

SKY HARBOR ANNUAL PROPERTY OWNER'S ASSOCIATION MEETING  
AUGUST 7, 2010

The annual meeting of the Sky Harbor Property Owner's Association was held at the Sky Harbor Lodge on August 7, 2010.

The meeting was called to order by John Padgett.

The minutes of the meeting of August, 2009 were read by Donna Chismar. Richard Meyers made a motion to accept the minutes as read and Marion Kincheloe 2<sup>nd</sup> the motion. Minutes approved.

John Cameron presented the financial report. Ron Isbell and Vance East recommended that the Board look into taking bids for the accounting needs of Sky Harbor. It was felt that \$26,000 is too high for the services provided by the current accounting firm. The Board will take this under consideration at the next Board meeting. Information about this will be sent out in the minutes of the next Board meeting. Roy Chismar made a motion to accept the Treasurer's report and Junior Webb 2<sup>nd</sup> the motion. Report approved.

Marion Kincheloe delivered the Road Report. A discussion followed on different paving projects. Mrs. Dyer requested that her part of Beachfront Drive be paved. This will be taken under consideration. This area is on the list of roads to be paved when monies become available. Please see the attached sheet of Road Committee recommendations for 2010-2011. Donna Chismar made a motion to accept the Road Report. The motion was 2<sup>nd</sup> by John Padgett.

The old Sky Harbor website has been replaced by a new website. The new web address is: [www.skyharborpoa.org](http://www.skyharborpoa.org). The .com has been replaced by .org. A list of all the Board Members is posted so that you may contact us if needed. We are trying to keep every property owner up to date on the latest happenings and minutes of the meetings. We also want to be able to answer any questions or concerns that you may have. The E-mails will come to me, Donna Chismar, and I can forward them to the appropriate person.

The issue of security was talked about. At our Board meeting from earlier today John Padgett stated that he had received the notification from the State of Tennessee for Sky Harbor to operate as a Proprietary Security Organization. This enables Sky Harbor to hire private security guard/officers as defined by statute. At the present time, Darrell Sperry, who is a permanent resident of Sky Harbor, volunteers his services. For any security questions or concerns, please contact Darrell. His number is listed on the website.

Election of Board Members took place. Nominations were taken from the floor. Denise Dorsey was the only nomination received. Since we need 15 Board members, all the present Board members were re-elected as was Denise Dorsey.

The officers are as follows:

John Padgett, Chairman

John Cameron, Treasurer

Jim Hale, Asst. Treasurer

Donna Chismar, Secretary

Marion Kincheloe, Road Chairman

Road Committee members: Larry Buckner, Richard Meyers, Darrell Sperry, Denise Dorsey and Roy Chismar as an alternate.

Other Board members are:

Roy Switzer

Dr. R. Chambliss

Junior Webb

Mary Jo Beard

Steve Akers

The meeting was adjourned.

Submitted by,

Donna Chismar

Secretary, Sky Harbor Property Owner's Association

SKY HARBOR PROPERTY OWNER'S ASSOCIATION  
BOARD MEETING  
AUGUST 7, 2010

Board Members Present: Donna Chismar, Darrell Sperry, John Padgett, John Cameron, Richard Meyers, Roy Chismar, Mary Jo Beard, Marion Kincheloe, Junior Webb and Dr. R. Chambliss.

The meeting was called to order by John Padgett.

The minutes of the previous meeting of May 1, 2010 were read by Donna Chismar. A motion to accept the minutes as read was made by Marion Kincheloe and 2<sup>nd</sup> by John Cameron. Minutes were accepted as read.

John Cameron presented the Treasurer's Report. Motion to accept the report was made by Marion Kincheloe and 2<sup>nd</sup> by Roy Chismar. John also presented the budget for the next year. A motion to accept the budget was made by Marion Kincheloe and 2<sup>nd</sup> by Darrell Sperry.

Road report was presented by Marion Kincheloe. Marion suggested that the first 2 phases of the road work be done this fall and next spring with the 3<sup>rd</sup> phase to be done when the monies are available. A motion was made to do the first 2 phases by Donna Chismar, 2<sup>nd</sup> by Richard Meyers. Along with the road repairs being done, Junior will install several speed humps 24 inches by 5 inches in key areas of the development. Hopefully this will slow down some of the speeding violators.

NEW BUSINESS: The Sky Harbor truck is in need of some repairs. The salt spreader is also not working. An estimate for a new salt spreader was 3,000 to 3500 dollars. Junior will take the truck and spreader to get an estimate on either fixing the salt spreader if possible or replacement of it. The Road Committee will evaluate the situation when the estimates are made. A motion was made by John Cameron to allocated 3500 dollars for a new spreader if needed. Motion was 2<sup>nd</sup> by Donna Chismar. Motion passed.

John Cameron made a motion to pay off the Sky Harbor loan which would be 28,000 dollars. John Padgett 2<sup>nd</sup> the motion. Motion passed.

The Sky Harbor Club House is in need of repairs. The roof is leaking and the flooring in the living room needs to be replaced. Marion Kincheloe will get estimates on the replacement of the roof and flooring in the living room. Dr. Chambliss made a motion for the John Cameron to check into a line of credit for future improvements. John Padgett 2<sup>nd</sup> the motion.

A recommendation was made by Darrell Sperry to take the old pump house down due to liability. The roof has a hole in it and the door is not locked. A suggestion was made to

add this roof repair to our Club House roof estimate and a lock can be installed on the door. Darrell also reported that the traffic has slowed down since the placement of the NO TRESSPASSING signs at both entrances. He also suggested putting a white line down the center of the main road.

**OLD BUSINESS:**

A security application was submitted to the State to enable Sky Harbor to hire or use a private security guard. Darrell Sperry has voluntarily patrolled the area. A motion was made by John Padgett and 2<sup>nd</sup> by Roy Chismar to allocate \$600 for gas for his services.

The new internet site is now working. The new address is [www.skyharborpoa.org](http://www.skyharborpoa.org). A sign will be placed at the mailbox notifying owners of the new web site address.

John Cameron checked with the insurance company on the cost of liability insurance for a pool in our area. The cost would be 1300 dollars per year.

It was requested that a light be installed at the salt shed. Many snowfalls occur at night and it would be nice to have lights when loading the salt spreader. An estimate was provided last year for 900.00 for the installation of this. This will be approved when monies are available in the spring.

Donna Chismar made a motion that the meeting be adjourned. Motion was 2<sup>nd</sup> by John Cameron.

Submitted by,

Donna Chismar  
Secretary, Sky Harbor Property Owner's Association



July 22, 2010

Sky Harbor Property Owners Association, Inc.  
Silver Poplar Lane  
Pigeon Forge, TN

We have compiled the accompanying statement of assets, liabilities, and equity of Sky Harbor Property Owners Association, Inc. (a TN "C" corporation) as of June 30, 2010 and the related statement of revenue and expenses for the eleven month period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. Sky Harbor Property Owners Association, Inc. has not presented this supplementary information.

Sincerely,

*Kirk, Fortner, Smalley & Associates, PLLC*

Kirk, Fortner, Smalley & Associates PLLC  
Certified Public Accountants

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Member American Institute of Certified Public Accountants, Tennessee Society of Certified Public Accountants  
and American Institute of Certified Public Accountants' Private Companies Practice Section

Sky Harbor Property Owners Assoc.  
Statement of Assets, Liabilities, and Equity  
June 30, 2010

ASSETS

Current Assets		
Cash in Bank - Tennessee State	\$	50,563.27
Accounts Receivable-Dues		121,275.66
Accounts Receivable- Cable		6,080.38
Allow. for Doubtful Accounts		<u>(121,218.41)</u>
Total Current Assets		56,700.90
Fixed Assets		
Truck		10,500.00
Snow Plow		4,500.00
Improvements-Air Conditioner		5,000.00
Signs		9,000.00
Clubhouse		354,500.00
Improvements		746,140.19
Improvements- 2009		60,652.93
Less: Accumulated Depreciation		<u>(264,974.72)</u>
Total Fixed Assets		<u>925,318.40</u>
Total Assets	\$	<u><u>982,019.30</u></u>

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	\$	8,000.00
Customer Prepaid Dues		390.17
Customer Prepaid Cable		668.28
Deferred Revenue - Dues		14,151.02
Sales Tax Payable		249.00
Line of Credit - #815159		<u>28,203.39</u>
Total Current Liabilities		51,661.86
Equity		
Retained Earnings		864,233.27
Net Income		<u>66,124.17</u>
Total Equity		<u>930,357.44</u>
Total Liabilities & Equity	\$	<u><u>982,019.30</u></u>

See Accountant's Report



Sky Harbor Property Owners Assoc.  
Statement of Revenue and Expenses  
For the Eleven Month Period Ended June 30, 2010

	Year to Date	
Income		
Property Owners Dues	\$ 155,397.96	53.90
Cable Fee Income	102,232.26	35.46
Rental Income	14,370.57	4.98
Bad Debt Recovery	9,781.29	3.39
Income/late fees	6,030.18	2.09
Other Income	500.00	0.17
<b>Total Income</b>	<u>288,312.26</u>	<u>100.00</u>
Expenses		
Auto/Gas Expense	3,480.67	1.21
Bad Debt	39,543.23	13.72
Cable Expenses	41,294.90	14.32
Credit Card Fees	286.40	0.10
Contract Labor	350.00	0.12
Depreciation	46,108.94	15.99
Insurance	8,086.36	2.80
Interest Expense	7,369.54	2.56
Hot Tub Fees	435.00	0.15
Repairs and Maintenance	10,929.33	3.79
Legal Fees	79.43	0.03
Licenses	20.00	0.01
Office Expenses	527.58	0.18
Other Taxes	143.71	0.05
Pest Control	337.43	0.12
Postage/Box Rental	60.00	0.02
Printing & Reproduction	549.85	0.19
Professional Fees	26,356.76	9.14
Property Maintenance	2,722.12	0.94
Rental Commission	4,311.17	1.50
Property Taxes	2,574.19	0.89
Road Maintenance	13,420.97	4.66
Supplies	8,008.44	2.78
Telephone	381.65	0.13
Utilities	4,810.42	1.67
<b>Total Expenses</b>	<u>222,188.09</u>	<u>77.07</u>
<b>Net Income from Operations</b>	<u>66,124.17</u>	<u>22.93</u>
Other Income		
<b>Total Other Income</b>	<u>0.00</u>	<u>0.00</u>
<b>Net Income</b>	<u>\$ 66,124.17</u>	<u>22.93</u>

See Accountant's Report

# Estimate for Sky Harbour Roadwork Fall 2010/Spring 2011 by J. Webb

## PHASE 1

A-1	Pot holes-check all roads	Appx. 30 tons	
A-2	Orchard Drive-top end	Appx. 40 tons	
A-3	Ski View--patch & overlay	Appx. 32 tons	
A-4	Ridge High Pass	Appx. 86 tons	
	TOTAL	188 tons	\$25,280.00

## PHASE 2--overlay & paving

B-1	Ginny's Trail--digout & pave	Appx. 30 tons	
B-2	Elm Circle--159 x 5-pave edge	Appx. 12 tons	
B-3	Bob's Pass--469 x 12	Appx. 62 tons	
B-4	Eastview at gate--162 x 12	Appx. 30 tons	
B-5	Azalea Circle--60 x 12	Appx. 12 tons	
B-6	Dogwood Ln. Hill--bottom to top of hill	Appx. 91 tons	
B-7	Rhododendrom Ln.---end---400 x 12	Appx. 69 tons	
	TOTAL	306 tons	\$40,392.00

## PHASE 3

C-1	Ridge Field-back 315 x 12	Appx. 55 tons	
C-2	Ridge Field-front 475 x 12	Appx. 82 tons	
C-3	Cap Orchard 1150 x 12	Appx. 198 tons	
C-4	Beach Front-4 places 647 x 12	Appx. 135 tons	
C-5	Eastview-3 places 252 x 12	Appx. 52 tons	
	TOTAL	522 tons	\$73,060.00

GRAND TOTAL: \$138,732.00

Asphalt finished heavy. Some grade work and some stone.

Junior Webb P. O. Box 4100 Sevierville, Tenn. 37864 1-865-429-2378 or 1-865-659-2774

\*\*\*Figures on asphalt prices are now and could go up or down\*\*\*

\*\*\*\*\*David Sporgan--mowing--\$2,337.50\*\*\*\*\*