

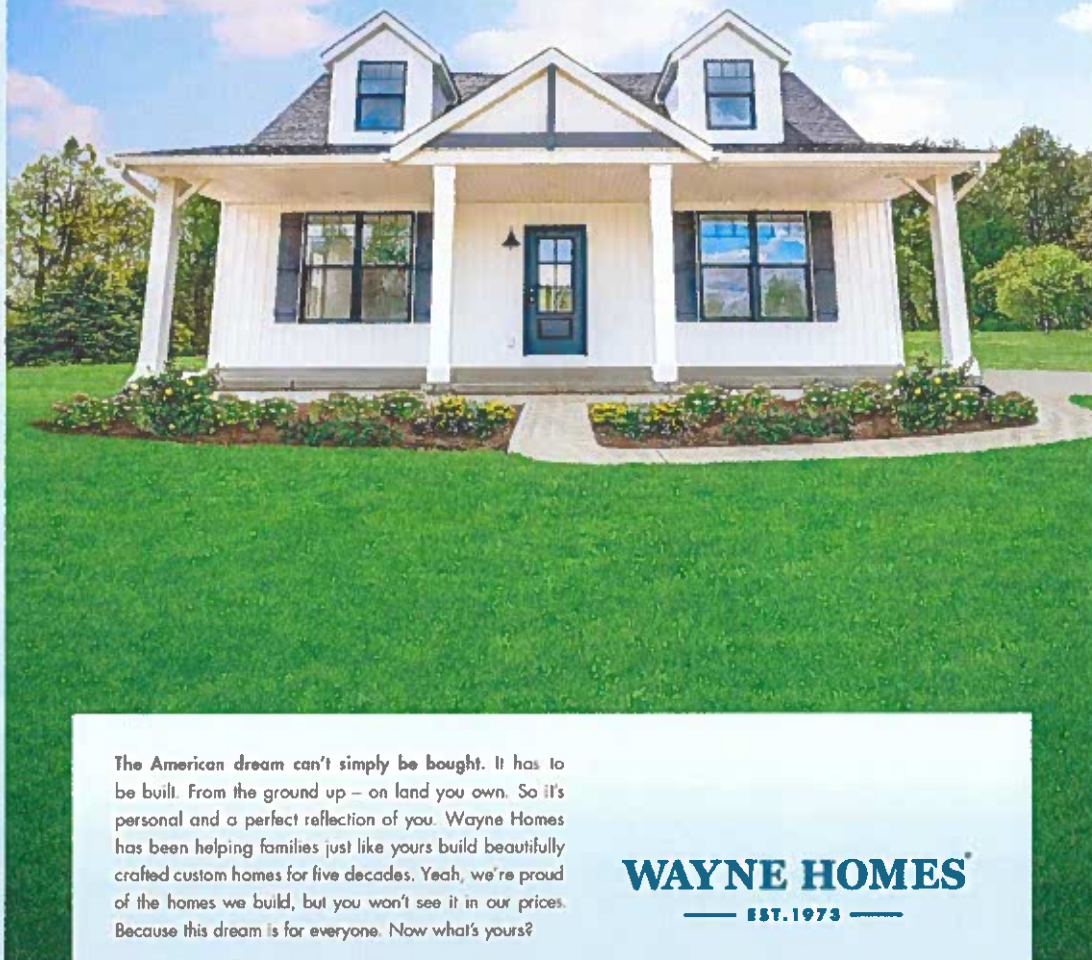
Cinnamon Lake Thymes



2021 Duathlon

Annual Report 2021

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Dear Cinnamon Lake Members:

Although Covid continued to dominate the news and effect our community, our volunteers and staff made the best of it. They kept Cinnamon Lake going. Our thanks and appreciation to all those who helped is stay strong.

It is no secret that Cinnamon Lake operates on a thin budget. Revenues, affected by the limitations imposed by the Declaration of Covenants, Conditions and Restrictions (CC&R's) are frozen at 2007 levels. Expenses, however, continue to grow. Necessary infrastructure projects continue to be postponed or downsized. Inflation, which started to increase in 2021, may have an impact on future operations.

The good news is that Cinnamon Lake is continuing to grow. The 2020 Census saw our community grow by 15%, far outpacing the 1% growth of Loudonville. We are the fastest growing community in Ashland County and remain the third largest community. Cinnamon Lake now has 570 homes. In 2021, there were 54 building permits granted which includes 6 new homes. We also saw 83 new members become a part of our association.

We welcome all those who have chosen to make Cinnamon Lake their home!

Continuing what we started last year, this Annual Report highlights activities and the financial performance. We want to provide members a picture of Cinnamon Lake Association, Inc. (CLA) operations that met The Generally Accepted Accounting Principles. We received kudos from our financial institutions on last year's report.

An important part of this report is the Potential Future Issues section. The Board has committed itself to face these future challenges. And in 2022 we hope to bring many of these issues to the forefront.

All of us have chosen to live in Cinnamon Lake. Some for the boating, some for the fishing, and some for the quiet relaxation. All the reasons combined are what has made us the third largest – and growing – community in the Ashland County. But as a self-funded homeowners association, it is our joint responsibility to ensure that 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
Walt Miller – Treasurer
Jay Linder – Member-at-Large
Doug Gaut – Member-at-Large
Richard Young – Member-at-Large



2021 Cinnamon Lake Association Staff

Office

Anna Gibson	Susan Safarik	Jill Youngpeter	Marlaine Fiocco
Office Manager	Office Assistant	Office Assistant	Office Assistant
With CLA since 2003	With CLA since 2010	With CLA since 7/2021	With CLA since 2013

Maintenance

Jim Smith	Jim Morrow	Scott Zubricky
Maintenance Supervisor	Maintenance Staff	Maintenance Staff
With CLA since 2014	With CLA since 2018	With CLA since 2021

Bob Meadows
Maintenance Staff
With CLA since 2018

Front Gate

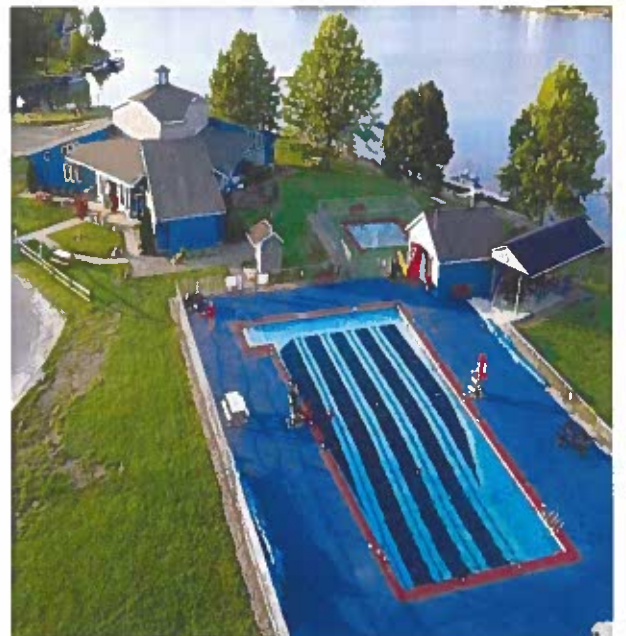
Virginia Yates	Kay Wright	Debbie Gale
Supervisor	Assistant Supervisor	Gate Attendant
With CLA since 2014	CLA since 2010	With CLA since 2010

Julie Harmon	Tim Harmon	Jim Larkin
Gate Attendant	Patrol	Gate Attendant
With CLA since 2017	With CLA since 2018	With CLA since 2020

Emily Turek	Paul Wright
Gate Attendant	Gate Attendant
With CLA since 2018	With CLA since 2010

Pool

Jason Keener	Tamara Gabalski
Pool Manager	Pool Manager



2021 Highlights in Review

Using a punch list concept, Maintenance began work on improving the common areas. Old dry docks were removed at the end of season and preparations were begun to install new posts and gravel. Work was to be completed in early 2022 before the season begins. Nonvinyl-sided mail houses and restrooms exteriors were painted. Metal-framed picnic tables were purchased at an auction to be refurbished during the winter months. As usual, Maintenance mowed, and mowed, and patched potholes.

A set of new docks were installed by the Lodge, and the drive was extended so as to have access to those docks. We now have 52 wet dock slips for rent. The first of at least three dry hydrants was installed by the Lodge, all in an effort to help fight fires in the community. (Because the existing water lines do not meet requirements for fire hydrants. Dry hydrants allow responding fire departments to pump water from the lake into tankers, which allows the fire department to continually keep a full tanker of water.) The road to the new docks serves double-duty as the new dry hydrant is located in the same area.

A new phone system was purchased which extended telecommunication possibilities. The new system allows for teleconferencing and video conferencing, which became almost a necessity early in the year as the COVID pandemic restricted person-to-person meetings. The new system also came with the capabilities to broadcast online the monthly Board meetings. And, probably just as important, it allowed us to lower our monthly phone bill.

The Fish and Lake Committee was able to treat the lake with algaecide. The algaecide worked and many comments were made by members who saw the water become clearer.

Paper recycling bins were placed in the mail houses in an effort to divert as much paper from the trash stream into the recycling stream. This was done as part of an effort to better manage our trash costs. A late season Meet and Greet the Committees brought many members out to see what projects Long Range Planning was working on, and to see what all the committees do to support the community.

Fish & Lake Committee: Obtained estimates on cleaning out weirs, worked to put together a plan for general lake health, started developing a plan to test the water quarterly, plans to refurbish our Aluminum can recycling site, treated the lake twice with 1,100lbs algicide. The total cost was over \$9,000 which was split between Fish and Lake and the Association. They served lunch for the Duathlon and at the September Garage Sales, met with a US Department of Agriculture representative about the cormorants, and planted vegetation in the lake. This is just some of what the committee has done for our community. **THANK YOU!**



Environmental Control Committee: Continued to hold people to the CC&R'S restrictions, sent letters to those who previously have been cited with a request to comply and fines were assessed, focused on propane tank enclosures, outside additions, decks, etc., need to have a permit before construction, that members are responsible to keep ditches and swales clean and open for water flow on their properties and that taking trees down, whether they are dead or alive, requires a permit approval. They reminded members that fences are not permitted except when approved around swimming pools, any outdoor structures need to be approved by the Committee prior to being added to your property and no storing of nonworking vehicles are permitted on any property. We **THANK YOU** for your volunteerism!



Garden & Landscape Committee: Held several workdays, cleaned up around the Lodge and front gate, worked on landscaping at the State Route 89, County Road 620 sign, office, and back gate, planted some trees at the tree farm. The Tree Farm was started on one of the CLA properties that cannot be sold due to a gas regulator on it. The plan is to grow our own trees and then they can be replanted around Cinnamon Lake. They also hope to have a wildflower garden at the Tree Farm. They placed new metal signs and addressed some landscaping needs on Nature Trail, held a Spring flower sale and worked with the Veterans on the Memorial Garden just to name a few things. **THANK YOU** for making CLA a beautiful place to live!

Events Committee: Trunk or Treat was a great success with 33 households handing out candy. Thanks to the Polk-Jackson-Perry Fire Department for their support. Events kicked off the Christmas season with a drive-thru Letters to Santa event at the Lodge. Children were encouraged to bring their letters to Santa. A successful Craft/Vendor Fair was held at the Lodge, The Duathlon generated lots of good feedback, great turnout for the Apple Butter Festival. **THANK YOU** for all the fun events!



Recreation Committee: Painted the playground at the Campground, held Adult Halloween Party, held the second annual Father-Daughter dinner dance and a New Year's Eve Party, held an Open Mic Music Fest. Some summer highlights included the Family Picnic and Cardboard Boat Races. **THANK YOU** for the fun times!

Finance/Budget Committee: Budget cycle began in September with a request to operational staff and committees for a 2022 budget request. The Committee met weekly to put the 2022 budget together, prioritizing projects. The Gate House and Roads need a lot of work. The 2022 Budget approved at the December 2021 Board meeting. **THANK YOU** for your continued dedication!

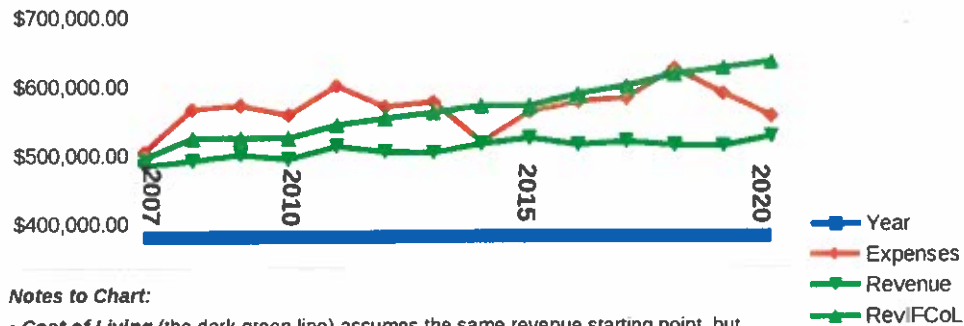


Neighborhood Watch Committee: We always meet each month on the 3rd Wednesday at 9am. Generally go over the current sheriff's report, discuss any pertinent safety concerns, and update on any items the Board Members wanted to share. Top concerns in 2021 were speeding, registering ATV/4-Wheelers, animal abuse & neglect, gate issues, and a few miscellaneous items. Lt. Simms of the Ashland County Sheriff Department visited and gave updates and advice for future direction. The Ashland Sheriff's Department will support local efforts. A reminder that ATV or Golf carts on our roads after dark must have lights as this is required by the State of Ohio. Sheriff report averaged 5-12 items, considerably lower than in past months. Most calls appear to be squad call assists. Hero Awards for going above and beyond went to Wendessa Kover, for saving a life at a terrible traffic accident, Misty Noble for outstanding family support during an emergency situation, and Donna Dickey for setting up Meal Wagons for those not able to cook for themselves. Guidance is if you See Something-Say Something. Our group helps you to help yourself. The office cannot report things for you—you must do it yourself. The Sheriff's Department has stated the Neighborhood Watch Group is effective and they are supporting our group. In case of emergency call 911. Non-emergency number for Sheriff is 419-289-3911. **THANK YOU** for trying to keep us all safe!

Long Range Planning Committee: Worked on developing a vision for Cinnamon Lake and a long range plan. Reviewed ongoing projects and what could still be accomplished in 2021. LRP held outreach meetings to discuss the Long Range Plan, project status, and improving roads using the monthly Coffee & Conversations as well as public meetings. LRP also discussed reviewing the Lodge and the Lodge area on how best to improve it, how best to deal with the speeding problem, possibility of electronic signs for the front and back gate and developing plans for the pavilion at Recreation Area 1. **THANK YOU** for your thoughts and ideas in helping make the community better.

Governance Committee: The Committee forwarded to the Board of Directors a policy regarding members who create trusts, or sell their property, and continue to live in home. The Committee also forwarded to the Board of Directors an updated Violations and Complaint process. A review has been completed of the current Declaration of Conditions, Covenants and Restrictions but no recommendations have been agreed upon yet. Work continued on a policy for handling email messaging from the office thru email blasts, forwarded to the Board of Directors a proposed policy for the Cinnamon Lake Water Health Guidelines. **THANK YOU!**

Would Cost of Living Make a Difference?



Would a Cost of Living adjustment make a difference? Cinnamon Lake can not control the rise in costs. The price of supplies, gasoline and diesel, and of hiring contractors are external pressures forced on Cinnamon Lake operations. According to the Declaration of Conditions, Covenants and Restrictions (CCRs), in effect since 2007, dues are set at \$75 per year per lot; the annual assessment was set as of 2007 and the cost of living adjustment automatically expired as of December 31, 2007. Any change requires a change to the CCRs. As costs go up, to maintain a balanced budget requires cuts in operation.

The red line in the chart shows the actual budget expense performance. Not included in the red line, because they are cashless transactions, are the write offs for bad debts and depreciation. Also not included are the funds spent from the road assessment for 2011 to 2016 (as this was outside of normal operations and went into a special account).

The light green line is revenue and reflects dues and assessments collected. (Funds raised from the 2011-2016 road assessment were not included as they were specifically targeted for the roads.) The CCRs state that the annual operating budget is made up of Association Dues and the Annual Operating Assessment.

Revenue has essentially been flat since 2007. The slight increase is attributable to lots sold and the subsequent dues and assessment that were generated from those sales.

The current structure of dues and the regular operating assessment are not enough, and have not been enough, to fully operate Cinnamon Lake. A study of the financial statements shows that the difference is made up of fines, new member fees, transfer fees, renter fees, building and food truck permits, Time Warner revenue, copy and notary fees, pool fees and miscellaneous services. This difference can vary from year-to-year and can not be accurately budgeted for.

Budget Performance

Budgets are a management tools. They are the best way to ensure that member investment, i.e. dues and assessments, are spent as wisely as possible. Our Budgets are based on the calendar year. CLA budget cycle begins in September. The Maintenance Department, Office, and committees submit a proposed project and activity list, and a proposed committee budget for the following year. The budgets of the Maintenance Department and 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 of Directors, 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 of Directors. The Finance Committee work on the following year's budget should be completed by December, for approval by the Board of Directors at the December meeting.

Committee Budgets are not included in the overall CLA 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, therefore they are not included in the overall budget. 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 upon to maintain day-to-day operations. (See the list below.) When the fiscal year ends, the actual collections are accounted for in the year 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.

Other 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-F (Transfer Fees), 4999-H (New Member Initiation), 4999-I (Fines), 4999-P (Food Truck Permit), 4999-S (Annual Renters Fee), and 4999-Q (Sales of Items), 4999-LE (Lease for Lab Building), 4999-SP (Speeding Fines).

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 everyone. When consideration was given to build a dock at Recreation Area 4, many members questioned why they should pay for dock expansion since they do not use the docks. The same argument could be made about the campground, the pool and even the lodge.

The Board of Directors, 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 is provided, over time, these enterprises must pay for themselves. Funds not used in a budgeted year, are carried over to the following year. The Board of Directors feel 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 2021 budget performance numbers are followed by the 2021 Financial Audit.



There is nothing more beautiful than LAKE LIFE!

And now a word from the Treasurer on the Budget

The following pages provide a 2021 year-end picture on the CLA 2021 budget, how well we performed against it, and how performance compared against the prior two years. The 2021 Audit by our accounting firm follows after. Every third year we undergo a full audit; in the in-between years reviews and compilations are conducted on our financial statements. 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.

CLA accounting is done on an accrual basis. The budget however reflects actual cash expectations and performance and is prepared based on those expectations and performances. Doing this allows us to ensure that sufficient cash is available to cover normal operations.

For the past two years focus has been on managing and controlling expenses. Only by keeping a tight grip on money going out can we begin to deal with two areas of concern. First, our income stream is frozen. Dues and assessments are set in the CC&R's. The Board cannot change that. The CC&R's also prevents any cost of living adjustment. Only a vote by the entire membership can make changes to the CC&R's. The cost of doing business has been going up, and there is a strong possibility the increases may go up even more. This is the reason expenses are being watched carefully and why some once common activities are no longer done.

Secondly, members have told us, through their votes, to take care of the roads, ditches, and other infrastructure issues through normal operating expenses. The assumption is that we have the money to do that and meet all other expectations. CLA had a 2013 Reserve Fund Study complete which 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 rebuilding and other major infrastructure issues. This is difficult to do on a budget of slightly more than \$600,000.

We are a long way from being able to do that, but we feel we have put processes in place to contribute more to the reserve fund and to prudently manage the day-to-day operations.

2021 Actual Cash Income Performance versus the Planned Budget, and 2020 and 2019 Actual

Income	2021 Actual	2021 Budget	2020 Actual	2019 Actual
4200 · DUES*	\$94,500.00	\$93,875.00	\$91,187.68	\$91,232.84
4201 · ASSESSMENT*	\$422,668.80	\$391,740.00	\$374,990.80	\$274,544.99
4205 · GATE PASSES	\$11,965.00	\$8,500.00	\$10,025.00	\$4,300.00
4206 · LOT SALES	\$27,661.84	\$6,000.00	\$36,626.00	\$6,500.00
4208 · BUILDING PERMITS	\$7,175.00	\$3,500.00	\$10,800.00	\$5,050.00
4211 · LABOR, MAINTENANCE	\$2,089.12		\$160.00	\$2,125.00
4213 · GRAVEL SALES	\$2,575.00	\$2,500.00	\$2,240.00	\$7,211.00
4215 · MARKETING COMMITTEE FUND			\$0.00	
4216 · BOAT DOCK RENTALS	\$18,656.17	\$15,400.00	\$13,362.50	\$12,535.00
4217 · STORAGE INCOME	\$7,812.50	\$9,000.00	\$6,410.00	\$7,185.00
4218 · RENTAL INCOME C. CENTER	\$150.00		\$300.00	\$1,440.00
4219 · POOL INCOME	\$11,106.95	\$8,800.00	\$9,060.63	\$5,398.25
4220 · LODGE RENTAL	\$7,675.00	\$3,000.00	\$3,220.00	\$3,680.00
4225 · BOAT LAUNCH/REMOVAL FEES	\$0.00		\$350.00	\$900.00
4230 · ADVERTISING INCOME-PUBLICATION	\$7,915.90	\$3,600.00	\$12,436.50	\$2,741.00
4230G · GARAGE SALE ADVERTISING	\$740.00	\$600.00	\$0.00	\$550.00
4231 · PAVILION RENTAL	\$400.00	\$500.00	\$80.00	\$555.00
4233 · YEARLY BOAT STICKER	\$6,805.00	\$6,500.00	\$7,255.00	\$3,752.50
4237 · BOAT REGISTRATIONS	\$2,700.00	\$1,500.00	\$1,740.00	\$1,520.00
4238 · OMV REGISTRATION STICKER	\$1,817.50	\$6,000.00	\$2,632.50	
4240 · CAMPING FEES	\$18,745.86	\$11,500.00	\$13,478.75	\$14,980.00
4252 · SNOW REMOVAL			\$0.00	
4253 · DUMPSTER PER USE	\$1,005.00		\$1,270.00	\$680.00
4254 · TRASH*	\$49,861.89	\$50,400.00	\$48,959.12	\$48,641.39
4255 · BRUSH DUMPSTER			\$0.00	
4270 · ICE INCOME	\$3,633.00	\$2,000.00	\$2,320.00	\$3,314.00
4800 · UTILITY TRANSFER	-\$6.13		\$13.93	
4998 · CREDIT CARD CONVENIENCE FEE	\$1,637.66	\$1,200.00	\$991.89	\$1,584.24
5009 · RETURNED CHECK CHARGES	\$25.00		\$50.00	\$37.00
Transfer to Reserve Account-2020	-\$100,000.00		-\$10,000.00	
Road fund set aside – 2021**			-\$12,400.00	
Reserve fund set aside – 2021 **			-\$28,000.00	
	\$609,316.00	\$626,115.00	\$599,560.00	\$500,457.00

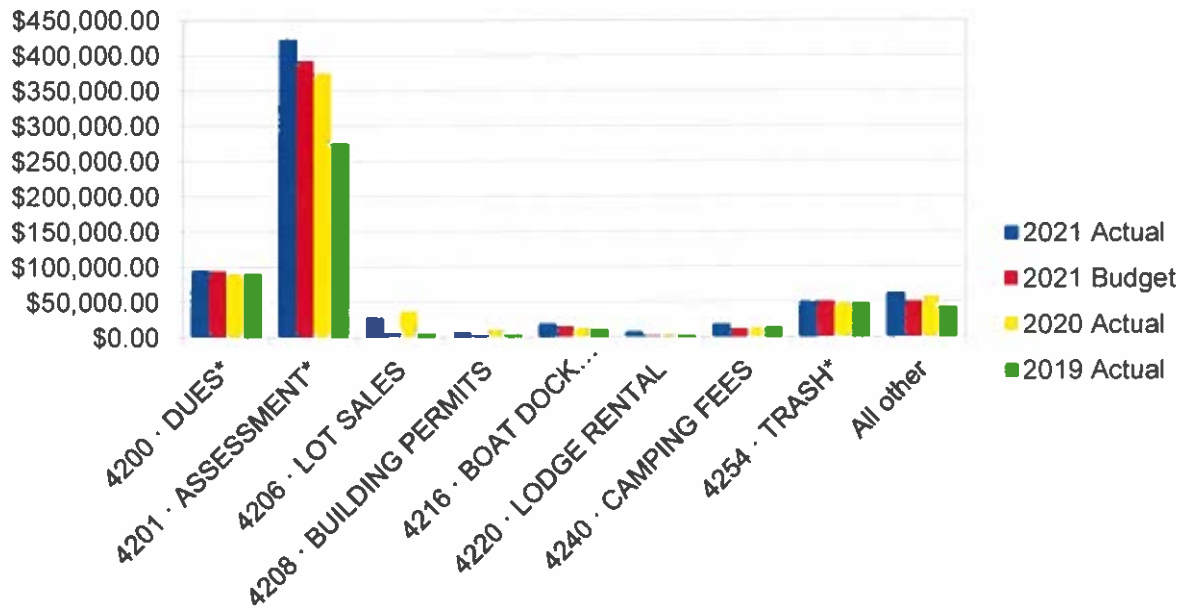
* Actual collected.

** For Jan. 2021 transfer.

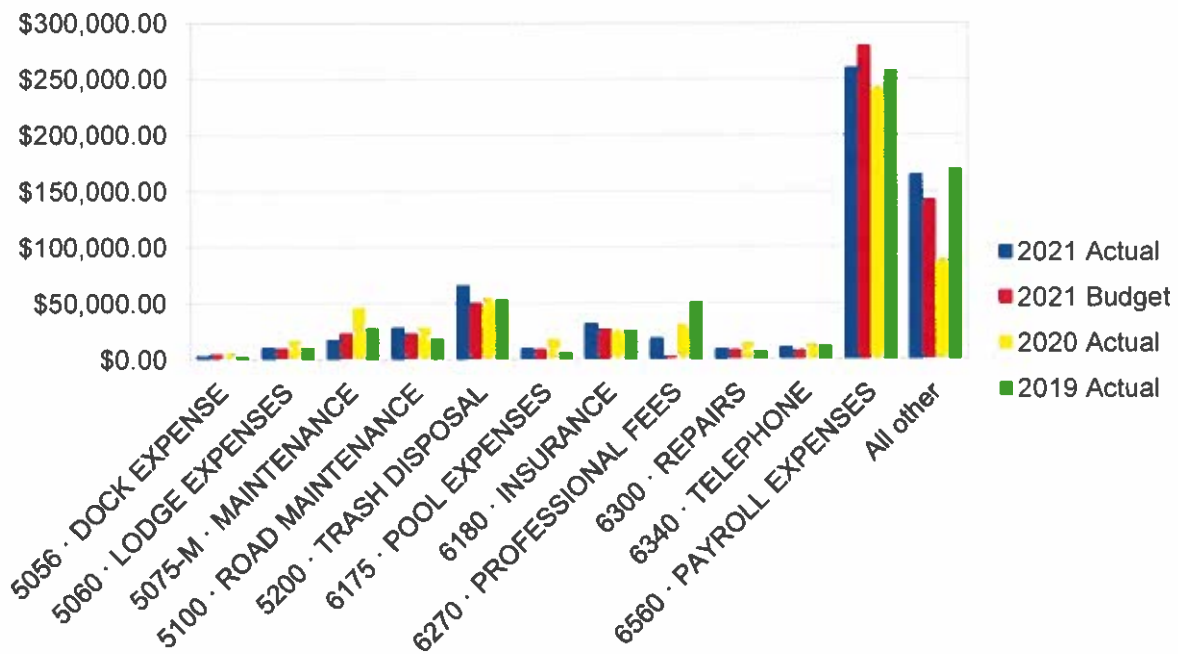
2021 Actual Cash Expense Performance versus the Planned Budget, and 2020 and 2019 Actual

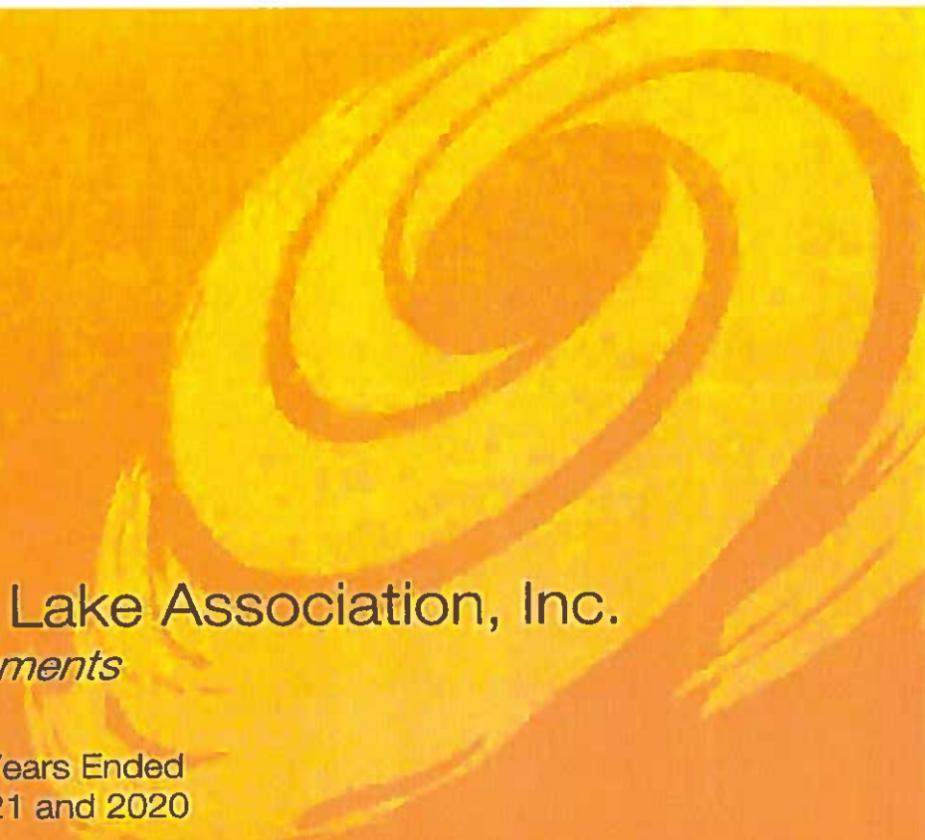
Expenses	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
5000 · ADMINISTRATIVE COLLECTION EXP.	\$3,612.57	\$1,000.00	681.50	2,719.90	1,694.90
5001 · COMMUNITY RELATIONS	\$164.75	\$1,000.00	110.17	1,555.81	2,930.31
5002 · WATER FOR MOST LOCATIONS	\$1,339.22	\$1,600.00	1,722.68	1,584.15	1,538.46
5003 · SEWER MOST LOCATIONS	\$373.95	\$400.00	180.78	318.03	355.01
5004 · BRUSH DUMPSTER EXPENSE				535.00	
5005 · ADVERTISING-GARAGE SALE	\$425.58	\$600.00	0.00	414.38	405.03
5006 · ADVERTISING-PUBLICATION	\$2,652.94	\$2,000.00	10,434.81	75.00	
5015 · CAMPGROUND EXPENSES	\$5,647.94	\$4,200.00	4,201.40	6,077.74	6,857.94
5030 · ELECTRIC ASSOCIATION	\$9,600.41	\$9,000.00	8,763.55	8,677.66	9,399.75
5040 · FUEL	\$11,037.07	\$10,550.00	7,625.72	13,031.33	15,610.73
5043 · PROPANE	\$876.56	\$800.00	114.01	1,014.39	834.63
5044 · NATURAL GAS	\$2,085.25	\$2,500.00	1,838.48	2,316.97	2,426.97
5045 · REPAIRS GENERAL					4,284.13
5055 · LAKE MAINTENANCE	\$4,312.70	\$4,150.00	4,206.52	6,130.22	-6,700.00
5056 · DOCK EXPENSE	\$3,458.51	\$4,800.00	6,305.86	2,973.05	7,831.24
5060 · LODGE EXPENSES	\$11,144.04	\$10,000.00	16,593.83	11,229.80	16,657.65
5075-M · MAINTENANCE	\$17,787.85	\$23,200.00	46,421.10	28,520.65	38,554.00
5080 · ALARM MONITORING	\$1,489.88	\$4,600.00	469.58	1,191.18	887.37
5090 · OFFICE EQUIPMENT LEASE	\$5,083.55	\$5,000.00	4,800.31	5,046.25	4,667.07
5100 · ROAD MAINTENANCE	\$28,702.37	\$23,000.00	29,134.06	18,891.68	11,675.72
5105 · SAFETY			0.00	95.23	335.36
5106 · RUGS	\$4,845.72	\$5,500.00	5,726.76	4,623.02	3,398.68
5200 · TRASH DISPOSAL	\$66,304.49	\$50,400.00	54,956.28	53,954.18	48,562.67
5505 · GRAVEL PURCHASES	\$650.87	\$6,500.00	4,997.30	4,687.73	9,745.77
5510 · ICE PURCHASES	\$2,101.10	\$1,000.00	1,174.25	1,707.70	3,082.50
6120 · BANK SERVICE CHARGES	\$4,473.01	\$4,000.00	4,065.68	4,044.35	2,646.86
6150 · DEPRECIATION EXPENSE	\$52,161.00		0.00	70,368.03	57,072.46
6160 · DUES AND SUBSCRIPTIONS			0.00	425.99	221.00
6170 · EQUIPMENT RENTAL		\$500.00	265.54	40.50	1,668.05
6175 · POOL EXPENSES	\$10,178.11	\$9,125.00	18,264.03	6,790.45	6,751.03
6180 · INSURANCE	\$32,456.50	\$27,500.00	26,338.24	26,767.92	20,961.85
6230 · DUES, LICENSES, PERMITS	\$9,600.92	\$3,000.00	8,363.96	1,390.82	1,090.16
6240 · MISCELLANEOUS	\$180.28	\$2,500.00	1,449.20	2,555.03	3,377.45
6250 · POSTAGE AND DELIVERY	\$4,867.44	\$6,000.00	5,625.25	5,816.25	8,299.56
6270 · PROFESSIONAL FEES	\$18,990.71	\$32,000.00	31,340.38	51,803.04	57,170.49
6300 · REPAIRS	\$9,569.26	\$8,500.00	15,065.59	7,607.63	4,015.41
6301 · STORAGE AREA EXPENSE	\$206.48	\$500.00	329.55		
6309 · OFFICE MAINTENANCE	\$390.24	\$300.00	220.09	674.75	173.81
6340 · TELEPHONE	\$11,277.56	\$8,300.00	13,663.54	12,684.51	10,339.29
6560 · PAYROLL EXPENSES	\$260,246.11	\$279,800.00	243,764.65	258,301.67	277,633.78
6576 · EMPLOYEE WELFARE	\$917.71	\$500.00	1,084.54	218.84	101.70
6579 · WORKER'S COMPENSATION INSURAN	\$6,276.84	\$3,000.00	-20,890.40	554.08	2,613.37
6580 · SUPPLIES	\$5,861.08	\$7,000.00	7,598.10	2,691.72	7,268.85
6610 · TAXES	\$23,298.90	\$26,000.00	23,933.59	19,346.09	24,610.41
69800 · UNCATEGORIZED EXPENSES	\$449.70		267.23	325.99	75.00
	\$635,099.00	\$590,325.00	\$591,208.00	\$649,779.00	\$671,126.00

Income



Expenses





Cinnamon Lake Association, Inc.
Financial Statements

As of and for the Years Ended
December 31, 2021 and 2020



Rea & associates

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cinnamon Lake Association, Inc. (a Homeowners Association) (the Association), which comprise the balance sheet as of December 31, 2021, the related statements of revenues, expenses and changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2021, and the changes in 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Other Matter

The summarized comparative information presented herein as of and for the year ended December 31, 2020, were reviewed by us and the report thereon, dated June 28, 2021, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 for the period of one year from the date of this report.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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.

Rea & Associates, Inc.

Rea & Associates, Inc.
Wooster, OH
May 9, 2022

CINNAMON LAKE ASSOCIATION, INC

BALANCE SHEETS
DECEMBER 31, 2021
(With comparative totals at December 31, 2020)

ASSETS

	Audited				Reviewed
	Operating Fund	Special Assessment	Repairs & Replacements	Total 2021	Total 2020
CURRENT ASSETS:					
Cash and cash equivalents	\$ 238,161	\$ 16,185	\$ 249,897	\$ 504,243	\$ 345,409
PROPERTY AND EQUIPMENT, net	1,873,121	-	-	1,873,121	1,858,532
CONSTRUCTION IN PROGRESS	1,120	-	-	1,120	-
Total assets	<u>\$ 2,112,402</u>	<u>\$ 16,185</u>	<u>\$ 249,897</u>	<u>\$ 2,378,484</u>	<u>\$ 2,203,941</u>

LIABILITIES AND FUND BALANCES

	Audited				Reviewed
	Operating Fund	Special Assessment	Repairs & Replacements	Total 2021	Total 2020
CURRENT LIABILITIES:					
Accounts payable	\$ 3,713	\$ -	\$ -	\$ 3,713	\$ 7,788
Accrued payroll and taxes	6,059	-	-	6,059	7,155
Accrued other taxes	21,665	-	-	21,665	21,665
Total liabilities	<u>31,437</u>	<u>-</u>	<u>-</u>	<u>31,437</u>	<u>36,608</u>
FUND BALANCES	<u>2,080,965</u>	<u>16,185</u>	<u>249,897</u>	<u>2,347,047</u>	<u>2,167,333</u>
Total liabilities and fund balances	<u>\$ 2,112,402</u>	<u>\$ 16,185</u>	<u>\$ 249,897</u>	<u>\$ 2,378,484</u>	<u>\$ 2,203,941</u>

The accompanying notes are an integral part of these financial statements.

CINNAMON LAKE ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	Audited					Reviewed	
	Operating Fund	Special Assessment	Repairs & Replacements	Total 2021	%	Total 2020	%
REVENUES:							
Regular assessment	\$ 428,177	\$ -	\$ -	\$ 428,177	50.88	\$ 424,462	54.77
Dues	103,875	-	-	103,875	12.34	102,450	13.22
Camping fees	18,746	-	-	18,746	2.23	13,479	1.74
Boat fees	9,505	-	-	9,505	1.13	8,995	1.16
Building permits	7,175	-	-	7,175	0.85	10,700	1.38
Mowing	-	-	-	-	0.00	3,460	0.45
Refuse	51,585	-	-	51,585	6.13	51,085	6.59
Other income	222,449	5	52	222,506	26.44	160,319	20.69
Transfers among funds, net	(162,755)	(3,741)	166,496	-	-	-	-
Total revenues	678,757	(3,736)	166,548	841,569	100.00	774,950	100.00
EXPENSES:							
Payroll	261,165	-	-	261,165	31.03	242,361	31.27
Refuse	66,304	-	-	66,304	7.88	54,956	7.09
Depreciation	52,161	-	-	52,161	6.20	49,721	6.42
Taxes and licenses	32,922	-	-	32,922	3.91	32,298	4.17
Insurance	32,457	-	-	32,457	3.86	26,338	3.40
Road maintenance	28,703	-	-	28,703	3.41	27,556	3.56
Utilities	24,053	-	-	24,053	2.86	25,303	3.27
Bad debt	23,722	-	-	23,722	2.82	49,781	6.42
Repairs and maintenance	21,140	-	-	21,140	2.51	16,322	2.11
Fuel and oil	13,999	-	-	13,999	1.66	9,578	1.24
Miscellaneous	13,732	-	-	13,732	1.63	11,285	1.46
Administrative	12,446	-	-	12,446	1.48	14,273	1.84
Committees	12,141	-	-	12,141	1.44	2,955	0.38
Lodge	10,319	-	-	10,319	1.23	10,910	1.41
Professional fees	9,484	-	-	9,484	1.13	17,750	2.29
Supplies	8,432	-	-	8,432	1.00	13,782	1.78
Campgrounds	7,779	-	-	7,779	0.92	5,376	0.69
Lake maintenance	7,772	-	-	7,772	0.92	6,449	0.83
Pool maintenance	7,043	-	-	7,043	0.84	7,561	0.98
Group Insurance	6,277	-	-	6,277	0.75	3,552	0.46
Equipment rental	5,701	-	-	5,701	0.68	7,647	0.99
Postage	4,867	-	-	4,867	0.58	5,625	0.73
Bank fees	4,473	-	-	4,473	0.53	4,066	0.52
Advertising	3,244	-	-	3,244	0.39	3,316	0.43
Security monitoring	2,518	-	-	2,518	0.30	470	0.06
Gravel	651	-	-	651	0.08	4,997	0.64
Office	390	-	-	390	0.05	220	0.03
Total expenses	673,895	-	-	673,895	80.08	654,448	84.45
Non-operating income	12,040	-	-	12,040	1.43	32,747	4.23
Net income (loss)	16,902	(3,736)	166,548	179,714	21.35	153,249	19.78
FUND BALANCE, beginning of year	2,064,063	19,921	83,349	2,167,333		2,014,084	
FUND BALANCE, end of year	\$ 2,080,965	\$ 16,185	\$ 249,897	\$ 2,347,047		\$ 2,167,333	

The accompanying notes are an integral part of these financial statements.

CINNAMON LAKE ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	Audited			Reviewed	
	Operating Fund	Special Assessment	Repairs & Replacements	Total 2021	Total 2020
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ 16,902	\$ (3,736)	\$ 166,548	\$ 179,714	\$ 153,249
Adjustments to reconcile net income (loss) to net cash from operating activities:					
Depreciation	52,161	-	-	52,161	49,721
Gain on sale of property and equipment	(8,677)	-	-	(8,677)	(366)
Bad debt expense	23,722	-	-	23,722	49,781
Change in:					
Accounts receivable	(23,722)	-	-	(23,722)	(49,781)
Accounts payable	(4,075)	-	-	(4,075)	(6,410)
Accrued liabilities	(1,096)	-	-	(1,096)	1,101
Net cash from operating activities	55,215	(3,736)	166,548	218,027	197,295
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property and equipment	8,677	-	-	8,677	366
Purchase of property and equipment	(66,750)	-	-	(66,750)	(65,493)
Purchase of construction in progress	(1,120)	-	-	(1,120)	-
Net cash from investing activities	(59,193)	-	-	(59,193)	(65,127)
Change in cash and cash equivalents	(3,978)	(3,736)	166,548	158,834	132,168
CASH AND CASH EQUIVALENTS, beginning of year	242,139	19,921	83,349	345,409	213,241
CASH AND CASH EQUIVALENTS, end of year	\$ 238,161	\$ 16,185	\$ 249,897	\$ 504,243	\$ 345,409

The accompanying notes are an integral part of these financial statements.

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.

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.

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.

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.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

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

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

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 2020, 2019, and 2018. 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.

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, 2021 and 2020 was \$3,244 and \$3,316, respectively.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which amends existing accounting standards for lease accounting, including by requiring lessees to recognize most leases on the balance sheet and making certain changes to lessor accounting. The new standard is effective for non-public entities for fiscal years beginning after December 15, 2021 and for interim periods therein with early adoption permitted.

Management is currently evaluating the impact of adopting the standards on the financial statements and has not yet determined the method by which to adopt the standards.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through May 9, 2022, 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, 2021 and 2020 were comprised of the following:

	2021	2020
Unrestricted cash:		
Petty cash	\$ 200	\$ 200
Operating	178,616	197,118
Events	7,065	4,998
Fish/lake	17,559	16,919
Market share	34,721	22,904
Total	238,161	242,139
Special assessment cash:		
Road assessment	16,185	19,921
Repairs and replacement cash:		
Reserve	249,897	83,349
Total cash and cash equivalents	<u>\$ 504,243</u>	<u>\$ 345,409</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, 2021 and 2020:

	2021	2020
Building	\$ 773,394	\$ 758,343
Pool	156,493	156,493
Land and improvements	1,526,681	1,498,062
Machinery and equipment	227,419	227,419
Service vehicles	128,140	119,966
Road improvements	526,049	511,143
Office equipment	32,272	32,272
	<u>3,370,447</u>	<u>3,303,698</u>
Less: accumulated depreciation	(1,497,327)	(1,445,166)
Property and equipment, net	<u>\$ 1,873,121</u>	<u>\$ 1,858,532</u>

Depreciation expense was \$52,161 and \$49,721 for December 31, 2021 and 2020.

NOTE 5: 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, 2021 and 2020.

NOTE 6: 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 7: FUND BALANCE

Fund balances for the years ended December 31, 2021 and 2020 were comprised of the following:

	2021	2020
Unrestricted	\$ 2,080,965	\$ 2,064,063
Board designated:		
For future repairs and replacements	249,897	83,349
Special Assessments:		
Road assessment	16,185	19,921
Total fund balance	<u>\$ 2,347,047</u>	<u>\$ 2,167,333</u>

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: 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 6) which requires the Association pay annual rents of \$500 for the next 10 years, \$1,000 for the following 10 years, \$1,500 for the following 10 years, 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.

Total lease expense for these items for the years ended December 31, 2021 and 2020 were \$5,701 and \$7,647, respectively.

Future minimum lease payments under non-cancelable lease agreements are as follows as of December 31, 2021:

2022	\$ 7,045
2023	7,140
2024	7,140
2025	7,140
2026 and thereafter	9,520
Total fund balance	<u>\$ 37,985</u>

NOTE 9: 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, 2021 and 2020 the Association transferred \$172,000 and \$10,000 to the repairs and replacements fund, respectively.

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.

CINNAMON LAKE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: WORKERS COMPENSATION REFUNDS

During 2020, the Ohio Bureau of Workers' Compensation approved three dividends. Two refunds represented rebates for the 2018 and 2019 policy years, and one refund was not a rebate of any specific premium year. The aggregate receipts of \$ 24,442 are recorded as non-operating income for the year ended December 31, 2020.

NOTE 11: COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020 the World Health Organization characterized COVID-19 as a pandemic. Management is monitoring the situation in order to mitigate the potential impact of this health crisis on the operations and financial performance of Cinnamon Lake Association, Inc.

Potential Future Issues/Long Range Planning

A private lake community that has 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 (LRP) Committee has begun to look at the future with wide open eyes to the rising costs.

About the Long Range Planning Committee:

The LRP committee is an outgrowth of discussions during the Coffee and Conversation sessions as to what Cinnamon Lake should, and could, look like in the future. LRP is charged with assisting the CLA Board of Directors in determining the future needs of the community. LRP members look at all aspects of our growing community and bring to the CLA Board of Directors ideas and suggested projects for both near-term and future improvement. Not only is the LRP a channel for ideas and suggestions, but 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 identified. Final approval rests with the CLA Board of Directors. The Committee is working on a long range plan, which is anticipated to be completed in 2022.

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/plaza, make the pond area more appealing, and improve the overall appearance of the pond area. *Why:* The pond area is the first impression 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 to 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 which is 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 playset 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 be 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 to these areas, 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. 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.

Digital Archiving of CLA Documents:

Convert boxed, filed, and archival CLA documents, such as blueprints, 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.

Reforestation of Cinnamon Lake:

Select a CLA owned lot, purchase and plant young trees and seedlings on that lot, nurture them and let them grow. Planting tree seedlings reduces the cost of reforestation and provides healthy specimens to be used in the future. *Why:* Common areas need upkeep and in many common areas, trees have died. Replacing them with mature trees is cost prohibitive so growing trees from seedlings will provide a low-cost way to maintain trees in CLA common areas and Association owned properties.

Potential future issues.

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

Lake The lake is a large draw as many residents love to fish. A large number of residents love to boat, whether on an electric pontoon boat, a kayak, canoe, paddle board, pedal boat, or rowboat. Swimming at the beach or in the lake from the back of a boat, or just floating around are additional favorite summer pastimes. 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 harm our lake. 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, whether severe or mild, 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, Front Gate, Lodge, and all other amenities.

Dam The dam is the reason the lake exists. Dam operations fall under the guidelines of the Ohio Department of Natural Resources (ODNR). Every Five years ODNR inspects the Cinnamon Lake Dam. Findings on the inspection report are required to be acted upon and if we don't deal with the findings we would be subject to fines. More critically, defects in the dam which result in catastrophic failure expose CLA to large liabilities, perhaps beyond its capability to pay.

Roads CLA is responsible for approximately 17 miles of private roads. No tax dollars are available to take care of our roads. Poor roads lessen the interest in people wanting to buy and move into Cinnamon Lake, poor roads might increase the number of members who move out which could lead to declining membership. Declining membership will translate into lower operational and maintenance funds.

The Road Fund Account money remains ear-marked specifically for the roads. Roads still remain a challenge and current estimates, based on the type of work that could be done, could go up to \$2 million or more. Operating funds are only used to patch and maintain the 17-miles of roads.

In all cases, be it a lake problem, an act of God, a dam failure or negative inspection report, or inability to maintain the roads, and we don't properly deal with it, incentives to live in Cinnamon Lake will decline. If fewer people want to live in the community 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 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, potlucks, beach parties, OSU vs Michigan party, St. Patrick's Day party, 5K run, holiday parties, and more. Committee and member involvement are 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 to recommend it to the Board of Directors for approval.

The Committee also provides oversight of how yearly expenses are doing in relation to the approved budget, in order to help the Board of Directors efficiently manage its fiscal responsibilities.

Fish & Lake Committee:

The Fish and Lake Committee works with the CLA Board of Directors to advise and help them 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 continually active in maintaining the grounds and gardens. The committee engages 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 is 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 CLA Board of Directors and helps with proposed changes and additions to governing documents. They also provide insight when drafting or amending policies and procedures.

Long Range Planning Committee:

"A goal without a plan is just a wish" is the mantra of the Long Range Planning Committee (LRP). LRP, as it is 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 recommending eligible candidates to fill Board of Directors vacancies. The Committee also approves Board of Directors applications, prepares ballots for mailing, and counts the returned ballots.

Recreation Committee:

The Recreation Committee focuses on the sporting aspects of social activities. The committee provides recreational outlets for Cinnamon Lake members including wiffle ball, scavenger hunts, and sports equipment at the lodge area. The committee also tries to provide sports and recreational outlets for the younger part of the Cinnamon Lake community. They are trying to raise funds to help update the playground equipment.



Veterans Memorial-Plaza Flag Raising Ceremony

Welcome New members in 2021

Troy Whitman
Gary & Linda Mattison & Katherine Kates
Timothy Rising
Terea Donley
Zachary Jogan
Kylie Vozar
Neal & Patricia Fisher
Terese, Justin, Dylan Komorowski
Charles & Suzan Mertes
Debra Rees
Adam & Diana Rhodes
Susan & Kurt Hilfer
Briana Johnson & Matias Fuentes
Jessica Cole
Thomas & Barbara Herf
Stephanie Beane
Richard & Melanie Fredrickson
Gary Stafford
Tony Banks
Walter Bremenour & Laticia Thompson
Thomas II & Thomas J Cromer
Jonathon, Larry & Karen Qualls
Casmier, Mary & Adam Cieplowski
Daniel Lippucci
Cody Darr
Mary Ogle
Sheila Smith & Joan Hinerman
David & Deborah Miller
Mary Dunham
Leonard & Deborah Kutney
David & Juanita Lebo
Jeremy Dodge
Travis & Christina White
Pamela Brown
Mary & George Handley
Victoria Barker
Jason Marshall

Jason & Nicholas Breining
John & Cheryl Lykins
Rita Albright
Christelle & Matthew O'Donnell
Christopher Costantino
Randal & Jennifer Recker
Coty Bravo & Andrea Canfield
Justin & Melissa Vorhies
Melissa O'Toole
George & Lynn Newberger
Ezra Henderson
Ryan & Erin Ginley
Amber Wilkinson & Christopher Ennis
Kevin & Arden Seuberling
Garuda Investment & Trading LLC
Neely Parsons
Joseph Rutledge
Matthew Ridgeway
Kirby Male
Susan Dukes
Timothy, Charlene & Derek Bryant
Deidra Sharpe
Sandra Rusinko
Chris & Susan Hershberger
Jason Neff
Ronald & Sandra Naglowsky
Kevin Shelton
Tammy Adams
Paul & Donna Golla
Zachary Nestler
Anna Carpenter
Moises & Carmen Nexans
Ricardo Wallace
Patrick & Paula Nelson
Michael Lowe
Lou Anne Rayl
James & Julie Barnosky

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