

SKY HARBOR PROPERTY OWNER'S ASSOCIATION BOARD MEETING

November 6, 2010

Board Members Present: Marion Kincheloe, Donna Chismar, Roy Chismar, Richard Meyers, Mary Jo Beard, Denise Dorsey, John Padgett, Junior Webb, Jim Hale, Darrell Sperry and Roy Switzer

The meeting was called to order by John Padgett.

The minutes of the previous meeting of August 7, 2010 were read by Donna Chismar. A motion was made by Mary Jo Beard to accept the minutes as read. Motion was second by Marion Kincheloe.

The Treasurer's report was read by Donna Chismar. Denise Dorsey brought up the question about moving our money into an interest bearing account. Discussion was held and a motion was made by Roy Switzer stating that we should look into a savings account tied to the checking account. Marion Kincheloe seconds the motion. Jim Hale will look into this and report back at the next meeting. Roy Chismar made a motion to accept the Treasurer's report as read. Second by Marion Kincheloe.

The road report was presented by Marion Kincheloe. He stated that we have a \$16,000 surplus in the budget. Everything in Phase 1 and Phase 2 has been completed and part of Phase 3 is done. The total expense for this was 83,369.00 which was \$16,000 below the proposed amount. Parts of Beechfront Dr and Dry Hollow Court were also paved which was not on the original proposal. The road committee will look into other projects that need to be accomplished with the surplus of monies. A motion to accept the Road Report was made by John Padgett, second by Roy Switzer.

Speed bumps were again discussed and it was decided that they would pose a problem with the snow plow so they will not be put in right away. A discussion followed on the best way to slow down speeders in the neighborhood. That will be left open for discussion at a later date. A discussion about striping ensued. Roy Chismar stated that he has had positive feedback about the white striping on Silver Poplar Rd. A motion was made by John Padgett to paint a yellow stipe down the middle of School House Gap Road and Silver Poplar Road. STOP will be stenciled on the road by the stop signs on the main road in Sky Harbor. Donna Chismar seconds the motion. Motion passed. Junior will take care of this ASAP, weather permitting.

It was recommended that stone or gravel be installed in the "pull outs". Now when it rains they are very muddy and rutted. Junior Webb estimated that this would cost approximately \$7,000-8,000 for the machine work and the cost of gravel. This would take the road surplus down to \$8,000 which would be used for striping, signs and whatever other projects needed attention. Jim Hale made a motion to have the pull-outs graveled. Roy Switzer second the motion.

It was reported to Junior Webb that the stop sign at Jack's Pass is down. He will take care of reinstalling this.

There has been a problem with cars going the wrong way on Elm Circle. This is a one way road but it is not marked very well. A sign will be made, ONE WAY-DO NOT ENTER, and will be installed by Roy Chismar.

NEW BUSINESS:

Junior Webb recommended that he would like to ditch around Pond #4, putting in tile (which we already have) and gravel it. Then we might consider putting in picnic tables around the area which can be used by guests. This will be discussed again next meeting when monies become available.

Marion Kincheloe stated that the rental agency for the club house contacted him about the carpeting in the game room and that the tacks are coming through the floor. Also, the front door to the club house is rotted and needs replacing. Roy Chismar will look into this. He will also get two estimates on replacing the roof : one for replacing it with shingles and the other for replacing it with a metal roof. He will present these at the next Board meeting.

Junior Webb stated that the limbs and brush along the sides of the road will be taken care of next week, weather permitting. We will look into renting an "arm" in the spring for trimming down the bigger limbs. The electric company will be coming around in January to do trimming of trees as well.

Junior Webb would like to donate 2-3 feet of his property so that Ridgefield Rd can be made wider at Lot #1. It would make it easier for cars traveling in this area. He would like the Association to pay for the small strip of paving. This was put on hold until we do the budget proposal for next year.

Many residents have asked about bundling internet, cable and phone with Charter Services. Roy Chismar will look into this and report back at the next meeting. We will let residents know if this is possible by posting it on the web site.

John Padgett stated the the new salt spreader had been purchased and installed on the truck. It is ready to go and awaiting the first snowfall. Roy Switzer made a motion to sell the old salt spreader. Motion was second by Marion Kincheloe. We will start by posting it on the website. Motion passed. If anyone knows of anyone needing a salt spreader (1 and ½ ton) we will be posting it for sale for \$750.00 and you can contact us through the web site.

A resident has suggested using the website for advertising of services and selling of property. All agreed that this was a good idea. Donna Chismar will contact the person that does the posting on the website and get a cost for this service. We will also need to establish a fee for the use of this service. She will report back at the next meeting.

Due to the usual inclement weather the first of February, the next Board meeting was postponed until the last Saturday in February, 2011. A motion to adjourn the meeting was made by Roy Chismar, second by Darrell Sperry.

Submitted by

Donna Chismar

Secretary, Sky Harbor Property Owner's Association



October 28, 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 July 31, 2010 and the related statement of income and expenses for the year 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

Sky Harbor Property Owners Assoc.
Statement of Assets, Liabilities, and Equity
July 31, 2010

ASSETS

| | | |
|--------------------------------|----|--------------|
| Current Assets | | |
| Cash in Bank - Tennessee State | \$ | 135,229.36 |
| Accounts Receivable-Dues | | 119,497.08 |
| Accounts Receivable-Cable | | 6,190.90 |
| Allow. for Doubtful Accounts | | (119,467.08) |
| | | 141,450.26 |
| | | |
| 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 | | (267,500.53) |
| | | 922,792.59 |
| Total Fixed Assets | | 922,792.59 |
| Total Assets | \$ | 1,064,242.85 |

LIABILITIES AND EQUITY

| | | |
|----------------------------|----|--------------|
| Current Liabilities | | |
| Accounts Payable | \$ | 8,000.00 |
| Customer Prepaid Dues | | 83,737.94 |
| Customer Prepaid Cable | | 785.84 |
| Sales Tax Payable | | 247.00 |
| Line of Credit - #815159 | | 28,203.39 |
| | | 120,974.17 |
| | | |
| Equity | | |
| Retained Earnings | | 864,233.27 |
| Net Income | | 79,035.41 |
| | | 943,268.68 |
| Total Equity | | 943,268.68 |
| Total Liabilities & Equity | \$ | 1,064,242.85 |

See Accountant's Report

Sky Harbor Property Owners Assoc.
Statement of Income and Expenses
For the Twelve Months ended July 31, 2010

| | Year to Date | |
|-------------------------|---------------|--------|
| Income | | |
| Property Owners Dues | \$ 169,812.15 | 53.65 |
| Cable Fee Income | 111,687.02 | 35.28 |
| Bad Debt Recovery | 11,532.62 | 3.64 |
| Rental Income | 17,110.57 | 5.41 |
| Income/late fees | 5,895.18 | 1.86 |
| Other Income | 500.00 | 0.16 |
| | 316,537.54 | 100.00 |
| Expenses | | |
| Auto/Gas Expense | 3,480.67 | 1.10 |
| Bad Debt | 40,162.18 | 12.69 |
| Bank Charges | 40.00 | 0.01 |
| Cable Expenses | 45,018.20 | 14.22 |
| Credit Card Fees | 333.93 | 0.11 |
| Contract Labor | 490.00 | 0.15 |
| Depreciation | 48,634.75 | 15.36 |
| Insurance | 8,086.36 | 2.55 |
| Interest Expense | 7,369.54 | 2.33 |
| Hot Tub Fees | 510.00 | 0.16 |
| Repairs and Maintenance | 13,657.97 | 4.31 |
| Legal Fees | 79.43 | 0.03 |
| Licenses | 20.00 | 0.01 |
| Office Expenses | 2,092.42 | 0.66 |
| Other Taxes | 177.51 | 0.06 |
| Pest Control | 352.43 | 0.11 |
| Postage/Box Rental | 60.00 | 0.02 |
| Printing & Reproduction | 549.85 | 0.17 |
| Professional Fees | 28,356.76 | 8.96 |
| Property Maintenance | 2,722.12 | 0.86 |
| Rental Commission | 5,133.17 | 1.62 |
| Property Taxes | 3,317.95 | 1.05 |
| Road Maintenance | 13,420.97 | 4.24 |
| Supplies | 8,166.00 | 2.58 |
| Telephone | 416.24 | 0.13 |
| Utilities | 4,853.68 | 1.53 |
| | 237,502.13 | 75.03 |
| Income from Operations | 79,035.41 | 24.97 |
| Other Income | | |
| Total Other Income | 0.00 | 0.00 |
| Net Income | \$ 79,035.41 | 24.97 |

See Accountant's Report

October 28, 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 July 31, 2010 and the related statement of revenue and expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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Sincerely,

Kirk, Fortner, Smalley & Associates, PLLC

Kirk, Fortner, Smalley & Associates PLLC
Certified Public Accountants

Sky Harbor Property Owners Assoc.
Statement of Revenue and Expenses
For the Year Ended July 31, 2010

| | Year to Date | |
|----------------------------|---------------|-------|
| Income | | |
| Property Owners Dues | \$ 169,812.15 | 53.65 |
| Cable Fee Income | 111,687.02 | 35.28 |
| Rental Income | 17,110.57 | 5.41 |
| Income/late fees | 5,895.18 | 1.86 |
| Other Income | 500.00 | 0.16 |
| | 305,004.92 | 96.36 |
| | | |
| Expenses | | |
| Auto/Gas Expense | 3,480.67 | 1.10 |
| Bad Debt | 40,162.18 | 12.69 |
| Bank Charges | 40.00 | 0.01 |
| Cable Expenses | 45,018.20 | 14.22 |
| Credit Card Fees | 333.93 | 0.11 |
| Contract Labor | 490.00 | 0.15 |
| Depreciation | 48,634.75 | 15.36 |
| Insurance | 8,086.36 | 2.55 |
| Interest Expense | 7,369.54 | 2.33 |
| Hot Tub Fees | 510.00 | 0.16 |
| Repairs and Maintenance | 13,657.97 | 4.31 |
| Legal Fees | 79.43 | 0.03 |
| Licenses | 20.00 | 0.01 |
| Office Expenses | 2,092.42 | 0.66 |
| Other Taxes | 177.51 | 0.06 |
| Pest Control | 352.43 | 0.11 |
| Postage/Box Rental | 60.00 | 0.02 |
| Printing & Reproduction | 549.85 | 0.17 |
| Professional Fees | 28,356.76 | 8.96 |
| Property Maintenance | 2,722.12 | 0.86 |
| Rental Commission | 5,133.17 | 1.62 |
| Property Taxes | 3,317.95 | 1.05 |
| Road Maintenance | 13,420.97 | 4.24 |
| Supplies | 8,166.00 | 2.58 |
| Telephone | 416.24 | 0.13 |
| Utilities | 4,853.68 | 1.53 |
| | 237,502.13 | 75.03 |
| Net Income from Operations | 67,502.79 | 21.33 |
| | | |
| Other Income | | |
| Total Other Income | 0.00 | 0.00 |
| Net Income | \$ 67,502.79 | 21.33 |

See Accountant's Report