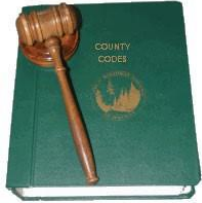




Sundance Mt. South Association

2025 Reports

**Governance Committee
and
Finance Committee**



2025 Governance Committee Report

- **STATE ANNUAL REPORTS** - The Committee filed the required annual reports for the State Corporation Commission and the Common Interest Community Board (CICB) and verified that there were no significant new requirements for next year's CICB Real Estate Resale Certificate. Committee checks the CICB website yearly for any updates and found while the form had modifications, changes did not affect SMSA's reporting. The new form will be required for all new property sales. A new bank requirement for credit card processing was issued by the Payment Card Industry for the development of a security policy and completion of a 14-page report annually for processing credit cards. The policy was established and the report issued.

SMSA MEETINGS: Due to the difficulty in locating a venue for this year's Annual Meeting, the Committee recommended amending the required CICB Meeting Guidelines to reflect the VA Code that now allows a fully virtual meeting. If this is ever needed, a physical location must be provided for anyone that does not have the ability or option of attending online, as long as two Board members are physically present. The Board adopted the amendment, and it has been published on the website.

- **PROPERTY UPDATES** - Six SMSA properties were sold in 2025, including two vacant lots, which have plans for new houses, wells and septic systems built. In addition, major construction is being done on one property that was foreclosed on. One owner currently on a shared well is planning to have a private well dug. This planned and current construction will impact the owners and the Association with heavy equipment on our roads, increased traffic and noise. The Governance Committee drafted a new Construction Policy that requires owners to work with the Board in order to minimize the impact to the SMSA community, ensure all Building Codes are approved and owners held responsible for damages to SMSA roads and private properties. Working with other HOAs in the Valley, we found that a Construction Policy is now part of their Governing Documents and several charge a hefty fee up front for construction in anticipation of having to repair their roads. The Board adopted the Construction Policy, and it was distributed to all owners and published on the website.
- **MEMBERS' DIRECTORY** - The Committee polled the membership to determine the interest in publishing a members' directory and only received interest from twenty (20) owners. However, the Committee found that the VA Code states that the membership list and addresses are to be made available upon request if it is not used for financial gain and directly related to his/her membership in the association. That means that we can have the Directory available and provide it to owners upon request.
- **LEGAL ACTIONS** - The court obtained a judgment on one delinquent owner this year and released the judgment on others that have fully paid off their delinquencies.



2025 SMSA FINANCE COMMITTEE REPORT - as of Oct. 25, 2025

The committee monitors SMSA finances and provides guidance to the Board to assist in fulfilling its fiscal responsibilities and to facilitate administrative duties and protection of funds.

- The Committee prepared the draft annual budget for the Board's approval and/or recommendations. The proposed budget is ready for membership vote at the Annual Meeting.
- The sale of six properties and delivery of the CICB Resale Certificates to sellers provided over \$1,600 in revenue (\$1,100 over the amount budgeted).
- The annual road expenditure exceeded the budget by \$5,000 to date due to added and repeated work required from heavy spring rains and additional emergency work on Blue Smoke Hill due to heavy traffic. Two failing culverts and further work on Blue Smoke Hill will require using reserve funds.
- At the time of this report, there are over \$7,000 in unpaid well bills. Of this amount, over half is expected to be paid by the end of the year. The cost of end-of-year well repairs greatly depleted Association funds, so owners were asked for prompt payments.
- The Committee monitored monthly financial statements and reported the status of the bank balances and the budget status to the Board. The net income by the end of year is projected to go over budget by \$2,000-\$3,000.
- The Committee continues to prepare and file the annual state and federal taxes which were formerly made by a paid accountant. We pay at tax rate of 30% on interest income from our reserve funds.
- The restitution debt has been paid in full, which was being used to increase our reserve funds. In the future, we plan to budget a % of any net income yearly to the reserves and when possible, budget for an annual contribution.
- The SMSA reserves are now well over the targeted 75% of the annual budget and money is expected to be used for critical road work on Blue Smoke Hill and possibly one of the two culverts that must be replaced. We expect reserves to be at the 72% goal after these expenses.
- While the Interest earned on the reserves is reflected as income on the financial reports, it is now shown as an offset in the expenses to indicate it is not added operating funds. It is simply accumulating in the reserves. We will now provide a separate expense sheet and proposed budget for Reserves annually.