

Tidewater Creek HOA Financial Policy and Procedures

It is the policy of the Tidewater Creek HOA Homeowners Association (herein, "Association") to ensure responsible fiscal processes be used in the financial operations of the Association. The Board of Directors (herein, "Board") shall have all of the powers and duties necessary for managing the business and affairs of the Association. Assessments for common expenses shall be levied at least annually in accordance with Article IX of the Declaration of Covenants, Conditions, and Restrictions (herein, "CCRs") for Tidewater Creek.

Assessments Due Dates – In accordance with Article IX of the CCRs, assessments shall be paid in such manner and on such dates as the Board may establish. If the Board so elects, assessments may be paid annual, semi-annual, quarterly or monthly installments. Therefore, it is the policy of the current Board, to collect assessments on a semi-annual basis. The first semi-annual installment shall be due on March 1 and the second semi-annual installment shall be due on September 1.

Reserve Account Transfers – In accordance with Article IX of the CCRs, the purpose of the reserve account is to fund repair or replacement of capital assets, based on a separate reserve budget which takes into account the number and nature of replaceable assets, the expected life of each asset, and each asset's expected repair or replacement cost. Therefore, it is the policy of the Association, to ensure that the reserve account for the Association is adequately funded. Within 30 days of the close of the fiscal year, the Association shall transfer an amount equal to the net income less outstanding accounts receivable of the Association from that fiscal year from the operating to the reserve account, provided that amount is not a loss, and further provided that at least \$5,000 remain in the operating account at the start of the fiscal year to ensure adequate funding for common expenses until assessments are collected. Once collected, accounts receivable will be transferred from the operating to the reserve account.

Annual Report – In accordance with Article 3.20 (f) of the Bylaws, an annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant. Therefore, it is the policy of the Association, to prepare an annual report on a compiled basis by an independent public accountant.

Bank Accounts and Signers – In accordance with Article 3.17 (g) of the Bylaws, the Board is responsible for opening bank accounts on behalf of the Association and designating the signatories required. Therefore, it is the policy of the Association, to designate the President and Treasurer as the authorized signers on all Association bank accounts. If the President and Treasurer are one in the same, the Board shall designate another member of the Board as an additional signer on all Association bank accounts. A representative from the management agency may also be designated as an authorized signer.