENSES	\$14,414.03	\$13,000.08	\$11,144.04	16,593.83
5075-M · MAINTENANCE	\$36,215.19	\$23,100.36	\$17,787.85	46,421.10
5080 · ALARM MONITORING	\$470.80	\$3,000.00	\$1,489.88	469.58
5090 · OFFICE EQUIPMENT LEASE	\$4,818.07	\$4,800.00	\$5,083.55	4,800.31
5100 · ROAD MAINTENANCE	\$21,505.13	\$32,500.08	\$28,702.37	29,134.06
5105 · SAFETY				0.00
5106 · RUGS	\$5,673.18	\$5,500.08	\$4,845.72	5,726.76
5200 · TRASH DISPOSAL	\$67,036.54	\$60,000.00	\$66,304.49	54,956.28
5505 · GRAVEL PURCHASES	\$183.56	\$3,000.00	\$650.87	4,997.30
5510 · ICE PURCHASES	\$2,889.15	\$2,300.04	\$2,101.10	1,174.25
6120 · BANK SERVICE CHARGES	\$5,184.27	\$4,400.04	\$4,473.01	4,065.68
6150 · DEPRECIATION EXPENSE			\$52,161.00	0.00
6160 · DUES AND SUBSCRIPTIONS				0.00
6170 · EQUIPMENT RENTAL	\$324.13	\$500.04		265.54
6175 · POOL EXPENSES	\$23,712.45	\$10,700.16	\$10,178.11	18,264.03
6180 · INSURANCE	\$27,717.40	\$36,300.00	\$32,456.50	26,338.24
6230 · DUES, LICENSES, PERMITS	\$7,957.52	\$7,000.08	\$9,600.92	8,363.96
6240 · MISCELLANEOUS	\$1,009.17	\$1,000.08	\$180.28	1,449.20
6250 · POSTAGE AND DELIVERY	\$5,832.26	\$5,000.04	\$4,867.44	5,625.25
6270 · PROFESSIONAL FEES	\$51,870.95	\$32,583.50	\$18,990.71	31,340.38
6300 · REPAIRS	\$104,204.15	\$31,000.08	\$9,569.26	15,065.59
6301 · STORAGE AREA EXPENSE	\$10,585.00	\$9,000.00	\$206.48	329.55
6309 · OFFICE MAINTENANCE	\$258.80	\$500.04	\$390.24	220.09
6340 · TELEPHONE	\$10,227.14	\$7,300.08	\$11,277.56	13,663.54
6560 · PAYROLL EXPENSES	\$266,865.71	\$214,616.83	\$260,246.11	243,764.65
6576 · EMPLOYEE WELFARE	\$1,554.91	\$2,000.04	\$917.71	1,084.54
6579 · WORKER'S COMPENSATION INS.	\$3,132.68	\$6,500.04	\$6,276.84	-20,890.40
6580 · SUPPLIES	\$7,390.63	\$7,900.08	\$5,861.08	7,598.10
6610 · TAXES	\$25,172.58	\$27,000.00	\$23,298.90	23,933.59
69800 · UNCATEGORIZED EXPENSES	\$3,226.58		\$449.70	267.23
	<u>\$777,667.00</u>	<u>\$602,002.00</u>	<u>\$635,099.00</u>	<u>\$591,208.00</u>

Cinnamon Lake Association Roads

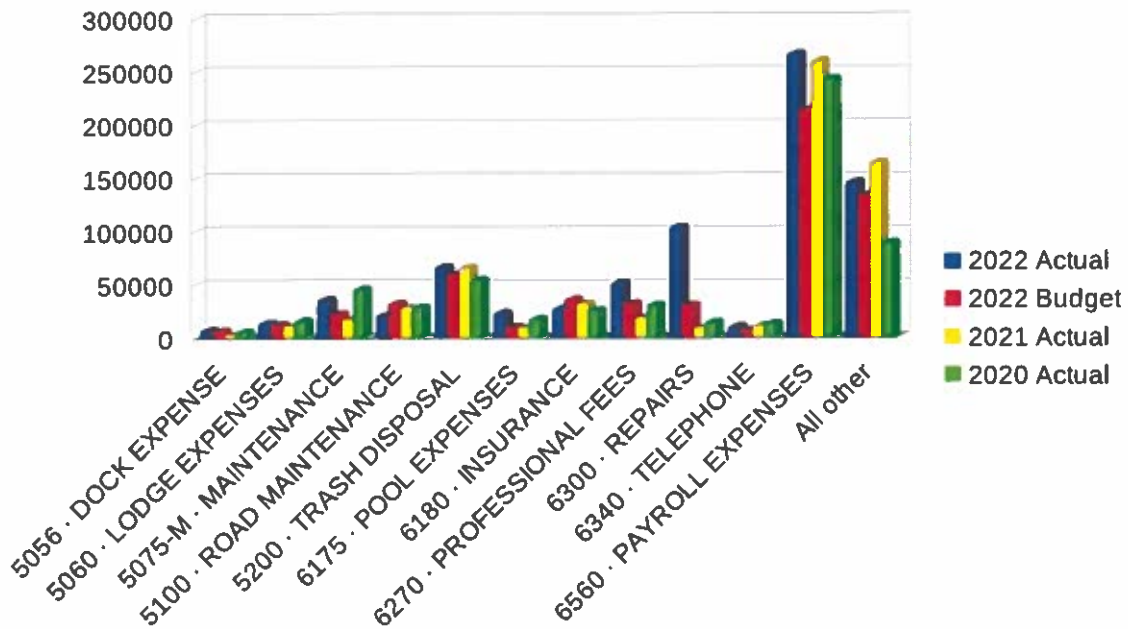
	<u>2022</u>
Income	
OCT Billing	\$244,980.00
Finance Charge	\$508.17
Interest	\$71.93
Misc	\$160.00
Total Income	<u>\$245,720.10</u>
Expense	
Bad Debt	\$726.36
Bank Service Charge	\$336.68
Loan Payment	\$135,097.44
Road Work	\$1,136,159.73
Total Expense	<u>\$1,272,320.21</u>
Net Ordinary Income	<u>-\$1,026,600.11</u>
Net Income	<u>-\$1,026,600.11</u>



Income



Expenses





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M-T-Th-F 9 - 5

SATURDAY 9 - 1

**CLOSED:
WEDNESDAY-SUNDAY**

OWNERS:

**DICK & SCOTT
MARKLEY**

Cinnamon Lake Association, Inc.
Financial Statements

As of and for the Years Ended
December 31, 2022 and 2021



Rea & associates

www.reacpa.com

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Rea & associates

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To the Board of Directors of
Cinnamon Lake Association, Inc.

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Cinnamon Lake Association, Inc. (a Homeowners' Association) (the 'Association'), which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, expenses, and changes in fund balances, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The 2021 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated May 9, 2022. We have not performed any audit procedures since that date.

Rea & Associates, Inc.

Rea & Associates, Inc.
Wooster, OH
July 11, 2023

CPAs and business consultants

114 North Market Street

Wooster, OH 44691-1100

p: 330.267.0477

Rea & Associates, Inc.
E: 330.267.0477
www.reaandco.com

CINNAMON LAKE ASSOCIATION, INC.

BALANCE SHEETS
DECEMBER 31, 2022

(With comparative totals at December 31, 2021)

ASSETS

	Compiled					Audited
	Operating Fund	Special Assessment	Special Roads Assessment	Repairs & Replacements	Total 2022	Total 2021
CURRENT ASSETS:						
Cash and cash equivalents	\$ 304,949	\$ -	\$ 1,471,752	\$ 213,915	\$ 1,990,616	\$ 504,243
Accounts receivable, net	-	-	12,175	-	12,175	-
Total current assets	304,949	-	1,483,927	213,915	2,002,791	504,243
PROPERTY AND EQUIPMENT, net	1,969,493	-	1,136,161		3,105,654	1,873,121
CONSTRUCTION IN PROGRESS	8,203	-	-	-	8,203	1,120
NON-CURRENT ASSETS:						
Right-of-use assets	98,575	-	-	-	98,575	-
Total assets	\$ 2,381,220	\$ -	\$ 2,620,088	\$ 213,915	\$ 5,215,223	\$ 2,378,484

LIABILITIES AND FUND BALANCES

	Compiled					Audited
	Operating Fund	Special Assessment	Special Roads Assessment	Repairs & Replacements	Total 2022	Total 2021
CURRENT LIABILITIES:						
Accounts payable	\$ 12,092	\$ -	\$ -	\$ -	\$ 12,092	\$ 3,713
Long-term debt, current portion	-	-	324,411	-	324,411	-
Operating lease liability, current portion	6,744 ¹	-	-	-	6,744	-
Deferred revenue	-	-	151,774	-	151,774	-
Accrued liabilities	28,256	-	-	-	28,256	27,724
Total current liabilities	47,092	-	476,185	-	523,277	31,437
NON-CURRENT LIABILITIES:						
Long-term debt, net of current portion	-	-	2,076,708	-	2,076,708	-
Operating lease liability, net of current portion	91,831	-	-	-	91,831	-
Total non-current liabilities	91,831	-	2,076,708	-	2,168,539	-
Total liabilities	138,923	-	2,552,893	-	2,691,816	31,437
FUND BALANCES						
	2,242,297	-	67,195	213,915	2,523,407	2,347,047
Total liabilities and fund balances	\$ 2,381,220	\$ -	\$ 2,620,088	\$ 213,915	\$ 5,215,223	\$ 2,378,484

See accompanying notes and independent accountant's compilation report.

CINNAMON LAKE ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Compiled					Audited	
	Operating Fund	Special Assessment	Special Roads Assessment	Repairs & Replacements	Total 2022	%	Total 2021
REVENUES							
Regular assessment	\$ 424,539	\$ -	\$ 122,190	\$ -	\$ 547,029	55.61	\$ 428,177
Dues	103,601	-	-	-	103,601	10.53	103,875
Camping fees	18,746	-	-	-	18,746	1.91	18,746
Boat fees	9,325	-	-	-	9,325	0.95	9,505
Building permits	4,316	-	-	-	4,316	0.44	7,175
Mowing	1,133	-	-	-	1,133	0.12	-
Refuse	58,189	-	-	-	58,189	5.92	51,585
Late fees and fines	509	-	-	-	509	0.05	-
Other income	237,678	1	-	107	237,786	24.17	222,506
Rent	3,060	-	-	-	3,060	0.31	-
Transfers among funds, net	52,275	(16,186)	-	(36,089)	-	-	-
Total revenues	913,371	(16,185)	122,190	(35,982)	983,694	100.00	841,569
EXPENSES							
Payroll	268,421	-	-	-	268,421	27.29	261,165
Refuse	67,037	-	-	-	67,037	6.81	66,301
Depreciation	55,435	-	-	-	55,435	5.64	52,161
Bad debt	36,320	-	25,446	-	61,766	6.28	23,722
Taxes and licenses	33,130	-	-	-	33,130	3.37	32,922
Professional fees	32,298	-	-	-	32,298	3.28	9,484
Insurance	27,717	-	-	-	27,717	2.82	32,357
Utilities	22,703	-	-	-	22,703	2.31	24,053
Miscellaneous	22,363	-	-	-	22,363	2.27	13,732
Road maintenance	21,505	-	-	-	21,505	2.19	28,703
Administrative	21,332	-	-	-	21,332	2.17	12,446
Lake maintenance	19,989	-	-	-	19,989	2.03	7,772
Fuel and oil	19,645	-	-	-	19,645	2.00	13,999
Committees	18,193	-	-	-	18,193	1.85	12,141
Repairs and maintenance	16,736	-	-	-	16,736	1.70	21,140
Pool maintenance	15,041	-	-	-	15,041	1.53	7,043
Supplies	14,770	-	-	-	14,770	1.50	8,432
Lodging	12,435	-	-	-	12,435	1.26	10,319
Campgrounds	9,406	-	-	-	9,406	0.96	7,779
Postage	5,832	-	-	-	5,832	0.59	4,867
Bank fees	5,198	-	323	-	5,521	0.56	4,473
Equipment rental	4,689	-	-	-	4,689	0.48	5,701
Advertising	4,392	-	-	-	4,392	0.45	3,244
Group insurance	3,133	-	-	-	3,133	0.32	6,277
Rent	500	-	-	-	500	0.05	-
Security monitoring	471	-	-	-	471	0.05	2,518
Office	259	-	-	-	259	0.03	390
Gravel	184	-	-	-	184	0.02	651
Total expenses	759,134	-	25,769	-	784,903	79.79	673,895
Non-operating income (expense)	7,095	-	(29,526)	-	(22,431)	(2.28)	12,040
Net income (loss)	161,332	(16,185)	67,195	(35,982)	176,360	17.93	179,714
FUND BALANCE, beginning of year	2,080,965	16,185	-	249,897	2,347,047		2,167,333
FUND BALANCE, end of year	\$ 2,242,297	\$ -	\$ 67,195	\$ 213,915	\$ 2,523,407		\$ 2,347,047

See accompanying notes and independent accountant's compilation report.

CINNAMON LAKE ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Coupled				Audited	
	Operating Fund	Special Assessment	Special Roads Assessment	Repairs & Replacements	Total 2022	Total 2021
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	\$ 161,332	\$ (16,185)	\$ 67,195	\$ (35,982)	\$ 176,360	\$ 179,714
Adjustments to reconcile net income (loss) to net cash from operating activities:						
Depreciation and amortization	55,435	-	-	-	55,435	52,161
Gain on sale of property and equipment	-	-	-	-	-	(8,677)
Bad debt expense	61,766	-	-	-	61,766	23,722
Non-cash lease expense	4,144	-	-	-	4,144	-
Change in:						
Accounts receivable, net	(61,765)	-	(12,176)	-	(73,941)	(23,722)
Accounts payable	8,379	-	-	-	8,379	(4,075)
Operating lease liability	(4,144)	-	-	-	(4,144)	-
Accrued liabilities	532	-	-	-	532	(1,096)
Deferred revenue	-	-	151,774	-	151,774	-
Net cash from operating activities	225,679	(16,185)	206,793	(35,982)	380,305	218,027
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sale of property and equipment	-	-	-	-	-	8,677
Purchase of property and equipment	(151,808)	-	(1,136,160)	-	(1,287,968)	(66,750)
Payments on construction in progress	(7,083)	-	-	-	(7,083)	(1,120)
Net cash from investing activities	(158,891)	-	(1,136,160)	-	(1,295,051)	(59,193)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Payment of long-term debt	-	-	(98,881)	-	(98,881)	-
Proceeds from debt obligations	-	-	2,500,000	-	2,500,000	-
Net cash from financing activities	-	-	2,401,119	-	2,401,119	-
Change in cash and cash equivalents	66,788	(16,185)	1,471,752	(35,982)	1,486,373	158,834
CASH AND CASH EQUIVALENTS, beginning of year	238,161	16,185	-	249,897	504,243	345,109
CASH AND CASH EQUIVALENTS, end of year	\$ 304,949	\$ -	\$ 1,471,752	\$ 213,915	\$ 1,990,616	\$ 504,243

See accompanying notes and independent accountant's compilation report.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

Cinnamon Lake Association, Inc. (the Association) was incorporated on April 22, 1970, in the State of Ohio. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of over 570 residential units located on 883 acres in Ashland County, Ohio. The accompanying financial statements included only the accounts of Cinnamon Lake Association, Inc.

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Fund Accounting

The Association maintains its accounts using fund accounting in order to ensure observance of limitations and restrictions on the use of financial resources. The classification 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 available for the general operations of the Association.

Special Assessment – This fund is used to accumulate financial resources designated for special assessments as needed such as road maintenance (see Note 12).

Repairs & Replacements – This fund is used to accumulate financial resources designated for future major repairs and replacements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Association recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer, or as it provides access to its member amenities.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Association from a customer, are excluded from revenue.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Revenue from performance obligations satisfied at a point in time consists of sales of building lots, fees for camping, boat, building permits and mowing, and late fees and fines charged to members. For these revenue streams, control transfers to the customer at a point in time when the property, permit or services are provided, and there is no variable consideration. The payment terms and conditions in customer contracts vary from 30-90 days from transfer of control.

Revenue from performance obligations satisfied over time consists of regular and special member assessments, dues, and initiation fees. Such revenue is recognized over time as the Association's customers receive and consume the benefits of the Association's services as the Association performs them. Fees are billed and collected monthly with no variable consideration.

The Association does not have any significant financing components as payment is received shortly for all revenue sources after the point of sale.

The Company had accounts receivable of \$0 as of January 1, 2022, net of an allowance for doubtful accounts of \$0.

Member Assessments

Association members are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association typically retains legal counsel and places liens on the properties of homeowners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year.

Cash and Cash Equivalents

The Association defines cash as currency on hand and demand deposits with financial institutions. The Association considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The Association maintains an allowance for doubtful accounts based on management's estimate of amounts expected to be collected within one year. The Association's policy is to aggressively pursue past due receivables until all reasonable collection efforts are exhausted. Collection efforts include property liens which may remain in place for many years until collection, if any, occurs.

As of December 31, 2022 and 2021, the balance of the allowance for doubtful accounts was \$25,446 and \$0, respectively.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Association capitalizes all property and equipment having a unit cost of \$1,000 or more to which it has title or other evidence of ownership with the exception of real property directly associated with the units. Property not capitalized consists of approximately 350 acres of lake, shoreline, common areas, greenbelts, and 17 miles of access roads. According to the Association's governing documents, a vote of the majority of the members in good standing that are present at a duly convened meeting where a quorum is present or voting by absentee ballot must approve dispositions of any common real property. Property and equipment acquired by the Association are recorded at cost and property contributed to the Association by the developer is recorded at estimated fair value at the date of contribution.

When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in other income.

Depreciation and amortization of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

<u>Description</u>	<u>Useful Life</u>
Building and land improvements	20-40 years
Road improvements	3-20 years
Furniture and fixtures	3-10 years
Machinery and equipment	15-40 years
Service vehicles	5-10 years
Pool	5-20 years

Federal Income Taxes

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. Cinnamon Lake Association, Inc. has elected to file under Internal Revenue Code Section 528 as a homeowners' association. Under this election, the Association is taxed on its nonexempt function income, such as interest earnings, at a flat rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable.

The Association files information returns in the U.S. federal jurisdiction. The Association has adopted the Financial Accounting Standards Board requirements for accounting for uncertain tax positions. The Association determined that it was not required to record a liability related to uncertain tax positions as a result of implementing the new requirements. Currently, the tax years that remain subject to examination by the Internal Revenue Service ("IRS") are 2021, 2020, and 2019. As of the date of this report, management has no knowledge of material notifications from the IRS.

From time to time, the Association may be subject to interest and penalties assessed by various taxing authorities. These amounts have historically been insignificant and are classified as other expenses when they occur.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Association's policy is to recognize these costs when actually paid.

Advertising Costs

The Association expenses the costs of advertising when these costs are incurred. Advertising expense for the year ended December 31, 2022 and 2021 was \$4,392 and \$3,244, respectively.

Leases

The Association determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, the Association establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in ROU assets, operating lease liability, current portion, and operating lease liability, net of current portion on the accompanying balance sheets. Finance leases, if any, are included in property and equipment, current portion of lease liabilities – finance leases and lease liabilities – finance leases.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that the Association is reasonably certain to exercise as well as any period that the Association has control over the asset before the stated initial term of the agreement. If the Association determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. The Association's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Association does not separate non-lease components from lease components for the vehicle ROU asset class. This election has been made to significantly reduce the administrative burden, which would be imposed on the Association.

The Association uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date.

The Association does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

Adoption of New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, "Leases (Topic 842)," which specifies the accounting for leases. The objective is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease. This ASU introduces the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous guidance. The guidance was effective for annual reporting periods beginning after

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard (continued)

December 15, 2021 and interim periods within those fiscal years. The adoption of the guidance impacted the Association's balance sheets by the creation of ROU assets and lease liabilities. Under the transition method selected by the Association, leases existing at, or entered into after, January 1, 2022 were required to be recognized and measured. Prior period amounts have not been adjusted and continue to be reflected in accordance with the Association's historical reporting. The adoption of this standard resulted in the recording of ROU assets and operating lease liabilities of approximately \$102,719 as of January 1, 2022 with no related material impact on the Association's statements of income or statements of cash flows. See Note 9 to the financial statements.

The Association elected the package of practical expedients permitted under the transition guidance within the Topic 842, in which the Association does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Association has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on January 1, 2022.

Subsequent Events

Subsequent events have been evaluated by management through July 11, 2023, which is the date the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2022 and 2021 were comprised of the following:

Unrestricted cash:	2022	2021
Petty cash	\$ 200	\$ 200
Operating	230,768	178,616
Events	4,398	7,065
Fish/lake	19,656	17,559
Market share	49,927	34,721
Total	304,949	238,161
Special assessment cash:		
Road assessment	1,471,752	16,185
Repairs and replacement cash:		
Reserve	213,915	249,897
Total cash and cash equivalents	<u>\$ 1,990,616</u>	<u>\$ 504,243</u>

NOTE 3: CONCENTRATION OF CREDIT RISK

The Association maintains its cash in bank deposit accounts, which, at times, may exceed federal insured limits. The Association has not experienced any losses in such accounts. The Association believes it is not exposed to any significant credit risk on cash and cash equivalents.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following as of December 31, 2022 and 2021:

	2022	2021
Building	\$ 816,372	\$ 773,394
Pool	161,919	156,493
Land and improvements	1,545,348	1,526,681
Machinery and equipment	256,529	227,419
Service vehicles	128,250	128,140
Road improvements	1,717,728	526,049
Office equipment	32,272	32,272
	<u>4,658,418</u>	<u>3,370,448</u>
Less: accumulated depreciation and amortization	(1,552,764)	(1,497,327)
Property and equipment, net	<u>\$ 3,105,654</u>	<u>\$ 1,873,121</u>

Depreciation and amortization expense was \$55,435 and \$52,161 for December 31, 2022 and 2021.

NOTE 5: LONG-TERM DEBT

Long term debt consisted of the following at December 31,

	2022	2021
Note payable, Popular Association Banking, monthly installments of \$33,774, included fixed interest of 3.60%. Final payment is due July 2029.	\$ 2,401,119	\$ -
	<u>2,401,119</u>	<u>-</u>
Less: current portion	324,411	-
	<u>\$ 2,076,708</u>	<u>\$ -</u>

Principal payments on long-term debt obligations are scheduled to be paid as follows for the years ending December 31:

2023	\$ 324,411
2024	336,284
2025	348,592
2026	361,351
2027	374,576
Thereafter	<u>331,494</u>
	<u>\$ 2,076,708</u>

NOTE 6: RETIREMENT PLAN

The Association sponsors a Savings Incentive Match Plan for Employees, which covers all eligible employees. The plan allows for elective deferrals by employees. Contributions by the Association are based on a percentage of annual compensation. No contributions were made to the plan during the years ended December 31, 2022 and 2021.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RELATED PARTY TRANSACTIONS

The Association acts as a fiscal agent of Cinnamon Lake Utilities Association, Inc. (CLUA) depositing and remitting payments from members for utilities. The Association has an informal agreement with CLUA whereby purchases of goods and services are allocated between the entities and certain expenses are split between the entities based on a predetermined percentage.

NOTE 8: FUND BALANCE

Fund balances for the years ended December 31, 2022 and 2021 were comprised of the following:

	2022	2021
Unrestricted	\$ 2,242,497	\$ 2,080,965
Board designated:		
For future repairs and replacements	213,915	249,897
Special Assessments:		
Road assessment	67,195	16,185
Total fund balance	<u>\$ 2,523,407</u>	<u>\$ 2,347,047</u>

NOTE 9: LEASES

Operating Leases

The Association entered into a lease for office equipment during February 2022. The lease requires monthly payments of \$595 for 63 months. The Association also entered into a 99-year lease with CLUA (see Note 7) which requires the Association to pay annual rents of \$500 for the next 10 years (1-10), \$1,000 for the following 10 years (11-20), \$1,500 for the following 10 years (21-30), and then \$2,000 for the remainder of the lease. The lease is cancelable provided either party provides notice of its intent to not renew the lease 30 days in advance of any then-current term. The Association has other operating leases which were month to month.

ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease expense is recognized on a straight-line basis over the lease term.

The components of lease expense were as follows for the year ended December 31, 2022:

Operating lease cost	\$ 5,189
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Total lease expense for operating leases was \$5,701 for the year ended December 31, 2021.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: LEASES (CONTINUED)

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	4,144

Supplemental balance sheet information related to leases was as follows:

Operating leases		
Operating lease ROU assets	\$	102,719
Operating lease ROU assets accumulated amortization		(4,144)
Operating lease ROU assets, net	\$	98,575
Operating lease current liabilities		6,744
Operating lease non-current liabilities		91,831
	\$	98,575

Other information:

Weighted-average remaining lease term in years for operating leases	64.80
Weighted-average discount rate for operating leases	2.01%

Future undiscounted cash flows for each of the next five years and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2022:

2023	\$	8,629
2024		8,629
2025		8,629
2026		8,629
2027		4,217
2028 and thereafter		165,003
Total future minimum lease payments		203,736
Less: imputed interest		(105,161)
Total present value of lease liabilities	\$	98,575

NOTE 10: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing board transfers funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts. In prior years, the Association had funded actual major repair and replacement expenditures from proceeds of borrowing or excess operating fund assessments as expenditures were incurred. The Association adopted a program to begin accumulating funds for estimated future major repairs and replacements. During the years ended December 31, 2022 and 2021 the Association transferred \$894 and \$172,000 to the repairs and replacements fund, respectively.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

Amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, the Association's Board of Directors can increase the regular assessments or levy special assessments per the governing by-laws, or it may delay major repairs and replacements until funds are available.

NOTE 11: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

During the year ended December 31, 2022, the Company recognized \$102,719 of ROU assets and operating lease liabilities in accordance with the adoption of ASC 842.

NOTE 12: ROAD SPECIAL ASSESSMENT

During October 2022, the Association approved a Road Special Assessment of \$3,150,000. This amount is an estimate for the total assessments over the next seven years. An amount of \$244,980 was assessed during the year ended December 31, 2022, of which \$122,490 is accounted for as deferred revenue on the balance sheet as of the year ended December 31, 2022. The Association also accounted for an additional \$29,284 of overpayments by members on assessments as deferred revenue for the year ended December 31, 2022.

Potential Future Issues/Long Range Planning

A private lake community, especially one with a dam and as many roads as Cinnamon Lake has, must be concerned with potential possibilities and the implications for future costs. The Long Range Planning Committee looks at the future – but with wide open eyes to the costs.

About the Long Range Planning Committee

The Long Range Planning Committee (LRP) is charged with assisting the Cinnamon Lake Association Board in determining the future needs of the CLA community. LRP members look at all aspects of our growing community and bring to the CLA Board ideas and suggested projects for both near-term and future improvement. Not only is the LRP a channel for ideas and suggestions, it also puts a framework around the ideas to help determine the feasibility and cost effectiveness of the suggested projects.

Projects are not undertaken unless there are plans in place and a funding source is identified. Final approval rests with the CLA Board.

Ongoing Project Status Report:

Dress Up the Pond Area:

Create a handicap friendly path to and partially around the pond, enhance the memorial garden, install a veterans' memorial, make the pond area more appealing, and improve the overall appearance of the pond area. *Why:* The pond area is the first area people see when they enter through the front gate and it should reflect the beauty of our community.

Convert Beach Areas into Recreation Areas:

Turn existing beach areas into park and recreation areas. Make the areas more user friendly. Add components to beautify and enhance user experience. Provide a park-like setting to encourage member use. Enhance access to the lake in a manner that allows picnics and other family gathering opportunities. *Why:* Although still referred to as beach areas, only one beach remains in Cinnamon Lake-at the Lodge. As the community grows, there is a need for more park/recreation areas.

Playground Update and Recreation Areas:

The seven (7) areas available for recreational improvement are: Lodge, Nature Walking Trail, Campgrounds, Beach 1 (Recreation Area 1), Beach 3 (Recreation Area 3), Beach 4 (Recreation Area 4), Beach 6 (Recreation 6). The Lodge currently has a playground area with some equipment dating back to the start of our community. The Lodge, Beach 3, and Beach 6, each have a more recent wooden play set installed. The plan proposes to add playground/physical activities to these areas for our growing population to enjoy. *Why:* Cinnamon Lake has grown over the last 50 years to become Ashland County's third largest community. The original plan for Cinnamon Lake was to be semi-residential with vacation homes. As the community developed, it moved away from that concept into a community with year-round permanent residences and higher valued homes. Over this transition period, there have been minimal improvements as budgeting restrictions prevented the expansion of the neighborhood common areas.

Handicap Friendly Restrooms

The restrooms are original and need work. Additionally, the restrooms were constructed well before any thought was given to handicap accessibility. The LRP Committee will review each restroom facility and propose changes recommended by the ADA. Areas will be retrofitted one at a time as funding permits. *Why:* Retrofitting our existing community restroom facilities will help accommodate our community's needs.

Dry Hydrant System

We are partnering with the Polk/Jackson Fire Department to identify and install dry hydrant locations around the lake to assist in firefighting within our community. *Why:* Existing water lines are not large enough to install normal fire hydrants. A dry hydrant will allow a pumper truck to pull water out of the lake to assist with fighting a fire. (One has already been installed.)

Digital Archiving of CLA Documents

Convert boxed, filed and archival CLA documents, such as blue prints, old board minutes and old legal documents, into a digital format. Identify a storage format and prioritize document scanning to prevent loss of historical data. *Why:* A digital format will allow for easier retrieval and help prevent aging documents from becoming unreadable. (In progress.)

Potential future issues.

Looking to the future involves more than near term projects. It requires identifying and preparing contingencies for those issues/events that might affect the CLA financial operations.

Lake. The lake is a large draw. Many residents love to fish. A large number of residents love to boat, whether on an electric pontoon boat, a kayak, canoe or rowboat, or even on a paddle board. Swimming at the beach or in the lake from the back of a dock, is a favorite summer pastime. The quality of the lake is a concern, and one that has to be monitored constantly. Unconstrained algae growth, increased sediment, or even an accidental release of a toxic agent from a neighboring farm, could affect the Cinnamon Lake Association. Dredging the lake to deal with sediment could incur costs in excess of \$1 million. Any major event could be beyond the budget and might require allocating reserves or, in the event reserves are insufficient, going to the membership for a special assessment.

Acts of God. Storms, especially severe storms, are a natural occurrence in this part of the country. High winds, tornadoes and destructive thunderstorms are a constant possibility in the spring. Damage from any of these types of storms to the CLA office, Maintenance facility or the Front Gate will affect operations. The extent of damage, especially in the event of a tornado, may require complete replacement, and might exceed the budget, insurance payouts, and reserves. An electrical short circuit, and even a gas leak, potentially has the same risk to the office, the maintenance facility, and the Lodge.

Dam. The dam is the reason the lake exists. Dam operations fall under the guidelines of the Ohio Department of Natural Resources. Periodically ODNR makes an inspection of the Cinnamon Lake Dam. Findings on the inspection report are required to be acted upon. Findings not dealt with are subject to fines. More critically, defects in the dam which result in catastrophic failure expose the CLA to large liabilities, perhaps even beyond its capability to pay.

Roads. The CLA is responsible for approximately 17 miles of private roads. No tax dollars are available to take care of the roads. The community is responsible for the roads. Poor roads lessen the interest for people wanting to buy and move into Cinnamon Lake. Poor roads might also increase the number of members who move out, leading to declining membership. Declining membership will translate into lower operational and maintenance funds. Although we have taken a significant step in improving and upgrading our roads with the 2022 assessment, roads are not a one-and-done project. Roads, like

everything else, deteriorate over time. If no money is set aside for ongoing maintenance, they will deteriorate. A regular road maintenance program must be established and followed; work over time will extend the life of the roads and upgrade the surface condition. Road Fund Account money remains earmarked for the roads but it can not be allowed to shrink and not be replenished.

In all cases, if the event, be it a lake problem, an act of God, a dam failure or negative inspection report, or inability to maintain the roads, and the event is not properly dealt with, incentives to live in Cinnamon Lake decline. If fewer people want to live here and /or residents move out, operating funds to keep the community viable will decrease.

CLA Committees

Environmental Control Committee

Changes made to your outdoor property more than likely require written approval from the Environmental Control Committee. The Environmental Control Committee oversees new home construction, all building improvements, tree removal, outdoor architectural design, signs, and more.

Events Committee

The Events Committee holds social functions such as bingo, pot lucks, beach parties, Christmas and Easter holiday parties, and more. Committee and member involvement is geared to building a sense of community in Cinnamon Lake.

Finance Committee

The Finance Committee, is responsible for preparing the yearly budget for review and Board approval. The Committee also provides oversight of how yearly expenses are doing in relation to the approved budget, in order to help the Board efficiently manage its fiscal responsibilities.

Fish & Lake Committee

The Fish and Lake Committee works with the Cinnamon Lake Association Board to advise and help the Board manage matters that directly concern the recreational aspect of the Lake by assisting in the management of the general conditions of the Lake, development of boating and fishing regulations, management of the fish population, and improvement of the Cinnamon Lake community and facilities. Fish & Lake leads fundraising opportunities by operating the kitchen during community garage sales and collecting and recycling aluminum cans.

Garden & Landscaping Committee

The Garden and Landscape Committee is very active in maintaining the grounds and gardens. The committee is involved in community clean-ups and works on projects like the walking trail located in the green spaces of Cinnamon Lake. The Mission Statement of the Committee calls for it to develop and oversee living projects that will beautify and enhance the appearance of Cinnamon Lake community property.

Governance Committee

The Governance Committee works with the Association Board and helps with proposed changes and additions to documents. It also provides insight when drafting or amending policies or procedures.

Long Range Planning Committee

“A goal without a plan is just a wish” is the mantra of the Long Range Planning Committee. The LRP, as its known, works to establish a plan to meet the members’ wishes for improvements to our community.

Neighborhood Watch Committee

“See something? Say something!” That is the motto of the Neighborhood Watch Committee. The committee works closely with local law enforcement to keep our community aware of any concerning or suspicious activity.

Nominating & Elections Committee

Every year the Association holds an annual meeting. Members of the Nominating and Elections Committee are an integral part of that process. The Committee assists in vetting eligible candidates to fill board vacancies. The Committee also approves board applications, prepares ballots for mailing and counts (and recounts) the returned ballots.



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Welcome New Members in 2022


ARRINGTON, LEONARD C
ATHY, RYAN & CARA
BEATTY, KELLY D
BIEGACKI, RICHARD
BURKE, BENJAMIN & VALLIERE, TAYLOR
CARPENTER, JONATHAN R & KAYLA N
CLIFFORD, JAMES & CYNTHIA
CONRAD, EDWARD L & CARSON, JULIANNE M
CORTESE, ANDREW
DAVIS, JACOB D
DEIDRICK, COURTNEY & KOREY
DEVENEY, DANIEL & BOLANEYM, THERESA
DEVENNEY, CARL W & CYNTHIA A
DONLEY, TERE A J
DURBIN, ZACHARY
EL MAHJOUBI, AHMED
ELKASSABGI, ZOHRA
FAGAN, JOSHUA J
FELTNER, ANTHONY & SYLVESTER, JAMES
FERGUSON, BOB & KELLY
FOWLER, JEFFREY C
G & G RENTAL SERVICE LLC
GUSTIN, THEODORE & VEGA, CHRISTIN
HAMMAN, ERIC & GALE
HARVEST CREEK PROPERTIES LLC
HEARN, JAMES & KELLY
HOOVER, AARON
JOHNSON, JAMES & CHRISTY
JORDAN, SHIRLEY MARIE
KINCAID, ROBERT & LAURA
KOCH, JAMES C
KRATZER, MARK L
KUHN, F. DONALD & ELLEN K & MATTHEWS, L
LATTANZIO, JOSEPH

LYONS, CODY
MACFARLANE, AMY
MAGALE, MATHEW & KRISTEN
MCDONALD, ERIC & FORTE, MICHELE
MCELROY, CARL D & PAMRA S
MCKAY, ERIN ELISABEH & JOSEPH ANTHONY
MCKINLEY, WENDY JEAN & DEAN V JR
MENNELL, MICHAEL A & MARY ANN
MENZEMER, CRAIG & RHONDA
MITCHELL, STEPHEN A. REVOCABLE TRUST
MOSLEY, EMILY MARIA
NOVISKI, AARON J
ORGEL, RODNEY T
OURS, JONAH
PINGLEY, DIANA L
PLUES, TRISTAN J
PRICE, ALISE M
RAY, KEITH & ANGEL
RESTRUCT LLC
RICHMOND, ELIZABETH G
ROSS, DANIEL J
RUTLEDGE, JOSEPH
SELL IT YOUR WAY
SHANK, GARY & GAITTEN, REBECCA
SHELTON, KEVIN L
SLEE, MICHAEL & JANE
SMITH, DANIELLE
STEIRER, JOANNE & DAVID V
STRAUSS, KEN & DOROTHY & GRETCHEN
TANNER, DEVIN, RACHEL, ANN, MARK
TONEY BECK JENNIFER, & JONATHAN M
WAGNER, SHARI & RUSH, BRYCE
WARNER, SCOTT N & MELISSA J
WAYNE CO HOMETOWN HANDYMAN LLC
WORKMAN, BILLY & MELANIE

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