

August 2019 Documents

- Meeting Minutes 8/319
 - Board Meeting, 10:00 AM
 - Annual Membership Meeting, 1:00 PM
 - Board Meeting, 5:00 PM
- Financial Info 4th Quarter
- Financial Statement
- Board Members 2019-2020 (after election)

Sky Harbor POA Board Meeting
Saturday, August 3, 2019
10:00 AM
Sky Harbor Lodge

Board Members in attendance:

Randy Lange (Chairman), Chris Muster (Vice Chairman), Cheryl Lowery (Treasurer), Kelly Frontroth (Secretary), Billy Duncan, Junior Webb, Jimmy Lowery, Mark Brandenburg, Gary Whitehead, Melissa Bingham, Kenny Adams, and Howard Ohl.

No Visitors

Randy Lange called the meeting to order at 10:02 am and Jimmy Lowery opened the meeting with prayer.

Approval of Meeting Minutes

Sky Harbor POA Board Meeting Minutes for Saturday, May 4, 2019 were emailed to all of the board members by Kelly Frontroth, Secretary, prior to the meeting. Chris Muster moved the minutes be approved as submitted. Motion was seconded by Melissa Bingham. With no additions or corrections to the minutes, the minutes were approved as submitted. 12 For, 0 Opposed, 0 Abstained.

There were no public comments.

Treasurer's Report

Treasurer's Report was submitted by Cheryl Lowery, Treasurer. *See attached Profit and Loss Statement.*

Financial Committee

Invoicing

Invoices did not go out until July 11th due to the change to our billing system to incorporate email billing and online payments. Even with the delay, there was a quicker turn around in pay as property owners were able to pay on line. Cheryl Lowery advised that a processing fee was added to all invoices. Whether a property owner paid by check or online, the POA was incurring an expense for processing payments. Legal counsel was consulted before adding this fee.

Billy Duncan advised he did not agree with this charge and felt that only those paying by credit card should incur this fee. Cheryl advised that to reconcile this would cost more to the property owners in accounting fees and the benefit of being able to give the option of online payment or paper processing strengthened our collections as already evidenced in the July payments.

Agyer and Brewton Properties

Taxes notices for the two properties Agyer on Beach Front Dr. and Brewton on Ridgfield Dr. needs to be sent to those owners and not Sky Harbor. The financial committee will contact Sevier County and have the tax notices removed from Sky Harbor mailing address.

SHPOA – Looking Forward

Randy Lange gave a report on looking forward for Sky Harbor POA

There is now a separate line item in the budget for Tiles and Drainage as that is an area that needs more concentration.

9 lights have been approved for instillation and the POA is waiting on Sevier County Electrical. 5 more lights are being converted to LED. LED lights are providing a savings to the POA.

During August and September, 3 sections of roads and curves will be widened to improve safety.

Webb Contracting removed over 100 trees last year. The POA may want to consider proactive tree removal.

Before the next billing cycle, targeted is 75% of emails should be collected.

Liens and Foreclosures — "All means necessary" will be used to collect on past due accounts!

The Lodge repairs are a great improvement. It is renting well and positioning to provide more income in the future.

\$125,000 provided a little over a mile of paving and we have 35 miles of road in Sky Harbor to maintain. Since the dues increase is locked in by the CCR to be no more than 4% per year, the board needs to look at other possibilities. Bylaws do provide for assessments approved by the membership.

Mailboxes

Kelly Frontroth has been working with Kayla and Matt at Sevier County Postal Service to coordinate a more efficient means to manage the bank of mailboxes for Sky Harbor. Kelly evaluated the addresses on the mail boxes to make sure that they were indeed located in Sky Harbor and belonged to a dues paying member. She was able to notify the Postal Service of 5 boxes that could be freed up. 3 were not addresses in Sky Harbor, one was a lot without a structure, and one was an owner that had been deceased for 2 years.

Once the bank of boxes is purchased, the ownership turns over to the US Postal Service unless we want to manage their distribution. The board agreed this was not a good idea for Sky Harbor to manage the boxes.

Kelly Frontroth moved that the board purchase a bank of boxes this year and recommended that we budget for a bank of boxes to be installed each year as long as we have room. The banks are approximately \$1500. Motion was seconded by Chris Muster. 12 For, 0 Against, 0 Abstained.

Update on Safety Items

Signs – No discharge of firearms, no open burning, fireworks prohibited. Discussion on signs and how to fine violators will be tabled until the PM Board Meeting.

Street signs, additional areas needing lighting, and decal safety stops will be passed onto the next road committee.

Contracts:

Kelly Frontroth moved we table the contracts for Millstone Weir and the Maintenance and Winter Contracts until the PM Meeting. Motion was seconded by Chris Muster. 12 For, 0 Against, 0 Abstained.

Foreclosures and liens

Randy Lange advised that all Foreclosures have been settled. Liens will be placed on all unpaid accounts that were turned over to Pratt & Aycock for collections.

Construction on Orchard

The Architectural Committee drafted a letter to the owners constructing the cabin at 2046 Orchard Dr. The issues are they did not allow the proper setbacks and there is no room for parking, except in the street. This is causing issues to other owner's property as their drive is being used for a turn around. All agreed that these owners need to be notified of the parking issue and a resolution needs to be made. The issue was what to do concerning the set back. Even though the Architectural Committee was not active at that time, it is in the CCR's that the owners were to have notified the board who would have acted as the Architectural Committee. The board agreed to table this discussion until the PM meeting.

Unfinished Business

There was no other unfinished business.

Billy Duncan moved the meeting be adjourned. Motion seconded by Mark Brandenburg.

12 For, 0 Against, 0 Abstained.

Meeting adjourned at 11:17 AM

Sky Harbor POA Annual Membership Meeting
Saturday, August 3, 2019
1:00 PM
Sky Harbor Lodge

Board Members in attendance:

Randy Lange (Chairman), Chris Muster (Vice Chairman), Cheryl Lowery (Treasurer), Kelly Frontroth (Secretary), Billy Duncan, Junior Webb, Jimmy Lowery, Mark Brandenburg, Gary Whitehead, Melissa Bingham, Kenny Adams, and Howard Ohl.

Membership in Attendance – 65 Members

Randy Lange called the meeting to order at 1:02 PM
Jimmy Lowery opened the meeting with prayer.

Approval of Meeting Minutes

The minutes from the 2018 annual meeting held August 4, 2018 were posted to the website in August 2018. Since the members have had time to review the minutes secretary, Kelly Frontroth, recommended the minutes be accepted as submitted. Motion to accept the minutes as submitted made by Chris Muster and seconded by Melissa Bingham.
Motion carried unanimously by membership.

Treasurer's Report

Cheryl Lowery, Treasurer, gave report on Sky Harbor POA Financials. *See Attached Financials and highlights.*

Cheryl advised she will not be running for reelection to the board, but she will remain on the Financial Committee. She does love Sky Harbor and wants to see only the best for the POA. Cheryl was thanked by the board and members present for all of her countless hours to help better the financial and accounting procedures of Sky Harbor POA.

2018 – 2019 Highlights

Randy Lange gave a report of highlights from 2018 to 2019

Lodge – Sky Harbor POA has entered into lease agreement relationship for the lodge with John Madewell and Auntie Belhams Cabin Rentals. John has completely refurbished the lodge at his expense and the lodge is renting well. The board is very thankful to have found this partnership and someone willing to fully invest in the Sky Harbor Community.

Committees

The board would like to see Sky Harbor be a committee driven community. This would allow the board to see the interests within the community and what improvements the community would like see made.

Paving

Improvements have been made in paving. Originally budgeted amount was \$90,000. Due to increased collections and savings in other areas of our budget and additional \$35,000 in paving was actually put down in May. Another major paving project will be completed in August. A majority of the budget will again be put into paving. The board is really trying to ramp up the infrastructure by paving.

Tiles and Drainage

These are another big part of our infrastructure. The budget has been broken down to give tiles and drainage their own line item bringing needed attention to these items.

Updating Bylaws

The Policy Committee has worked very hard to propose amendments to the current by-laws which the membership will be voting on at this meeting. Each proposed bylaw will be read, discussed, and voted on individually. If approved, these amendments will move our community forward.

Safety Items

Guardrails have been installed. Also new and improved lighting in areas. This year the board is looking at widening some of the narrow roads identified by the road committee.

Trees

Due to the excessive rains, over 100 have hit the ground. These trees have been taken care of by Webb Contracting.

Collection of Receivables

84% of the receivables have been collected, this is a record. This allowed the board to expand the paving in May as previously reported.

Liens and Foreclosures

Foreclosures placed this year have been settled. 49 liens are about to be placed on property with outstanding receivables. This board is very serious that every property owner contributes and pays their dues. They are committed to see this money go back into the infrastructure.

Unfinished Business

Secretary, Kelly Frontrouth, advised she had no unfinished business to report.

Public Comments

Carla Anderson and Charlotte Harold, both members from Waterfall Lane, advised that the condition of their road had major issues. After the major rains, the road has not been repaired properly as there is now sinking in the road, debris remains along the road, and Sevier Sewage still has exposed pipes.

Diane Debruhl advised there is a steep turkey neck curve on Ski View down near Silver Poplar Lane. After the last annual meeting, she had requested a large convex mirror be installed as that area of the road was a hazard.

Albert Jenkins presented a card stating "Certificate of Ownership for Albert Jenkins as a contributing sponsor of Sky Harbor Club House and Common Grounds issued by Sky Harbor Property Owners Association this Fifth Day of February, 1988." The card was number 98 and showed the sum of \$100. It was signed by a Chairman Richard Meyers and a secretary whose name was not legible. Mr. Jenkins stated that back in 1988 several members donated \$100 and received this card in return and they were told that this would allow them to use the Club House any time they liked as long as it was not rented. He wanted to know if the card was still valid.

Junior Webb advised that back in 1988, Sky Harbor almost lost the club house for defaulting on a note. 100 members each donated \$100 to bail out the loan and keep the club house. Each contributing member received one of these certificates.

Billy Duncan, policy committee, advised he would need to get back with Mr. Jenkins as he has never seen one of the cards presented.

These items will be looked into by the board of directors.

New Business

Proposed Bylaw Amendments

Mark Brandenburg Policy Committee Chairman advised that since the proposed bylaw amendments would be effective immediately, we would be voting on the proposed bylaws in two segments. The first segment concerns the elections of the Board of Directors. The members would then vote on the board of directors and the remaining proposed bylaw amendments. Emil Gumieny questioned why the amendments could not be voted on together to become effective next year. The first set of

amendments concern voting on Board Members. The board would like to see the community be more committee driven and less board members. After three different communications to the community, there were not enough volunteers to fill 15 board positions. The board does not just want to fill positions, they want an interested active board. The second set of proposed amendments effects voting which cannot be instituted until after the annual meeting as they change the number of votes per property and adds absentee ballots if passed.

Proposed Bylaw Amendments Ballot A

Proposed Clarifying Amendment

“Board of Directors” and “Board” will replace the “Committee of Fifteen (15) persons” and the “Committee of Five-Five and Five” throughout the Bylaws.

Purpose: To unify the Bylaws with the Covenants, Conditions, and Restrictions (aka CCR's) which are the two governing documents of Sky Harbor POA. Also, to clarify for insurance purpose that the governing body is a Board of Directors and not a committee.

126 Yes 0 NO 4 Abstain

Proposed Bylaw Change 2: Article I, Item 2, Paragraph 1

The Board of Directors shall be made up of 11 members of the association as defined above and shall be elected at the annual meeting of the Association.

Purpose: To reduce the number of Board members to 11. See Minutes for further details

84 Yes 42 NO 4 Abstain

Proposed Bylaw Change 2: Article I, Item 2, Paragraph 2

Only one member per lot can serve on the Board of Directors which shall be referred to in these bylaws as the Board.

Purpose: Limit the number of property representatives on the Board to Maximum of One Board Member per lot.

126 Yes 0 NO 4 Abstain

Proposed Bylaw Change 4: Article II, Item 6, Paragraph 1

No Member of the Board shall receive compensation for any service they may render to the Association.

Purpose: Add Specific language to prevent a conflict of interest with any Board Member who directly receives compensation for services paid for by the association.

73 Yes 42 NO 15 Abstain

Special Presentation

Sky Harbor POA board felt that Junior Webb has dedicated his life to Sky Harbor. In recognition of his service, Junior was presented with a sign dedicating the park area near the lakes as Junior Webb Park.

Election of Board

As per the results of Proposed Bylaw Change 2: Article I, Item 2, Paragraph 1, the size of the board is reduced from 15 members to 11. Kelly Frontroth, secretary, received 10 names for candidates to the Board of Directors prior to July 20, 2019. The reason for the July 20th deadline is to verify those names appearing on the ballot are members in good standing. Those names appear on the ballot. Randy Lange called for nominations from the floor. Emil Gumieny and Mary Joe Beard volunteered from the floor. Kelly Frontroth reminded both new candidates that they must be a member in good standing.

The following members were elected as Sky Harbor POA Board Member for 2019-2020:

Kenny Adams

Melissa Bingham

Mark Brandenburg

Billy Duncan
Michelle Madewell
Junior Webb

Kelly Frontroth
Chris Muster
Emil Gumieny

Randy Lange
Howard Ohl

Proposed Bylaw Amendments Ballot B

Proposed Bylaw Change 1: Article I, Item 1, Paragraph 2

A member is defined as each individual person owning a vested interest of no less than 25% and listed on the deed in one or more parcels of real estate located in the Sky Harbor Community, Sevier County, Tennessee, and in addition, must be recognized as a Member of the Association by the Board of Directors. A property owner in the Sky Harbor Community has to be current on dues, not late status or delinquent, to be eligible to vote at the annual meeting or be recognized by the Board of Directors as a member. Only a Member in Good Standing is entitled to cast any vote at any Annual and Special Meeting held. Only one vote per lot will be eligible to be cast in the election of Board of Director Members and the conducting of other business of the Association as may properly come before them. *Purpose: Change the voting rights to "One Vote per Lot".*

88 Yes 42 NO 4 Abstain

Proposed Bylaw Change 3: Article II, Item 2, Paragraph 1

Vacancies in the Board for any reason shall be filled by any eligible member approved through a majority vote of the remaining members of the Board at any meeting to fill the unexpired term. Notice of the vacancy must be made available on the website for a minimum of 14 days so the entire SHPOA Membership may have the opportunity to be nominated for the vacant position. *Purpose: Add specific language to address filling vacancies of Board Members who resign or are removed before the end of their term.*

130 Yes 0 NO 4 Abstain

Proposed Bylaw Change 5: Article II, Item 7, Paragraph 1

Any Director (or Officer) on the Board who no longer meets the definition of an association member must immediately resign from the Board (see Article 1, Item 1, para 2). *Purpose: Add Specific Language to remove Board Members immediately if they do not meet the definition of a SHPOA Member (Ref Article I, Item 1)*

128 Yes 2 NO 4 Abstain

Proposed Bylaw Addition (Proxies and Absentee Ballots)

At the Annual Meetings of Members, each Member may vote in person, by absentee ballot, or by proxy. Absentee Ballots and Proxy forms will be available to all Members prior to the Annual Meeting via the website. All absentee ballots and proxies shall be in writing and shall be filed with a designated party appointed by the Board 14 days prior to the annual meeting. All proxies and absentee ballots shall automatically cease on the date a Member is not considered in Good Standing or ceases to be a SHPOA Member. Every proxy shall be revocable. No proxy shall be valid after the closing of the annual membership meeting. Any person named as a proxy must be a Member in Good Standing. Absentee ballots are for specific items known prior to the Annual Meeting of SHPOA Members and will expire after the vote has been confirmed official. Members will need to vote in person or vote by proxy if they wish to be represented for any business introduced on the floor at the Annual Meeting. *Purpose: Specific By-Law to address proxy voting and absentee voting. Member at this year's 2019 annual meeting will need to vote in person or thru use of validated proxy if they wish to be represented. Official proxy may be found on www.skyharborpoa.org*

88 Yes 42 NO 6 Abstain

After reading the results of the vote on the amended bylaws, the meeting was adjourned at 5:05 PM.

Respectfully Submitted,
Kelly Frontroth
Secretary, Sky Harbor POA

Sky Harbor POA Board Meeting
Saturday, August 3, 2019
5:19 PM
Sky Harbor Lodge

Board Members in attendance:

Randy Lange, Chris Muster, Kelly Frontroth, Mark Brandenburg, Billy Duncan, Junior Webb, Melissa Bingham, Kenny Adams, Howard Ohl, Michele Madewell, and Emil Gumieny.

Visitors: Cheryl Lowery (Finance Committee Chairperson), Jimmy Lowery, Margaret Hoffman, and Mary Jo Beard

Prayer by Mark Brandenburg

Election of Officers

Chairman – Randy Lange

Nominated by Mark Brandenburg
Nomination seconded by Billy Duncan
Randy Accepted Nomination
Elected Unanimously

Vice Chairman – Chris Muster

Nominated by Billy Duncan
Nomination seconded by Kenny Adams
Chris accepted the nomination
Elected Unanimously

Secretary – Kelly Frontroth

Nominated by Melissa Bingham
Nomination seconded by Chris Muster
Kelly accepted the nomination
Elected Unanimously

Treasurer – Mark Brandenburg

Nominated by Melissa Bingham
Nomination seconded by Chris Muster
Mark accepted the nomination
Elected Unanimously

Public Comments

There were no public comments

Financials

Approval of 2019 – 2020 Budget

Cheryl Lowery – Financial Committee, presented the budget for the 2019-2020 year. *See Attached.*

A line item of \$1500 was added for new equipment. The bank of mailboxes which was approved at the previous board meeting will be placed under this line item.

Mark Brandenburg moved the budget be accepted as presented. Melissa Bingham seconded the motion. 11 For, 0 Against, 0 Abstained

Check Signers for Accounts

I was motioned by Billy Duncan and seconded by Howard Ohl that the signers for the Smart Bank Account be Randy Lange, chairman, Mark Brandenburg, treasurer, and Chris Muster, vice-chairman.

11 For, 0 Against, 0 Abstained

Mark Brandenburg will get a signature stamp for Millstone Weir accounting to use on authorized checks.

Important Financial Dates

Annual Registration with the TN Department of Revenue listing the officers of Sky Harbor POA must be filed by November 1st each year.

Taxes are to be filed by October 15th of each year unless an extension has been filed.

Extensions can be filed up until April 15th.

Mark Brandenburg will be responsible for making sure that Millstone Weir has filed these forms.

Liens

Liens will be placed on all Pratt accounts by the end of August. Before the property is sold, the lien will have to be cleared.

Paving:

While reviewing the budget Billy Duncan questioned how much of the budgeted paving money would be spent in the fall. Randy Lange has already conversed with New Port Paving and they can lay all the paving now or some now and some in the spring. The advantage to having it all done now is to have the pavement laid before the winter giving better protection to some needed areas. The other reason is that it is sometime hard to get on New Port's schedule. They have other jobs that are bigger and we generally have to be worked in. We are on their calendar for August. The general consensus of the board was to have all of the paving done in the fall for safety, protection, cost, and scheduling purpose.

Contracts:

As Junior Webb, Webb Contracting, submitted bid for Project Manager, he recused himself from this discussion.

Millstone Weir – Accounting

Randy Lange negotiated an annual contract with Millstone Weir to continue accounting services. This was covered under the proposed budget and approved with acceptance of budget.

Maintenance Contract– Smokies Outdoor Services – Christopher Richards.

Mr. Richards submitted an RFP for the Maintenance Contract. Randy Lange negotiated an agreement with Mr. Richards to perform the scope of services listed under the RFP for 10 months. September 1, 2019 thru December 31, 2019 and March 1, 2020 to August 31, 2020. January and February will be handled by the Winter Maintenance Contract.

Mark Brandenburg moved the revised RFP be accepted. Motion was seconded by Howard Ohl. Motion passed 8 Yes, 2 Abstained (Billy Duncan abstained as he does personal business with this contractor, Emil Gumieny abstained.) Billy will contact Christopher Richards and advise he has been awarded the contract.

Project Manager – Webb Contracting

Webb contracting will oversee projects within the Sky Harbor Community. Projects will include the overseeing of paving project and new lawn care crew. Junior agreed to a contracted

annual salary to be paid monthly. Any work done out of the scope of contract will be billable but must have approval of Chairman. Randy Lange also advised that he will adhere the budget. This is not an open check program
Concern was raised with Junior acting, speaking, and committing on behalf of the board. A recommendation was made to provide Junior with cards with info@skyharborpoa.org email address so that he can provide them to property owners to contact the board with any questions or concerns.

There were questions raised about Junior doing side jobs for property owners under Webb Contracting on Sky Harbor time. It was clarified that Junior is a Contractor and not an Employee. He does not punch a clock. As long as he fulfills his contract, the board cannot keep him from working side jobs under Webb Contracting. He has an invoice stamp that he is to use when working a job for a property owner, which is not under the Sky Harbor Contract.

Junior agreed to the contract but would like to reevaluate this position in 90 days.

Howard moved to accept the contract for Junior Webb dba Webb Contracting as Project Manager for Sky Harbor POA. Motion seconded by Chris Muster. Motion passed unanimously.

Winter Maintenance Contract

Mark Brandenburg recommended that we put the Winter Maintenance RFP out for bid again and address in the November meeting. Webb Contracting will take care of any issues that may arise before the November meeting.

Resignation of Board Member

Upon returning to the meeting after the contracts were approved and voted on by the board. Junior Webb resigned as a board member due to the new bylaw stating that “No Member of the Board shall receive compensation for any service they may render to the Association.”

Billy Duncan wanted it clarified that Michele Madewell and her husband own property in Sky Harbor. They also own Antie Belham’s Cabin Rentals, which leases the Lodge from Sky Harbor. While they do not provide any services for compensation to the POA, she will still recuse herself from any board discussion involving the lodge.

With Junior’s resignation, the board must now fill a vacancy. The board will put out a notice for candidates and fill the vacancy in November.

Email Voting

The state of Tennessee provides acceptance of email voting, but it must be agreed on by all board members. All board members signed Sky Harbor POA Board of Directors Consent to Take Action Without a Meeting. To be voted outside of a quarterly board meeting, the matter must address board business only, it cannot conflict with present bylaws or strip power(s) from the Members. If the motion does not pass by a 2/3 vote of all board members, it is to be tabled until the next board meeting or special called meeting. Kelly Frontroth, secretary, received signed consent forms from all board members.

Calendar

Quarterly accounting for the POA is closed off at the end of the month. With the quarterly meeting being held on the first Saturday of the following month, this sometimes does not allow adequate time to prepare the financial statements for the monthly meeting. Therefore, the meetings will be held on the second Saturday of the month.

November 9, 2019; February 8, 2020; May 9, 2020; and August 8, 2020.

As the weather is questionable in February, Randy would like to see the February meeting as a teleconference meeting. This method will be tested to make sure it is feasible before the February meeting.

Committees (Property Owners and Board Members)

Architectural Committee – Emil Gumieny (chair), Chris Muster, Kelly Frontroth

Financial Committee – Mark Brandenburg, Cheryl Lowery (chair)

Road/Safety Committee – Melissa Bingham, Kenny Adams, Junior Webb (chair)

Policy Committee – Billy Duncan (chair), Howard Ohl, and Mary Joe Beard

Community Improvement Committee – Seasonal Decoration – Michelle Madewell

With no further business, the meeting was adjourned at 6:47 PM.

Respectfully Submitted,

Kelly Frontroth
Secretary, Sky Harbor POA

Sky Harbor Property Owners Association

1 May 2019 to 31 Jul 2019

Cash Basis

	QTR Actual	YTD Actual	YTD Budget	Variance
Revenue				
Dues Assessed - Current Year	3,397.31	127,795.69	130,400.00	(2,604.31)
Dues Assessed - Next Year	81,127.53	81,127.53	80,000.00	1,127.53
Dues Assessed - Prior Years	16,238.27	50,180.34	38,400.00	11,780.34
Interest Income	327.65	1,254.16	800.00	454.16
Late Fees Income	345.00	2,731.88	-	2,731.88
Processing Fees	2,490.89	2,490.89	-	2,490.89
Total Revenue	103,926.65	265,580.49	249,600.00	15,980.49
Gross Profit	103,926.65	265,580.49	249,600.00	15,980.49
Operating Expenses				
Accounting	3,350.00	12,250.00	12,300.00	(50.00)
Bank Service Charges	80.00	440.00	480.00	(40.00)
CC/PayPal Charges	1,217.93	1,477.16	-	1,477.16
Collection Contract - Pratt Aycock	3,090.35	9,251.48	10,680.00	(1,428.52)
Collection Fees - recording / liens	36.00	2,298.50	4,000.00	(1,701.50)
Insurance - D&O & G/Liab.	-	771.00	1,000.00	(229.00)
Legal Expenses	-	-	1,000.00	(1,000.00)
Licenses & Permits	-	40.00	-	40.00
Meeting Expense	303.13	2,632.26	2,200.00	432.26
Office Expenses	-	90.36	600.00	(509.64)
Penalties (Non- Deductible)	-	688.90	-	688.90
Postage, Box Rental & Delivery	331.50	1,981.92	2,100.00	(118.08)
Repairs & Maintenance - Emergency Maint.	2,127.50	4,596.99	4,900.00	(303.01)
Repairs & Maintenance - Maint Supplies	3,473.27	4,533.46	4,000.00	533.46
Repairs & Maintenance - Other	2,008.00	2,008.00	-	2,008.00
Repairs & Maintenance - Paving (general)	125,444.64	125,444.64	90,000.00	35,444.64
Repairs & Maintenance - Rock / Gravel Road Maint.	3,904.62	4,862.77	8,000.00	(3,137.23)
Repairs & Maintenance - Safety Maint	1,563.74	10,455.40	12,000.00	(1,544.60)
Repairs & Maintenance - Striping & Misc for roads	-	4,015.00	4,500.00	(485.00)
Repairs & Maintenance - Winter Maint.	-	-	20,000.00	(20,000.00)
Repairs & Maintenance - Yearly Maintenance	16,650.00	66,600.00	63,700.00	2,900.00
Software & Software Fees	76.50	236.08	-	236.08
Supplies	-	-	300.00	(300.00)
Taxes - Federal & TN F&E	-	4,506.00	4,500.00	6.00
Taxes - R. E. (3 Vacant Lots)	-	279.00	280.00	(1.00)
Utilities - Guard Shack & Street Lights	642.96	2,859.75	3,910.00	(1,050.25)
Website	444.00	1,225.50	1,000.00	225.50
Write - Offs	5,861.85	5,933.76	-	5,933.76
Total Operating Expenses	170,605.99	269,477.93	251,450.00	18,027.93
Operating Income / (Loss)	(66,679.34)	(3,897.44)	(1,850.00)	(2,047.44)
Other Income and Expense				
CABIN - Rental Income	4,800.00	20,485.72	30,000.00	(9,514.28)
CABIN - Cable	-	(1,269.00)	(3,040.00)	1,771.00
CABIN - Credit Card Fees Expense	-	(111.56)	(330.00)	218.44
CABIN - Gross Receipts Tax Expense	-	(118.73)	(300.00)	181.27
CABIN - Insurance (P&C)	-	(2,929.00)	(2,600.00)	(329.00)
CABIN - Management Fees Expense	-	(2,968.10)	(7,502.00)	4,533.90
CABIN - Monthly Fees	-	(195.00)	(468.00)	273.00
CABIN - Pest Control Expense	-	(374.28)	(590.00)	215.72
CABIN - Property Taxes	-	(950.00)	(970.00)	20.00
CABIN - Repairs & Maintenance Expense	(3,850.00)	(7,775.90)	(6,000.00)	(1,775.90)
CABIN - Supplies	-	(225.72)	(600.00)	374.28
CABIN - Utilities	-	(866.05)	(5,000.00)	4,133.95
CABIN- Hot Tub Fees Expense	-	(210.00)	(750.00)	540.00
Total Other Income and Expense	950.00	2,492.38	1,850.00	642.38
Net Income / (Loss)	(65,729.34)	(1,405.06)	-	(1,405.06)
Cash Balance				
Beginning Balance 08/01/18	270,347.30	Increase / (Decrease) in cash		(37,448.38)
Current Balance 07/31/19		A/P from yearend		36,738.45
Operating Account SmartBank	96,346.14	Overpayments on A/R		(695.13)
Savings Account - SmartBank	136,552.78			(1,405.06)
	<u>232,898.92</u>			

Sky Harbor POA

Budget
FYE 07/31/20

FYE19
Budget

Income

Dues - next Year FYE21 (collected prior to Aug)		\$	85,000.00
Dues - current year FYE20			
Total invoiced	\$	251,973.04	
Collected prior to August	\$	(81,000.00)	
% Expected to collect of total dues invoiced	85%	\$	133,200.00
Dues - previous years			
Total uncollected as of 07/31/19 not in collections	\$	50,592.77	
Total in Collections	\$	198,455.21	
% Expected to collect	15%	\$	37,400.00
Interest Income		\$	1,100.00
Processing Fees		\$	6,600.00
Total Income		\$	263,300.00

Expenses

Accounting Fees	\$	13,800.00
Bank Charges	\$	500.00
CC / Paypal Charges	\$	3,000.00
Collection Contract	\$	9,900.00
Collection Fees - Recording / Liens	\$	2,000.00
Insurance (G/L D&O)	\$	800.00
Legal Fees	\$	1,000.00
License & Permmits	\$	50.00
Meeting Expenses	\$	2,000.00
Office Supplies	\$	300.00
New Equipment	\$	1,500.00
Postage / Mailings	\$	2,100.00
Repairs / Maintenance		

Yearly Maintenance	\$	65,000.00	
Winter Maintenance	\$	10,000.00	
Emergency Maintenance	\$	6,000.00	
Maintenance Supplies	\$	2,500.00	
Miscellaneous	\$	10,000.00	
Paving - general	\$	110,000.00	
Rock / gravel Road Maintenance	\$	4,500.00	
Safety Maintenance	\$	9,500.00	
Tree Maintenance & Misc for roads	\$	5,500.00	\$ 223,000.00
Software & Software Fees			\$ 350.00
Taxes - Federal & TN F&E			\$ 3,250.00
Taxes - Real Estate			\$ 300.00
Utilities			\$ 4,000.00
Website Expense			\$ 1,500.00
Total Expenses			\$ 269,350.00
Lodge Income			\$ 16,500.00
Lodge			
Insurance	\$	3,200.00	
Pest Control	\$	250.00	
Property Tax	\$	1,000.00	
Repairs / Maintenance	\$	6,000.00	\$ 10,450.00
Lodge Net			\$ 6,050.00
Net Change in Cash			\$ -
Beginning Cash Balance	\$		232,898.92
Ending Cash Balance	\$		232,898.92

August 2019 Financial Statement

- ❖ Total revenue exceeds budget by approx. \$16k.
- ❖ Total billed for dues \$251K and total received this year was \$264k.
- ❖ Total collections of current year's dues was 84%. This had been running between 65 – 70% in the past so this is a significant improvement. We attribute the increase in collection to our efforts to audit every account to ensure we were billing the proper person, having the correct mailing address and adding in the email addresses. We also followed up with statements to those that hadn't paid by the late date. Thank you to all that completed our information sheets. It took nearly a year to go through all of them, but it really provided us with necessary information.
- ❖ Invoices didn't go out until 7/11 this year due to changing our system of billing to incorporate emailing invoices and online payments but we still collected over \$81k in July (up from \$78k last July).
- ❖ Our interest income was non-existent until 3 years ago. It was \$66, then \$491 and now \$1,254. We plan to continue to manage our reserve to maximize interest income in the future.
- ❖ We have streamlined our operating expenses so that they are running less than 16% of total income. In prior years, this has been as high as 50%!
- ❖ By streamlining our operating expenses, that allows us to spend most of the income on our infrastructure – maintaining our roads, ditches, tiles, culverts, adding safety measures, etc. FYE19 saw 84% of monies spent in this area and boy can we see the improvements. That's \$222k spent on repairs & maintenance in our subdivision without spending anything on winter maintenance due to the mild winter we had this year!
- ❖ Speaking of road improvements, we were able to spend \$125k in paving this year which was \$35k above budget and we still only spent \$1,400 out of our cash reserves.
- ❖ Two years ago, we spent nearly \$100k more than we took in. I was worried about the viability of our revenue stream vs our expenses when I came on

the board. Now, we have a target reserve of \$200k in which we have maintained for the past two years.

- ❖ All tax filings are up to date with all taxes paid. We have online accounts set up where necessary for our tax filings.
- ❖ The lodge netted nearly \$2,500 even with all the improvements that you see that have been done this year. Isn't this a vast improvement from prior years? We are so proud of our lodge!
- ❖ We have 706 lots with a valid email address currently in which we didn't have any email addresses prior to this fiscal year. We save over \$1 / invoice by emailing them versus mailing them. Your help is needed to ensure we can gather emails on the other lots. We have 67% of the emails for improved lots but are lagging behind on homeowners with just vacant land.
- ❖ 142 lots in SH sold in FYE18 and 119 are already showing on the tax assessors' page for FYE19. There is a lot of work that goes on in the accounting when a lot sells between making sure the dues are collected and then chasing down information on the new owner so that all invoices go to the proper person for quickest payment.
- ❖ Total accounts receivable as of 07/31/19 is \$248,275.78. Of this amount \$198,455.21 is over two years old and is in collection status. Most of it has liens on the property with other liens / foreclosures to follow. We have taken an aggressive role in collecting these past dues as it benefits all homeowners and allows us to be able to do the improvements that we all want to see happen. The receivable balance was over \$400k just 3-4 years ago.
- ❖ Cash balance as of 07/31/19 is \$232,898.92 with all bills paid to date.
- ❖ I have enjoyed being your treasurer for these past two years. Thank you for this opportunity and I hope that the financial condition of our subdivision continues to prosper under new leadership. I plan to support the new treasurer where I can because I do love Sky Harbor and wish only the best for each and every one of you!

Sky Harbor Board Members 2019 - 2020

Randy Lange, Chairman randy.skyharbor@gmail.com

Chris Muster, Vice-Chairman tearlp@aol.com

Kelly Frontroth, Secretary kellyskyharbor@gmail.com

Mark Brandenburg, Board Member markbshpoa@gmail.com

Billy Duncan, Board Member cabinlover731@aol.com

Emil Gumieny, Board Member skyharboremilgumieny@gmail.com

Howard Ohl, Board Member howard.ohl@comcast.net

Kenny Adams, Board Member kadams434445@yahoo.com

Melissa Bingham, Board Member melissa4skyharbor@gmail.com

Michele Madewell, Board Member mmadewell78@gmail.com

There is an open position for one board member which will be filled by the board at the November board meeting. Any interested candidates may email info@skyharborpoa.org with their interest.