



# SEAPINES

C O M M U N I T Y

CSA



2014 ANNUAL REPORTS



Communi



# Community Services Associates, Inc.



## CSA 2014 Board Members

Charles Ryan  
**Chairman**

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David Borghesi	Carolyn Adams
Paul Crunkleton	Steve Birdwell
Mark Griffith	Cary Corbitt
Joe Kernan	Scott Richardson
Rob Marsac	Mark King
Charlie Miner	Don Sigmon
Michael Tucker	John Trunck
Christopher Widnell	Mark Yarborough



From the Chairman of CSA  
Mark A Griffith



Mark A Griffith  
Chairman of CSA

Dear fellow members of CSA:

Welcome 2015, as spring is here in Sea Pines, let's reflect on our many accomplishments in 2014. The year saw several significant milestones achieved. Bret Martin, our new President joined CSA, Jennifer Losch our Communications Director joined CSA in August, the Coffey litigation was settled, and The Sea Pines Resort completed their new Plantation Club, Sea Pines Beach Club, and broke ground on the new Harbour Town Club House.

CSA completed the Tower Beach renovations, Phases I and II of our improvements to Stoney Baynard Ruin were completed, significant open space maintenance occurred, tree trimming along Plantation Drive, Greenwood Drive and South Sea Pines was completed just to name a few of our many exciting achievements.

We thank the significant efforts of our board members who completed their board terms this past year: Charles Ryan, Robert Marsac and Christopher Widnell. Each made valuable contributions to our community and without these caring, motivated and driven residents

who are willing to contribute their time and expertise, we would not be able to remain the exceptional community we have become.

I am pleased to inform you that CSA is doing exceptionally well financially. We have approximately \$9M in infrastructure and operating net current assets. We have initiated a reserve study which we expect to conclude in early second quarter 2015. This study will validate the appropriateness of our reserves and determine if we have any available funding for further special projects. Additionally, in November of 2014, we developed and approved an emergency funding policy. We analyzed all available sources of funds that Sea Pines could access in the aftermath of a catastrophic event. Given our financial resources, debt capacity, insurance coverage and additional assessments as provided in our covenants, we estimate that a total of approximately \$25M in funding sources are available for emergency clean-up and repair.

Most importantly, we have no significant liabilities or known potential liabilities affecting our balance sheet.

The Long Range Strategic Planning Committee completed a nearly two year process and delivered a draft plan to the community for comments at the February 2015 Sea Pines Community Coffee meeting. The CSA Board approved the plan in concept at their February 23, 2015, meeting. This plan is an extensive piece of work and aims to set a new direction for our community that will return Sea Pines to its status as the premier community in the country.

I can't stress enough the importance of communication. We want to hear from you concerning all new projects or investments in our physical assets. We will look to our residents to guide us as we work through this plan. Comments can be put forward by going to [www.seapinescomments.com](http://www.seapinescomments.com).

Our new Communications Director, Jennifer Losch is diligently working to improve our means of communicating with each of you and a method to survey your views. We have seated a Communications Committee for 2015 consisting of all standing committee chairman. We look forward to engaging a professional firm to validate our resident data base, develop a survey program and assist us in better branding. Please reach out to Jennifer and insure that we have your correct email address and out of town mailing address if you are not a full time resident. This data is key to our ability to gather your comments as I mentioned earlier.

One of my duties as your Chairman, is to select CSA's Standing Committees and the board members to act as their chairman and believe we have a great team in place for 2015. I created a new standing committee in 2015, called the Governance Committee. This new committee will focus on the

review and improvement, where necessary, of our By-Laws, develop a Leadership Academy to encourage and develop residents to serve on future boards and committees and organize the board nominating process for future elections.

Our new Executive Committee convened in February and goals and objectives for 2015 were discussed. We have a number of objectives, however, outlined below are a number of potential goals for 2015.

1 - Complete reserve study to determine if we have funds available for further asset improvement.

2 - Engage professional assistance to develop a resident data management system and survey program.

3 - Survey our residents to determine their appetite for and priority for major investments incorporated in the Long Range Strategic Plan.

4 - Evaluate our gate functionality and develop a plan to improve gate access.

5 - Improve the condition and maintenance of our waterways and lagoons.

6 - Raise the bar on the level of care for our entry corridors and open space. Create the "WOW FACTOR" and regain our position as the premier residential resort community in the country.

7 - Work with the Town to improve the Sea Pines Circle and the corridor reaching from the circle to the Sea Pines main gate.

I am sure many other priorities will surface prior to developing our final goals for 2015. Please feel free to share your thoughts on this or any other concern by contacting our CSA Staff.

Finally, I want to thank our property owners for their support and our staff for their tireless work and the boards and committees for their commitment to the Plantation. We could not be more blessed and fortunate to live and work in this special community. With all of our continued support we can return Sea Pines to its status as the preeminent community in the country.



# CSA Annual Meeting Minutes

Tuesday, May 13, 2014

## 1. Call to Order

President Charlie Ryan called the 2014 Annual Meeting of Community Services Associates, Inc., to order at 3:22 p.m., in the Sea Pines Country Club.

## 2. Verification of a Quorum

CSA Secretary, Carolyn Adams confirmed that a quorum was present through attendance and by proxy.

## 3. Approval of the May 14, 2013 Annual Meeting Minutes

A motion was made to accept the minutes of the May 14, 2013, meeting as submitted in the annual report. The motion received a second and was unanimously passed.

## 4. Announcement of CSA Nominating Committee for Board Elections

### a. Nominating Committees –

President Ryan named the following Chairmen and members of the 2014 Nominating Committees to select candidates for the Class A Residential and Class B Commercial open positions for the CSA Board.

#### I. Residential - Class A:

Rob Marsac - Chairman  
Mark Griffith  
Charlie Miner

#### II. Commercial – Class B:

John Trunck - Chairman  
Mark King  
Mark Yarborough

Being a board member is a lot of work, but is a very rewarding experience. He encouraged persons interested in serving on the Board to make their interest known to the Nominating Committee members or the CSA office.

### b. Nomination of Candidates by

**Petition** – President Ryan also noted that, in addition to those nominated by the Nominating Committee, persons may be nominated by petition. The following requirements of the petition process were described:

I. Petition to be signed by 50 valid residential or 3 commercial owners

II. The candidate has to be willing and able to serve

III. CSA By-laws require the petition to reach the Nominating Committee by October 1st, however, to maintain a sense of fairness, the petitioner is asked to submit on or before September 1st so he/she can participate in candidate forums and other forms of communication.

## 5. Board of Directors Report

### a. Recognition of Outgoing Directors –

President Ryan asked each of the directors to stand as he announced their name. He acknowledged the following outgoing directors and gave a brief overview of their accomplishments for the community during their tenure: Angie Greenfield, Mike Hellman and Bob Mang. Bob Mang had served as CSA's President the last two previous years and assisted President Ryan through the transitional phase.

Craig Ostergard, a representative appointed by The Sea Pines Resort, had also completed his term and Scott Richardson was appointed to fill his vacant seat in 2014.

### b. Introduction of Board Members

– The seventeen members of the CSA Board for 2014 were introduced and recognized. The residential

members are: Dave Borghesi, Mark Griffith, Mike Jordan, Joe Kernan, Rob Marsac, Charlie Miner, Michael Tucker, Chris Widnell and himself. The commercial members are: Mark King, Don Sigmon, John Trunck and Mark Yarborough. Carolyn Adams, Steve Birdwell, Cary Corbitt and Scott Richardson are the members appointed by The Sea Pines Resort.

### c. Committees and Their Chairman

– President Ryan said the committees have performed in an exemplary manner. Their purpose is to make recommendations to the board on how to address the needs of the community. The following committees and chairman for 2014 were announced:

#### ARB Liaison

Scott Richardson

#### Finance Committee

Dave Borghesi

#### Gate Entry Committee

Cary Corbitt

#### Joint CSA/ASPPPO Short Term Rental Committee

Mike Jordan/Beverly Serral

#### Joint ASPPPO/CSA Waste & Recycling Committee

Charlie Miner/Paul Crunkleton

#### Landscape & Maintenance Committee

Mark Griffith

#### Long Range Strategic Planning Committee

Michael Tucker

#### Safety and Security Committee

Rob Marsac

d. **Board Actions Overview** – President Ryan had addressed the major actions taken by the board in his President's Letter located inside the 2013 Annual Report, but added a few more items:

- The national search for a new CSA Executive Vice President was going

well, the list has been narrowed down to three prime candidates from over 100 prospects; it is hoped to fill this position by July 1, 2014.

- CSA has engaged the firm of Roger Dyer, Professional Engineers, to review the Town of Hilton Head Island's traffic studies regarding the impact of additional traffic at Sea Pines Circle resulting from the proposed USCB campus on Office Park Road.
- The Architectural Review Board has three vacancies, if anyone is interested in serving please contact either Mike Jordan or President Ryan.
- The recent deluge of rain caused damage to the parking lots used for the golf tournament resulting in using offsite parking at Honey Horn Plantation. It was proved that offsite parking worked well for visitors and property owners to come and go. Repairs to the parking lots will have to be made before the next tournament, but it has not been decided what type of improvements would work best or who will pay for them.
- Interim Executive Vice President Ward Kirby will leave CSA at the end of this week, having given us an extended stay beyond the time period he had agreed to. He was thanked for his help. In the interim, CSA staff assisted by your Board of Directors will manage day-to-day operations.

## 6. Coffey Litigation

Mr. Marsac gave an update on the litigation between CSA and Maureen Coffey, a Town of Hilton Head Magistrate, which resulted in a verdict of approximately \$6 million against CSA and George Breed, former CSA Security Director. An appeal of the verdict is currently pending in the South Carolina Court of Appeals. Mr. Marsac has been

coordinating the work of legal counsel on behalf of CSA.

Mr. Marsac explained that CSA had available several layers of insurance coverage with limits totaling approximately \$20 million. The insurers are funding the costs of appeal, including appellate counsel. Moreover, insurance coverage counsel has been retained by CSA to assure that the insurers continue to act consistent with the terms of the policies and in the best interests of the community.

The case has been briefed and CSA is aggressively challenging the verdict. Counsel believes that serious errors occurred at trial and are cautiously optimistic about a favorable outcome on appeal.

## 7. Financial Overview

Mr. Borghesi, CSA Treasurer, said the audited Financial Statements for 2013 reflects how well CSA is doing financially and copies are available at today's meeting for review. He thanked the Finance Committee members for all their hard work and contributions. Mark Griffith, Carolyn Adams and William Snider were welcomed as the newest members to his committee.

He presented three different visual graphs depicting a history of the following areas: Gate Entry Fees, Net Current Assets and Cash, and Infrastructure Reserve Fund Balance. The Finance Committee's concept for current and future financial planning was explained in detail and covered investments, cash flow and the reserve fund. Mr. Borghesi stated that CSA has utilized its cash by investing it to generate more revenue. The Fund Balance has also increased over the past few years which is very important to a property owners' association in that it has liquidity and is able

to withstand a financial downturn.

Three ongoing projects the Finance Committee is addressing are:

- 1) The audit for 2012 had been completed and CSA auditors have, as in the past, determined it is a "clean" report. The auditors further advised keeping the Sea Pines Forest Preserve Foundation and Six Oaks Cemetery separate from CSA due to a technical exception. The audited financial statements were available at the meeting for anyone who wanted a copy.
- 2) The financial statement in the annual report has been changed so it is summarized and easier to read. The written report more closely follows a format known as management discussion analysis (MDA), a requirement for public companies.
- 3) One of its members will be on the Strategic Planning Committee.

## 8. Closing Statement

President Ryan thanked everyone for coming and again expressed gratitude to Bob Mang who served as CSA President for two years, contributed his business knowledge and who also served as his mentor. He again expressed his gratitude to Rob Marsac who served as Vice President and spent numerous hours as a coordinator for the Coffey litigation.

## 9. Adjournment

The annual meeting was adjourned at 3:42 PM.

Respectfully submitted,  
Carolyn Adams  
Secretary



# 2014 CSA Operations

## Landscape and Maintenance Committee

### 2014 Committee Members

Chairman - Mark Griffith

Steve Alfred	Ginger Miller
Cary Corbitt	Becky Pardue
Crunkleton, Paul	John Parsons
Eleanore De-Sole	Terry Rosser
Bob Hodde	Don Sigmon
Charlie Howell	Rick Smith
Terri Konrad	Ron Taylor
Lynne Lotz	David Wright

The responsibility of the Landscape and Maintenance Committee is to advise the CSA Board on its oversight of the CSA Maintenance Department who maintains the open space and common areas of the approximately 4,500 acres making up Sea Pines Plantation. This department provides a wide variety of construction, maintenance and services for property owners: road re-paving, beach walks, irrigation, leisure trails, and the majority of lagoons, yard waste pickup, mailboxes and signs, insect control, free mulch delivery to property owners, drainage control, and litter and debris management.

2014 was an exciting year for the Committee! A lot of projects were initiated and completed.

### 2014 Projects:

- The Tower Beach area including the pavilion was renovated. Later in the year, additional funds were expended to install benches, more landscaping and bike racks and two boardwalks were refurbished.
- Approximately \$619,638 was expended for road re-paving. Besides the roads scheduled for re-paving in 2014, there was enough savings realized from those projects to move additional road re-paving projects from 2015, up into 2014.
- CSA Building renovation was completed and offices relocated within the building to provide a one-stop shopping for property owners and create more offices.
- Leisure trails were repaired at a cost of approximately \$211,912.
- The Stoney Baynard Ruins area was cleared of brush, the trees trimmed and a split-rail fence and bike racks were installed.
- Some of the dying bamboo along Greenwood Drive located near the trolley parking lot was replaced with mature vegetation.
- A program was started to properly identify, preserve and promote specimen Live Oak trees.
- Cell tower coverage in Sea Pines was evaluated, however, the provider who expressed interest in having a new tower decided not to move forward at this time.
- Community inspections were performed in neighborhood areas by the committee members. They report any maintenance issues that need addressed by staff.





## Gate Entry Committee

### 2014 Committee Members

Chairman – Cary Corbitt

Steve Birdwell	Mike Jordan
Bob Gossett	Bob Mang
Mark King	Rob Marsac
John Trunck	Chuck Ryan

The Gate Entry Committee was formed to make recommendations to the CSA Board regarding the Sea Pines Gate Entry Policy and the budgeting associated with Gate Entry revenue and expenditures. The committee also works to enhance the trolley transportation system within Sea Pines; the

main goal being to insure Sea Pines remains a premier community for residential homeowners, short-term rental guests and visitors. The trolleys are also used for private charters and generated over \$51,000 in revenue in 2014.

The committee's membership consists of commercial representatives from The Sea Pines Resort, South Beach, The Shops at Sea Pines Center and three residential property owners.

### 2014 Projects:

- Updated their committee's charter to include enhancing their marketing program to promote Sea Pines as premier community for families, homeowners, short term guests and periodic visitors.
- Held meetings with Santee Cooperative Electric to discuss the improvements and/or repairs needed to the trolley parking lots located in the utility easements.
- Researched the possibility of having a free on-call type of transportation service for property owners, but has not made a recommendation yet.
- Recommended the CSA Board move forward on the new vehicle decals with a RIFD chip which will permit access through the electronic gate at Tower Beach and help to monitor the traffic coming off of Sea Pines Circle via Greenwood Gate entrance.
- Revised and updated the \$6 Gate Entry Brochure for daily visitors.
- Worked on marketing the commer-

cial areas.

- Expended funds towards plans to construct kiosks with bench seating to be located at the trolley stops which will provide shelter for passengers.
- Made several adjustments to the trolley stops and/or routes:
  - Moved the location of trolley stops to accommodate the renovations at the Plantation Golf Club, the Sea Pines Beach Club and Harbour Town Club
  - Moved the location of the trolley stop within The Shops of Sea Pines so it was closer in proximity to the Sea Pines Community Center
  - Renamed the South Beach Trolley Route to the more appropriate name of Inner Plantation Trolley Route
  - Adjusted the operational times of the trolley to maximize its usage
  - Purchased a new counter to track the number of trolley passengers using the trolleys to determine peak use patterns

The daily pass fee was raised to \$6, beginning on April 1, 2014, and the use of the \$1 increase was allocated as follows: 60% to CSA's General Fund, 20% to commercial use for marketing and trolley lot improvements and 20% to dredging for indirect permitting, monitoring and inspections.



# 2014 CSA Operations (continued)

## Safety and Security Committee and Security Operations

### 2014 Committee Roster

Chairman – Rob Marsac

Steve Alfred	John McLauchlin
Nancy Eldridge	Eberle Smith
Angie Greenfield	John Trunck
Wayne McGaughey	Doug Wolter

The Safety and Security Committee makes recommendations to the CSA Board on setting safety and security guidelines for the operations of the Sea Pines Security Department. The primary mission of CSA's Security Department and the committee, is to provide a safe and secure environment by enforcing the covenants and providing well-trained security personnel to enhance the quality of life for our residents and the experience of visitors to Sea Pines.

The Security Department takes great pride in its accomplishments, attributing them to its professionalism and pro-active approaches. Its training directive is one of the most advanced in the State and the department makes use of the latest technology to protect security personnel and the homeown-

ers and visitors in Sea Pines Plantation. The Trolley Transportation operations also now fall under the Security Department and Director McSwain works with the Gate Entry Committee to make recommendations to oversee its operations.

- The department upgraded its technology to monitor and track incidents within Sea Pines and streamline security operations.
- A new system to print and tabulate the number of daily \$6 passes sold at the gates was implemented.
- The Rapid Response Program in the two schools located with Sea Pines was initiated. This program is crucial to the Security Department since they would more than likely be the first on the scene if an event occurred. The program lays out the blueprints of the school and enables security to have real time televised access and sets a protocol in place with other emergency responders.
- New decals with an RIFD chip were issued to contractors. The RFID chip will help to monitor traffic com-

ing off Sea Pines Circle in through the Greenwood Gate. Property owners will be issued their new decals and ID cards with a chip in 2015, which will allow property owner access through the electronic gate at Tower Beach.

- New safety vests for security personnel were issued.

The Security Department is also one of the key participants to make the RBC Heritage of Golf tournament a safe and enjoyable experience. Parking for the 2014 golf tournament had to be moved off-site due to rainfall making the parking areas in the utility easements unusable. Mr. McSwain, the Director of Safety and Security, is working with representatives from the tournament, The Sea Pines Resort and Santee Cooperative Electric, who uses the utility easements, to come up with a solution to correct the problems.



# Long Range Strategic Planning Committee

## 2014 Planning Committee

Chairman – Michael Tucker

Steve Birdwell	Charlie Miner
Chip Collins	John Parsons
Neil Funnell	Scott Richardson
Ann Gibbs	Beverly Serral
Mark King	Don Sigmon
Anne Lawless	Bill Snider
Bob Mang	

In 2014, the Long Range Strategic Planning Committee presented their “vision for the future of the Sea Pines Plantation Community.” This two year project was initially developed by a task force who received strong input from property owners; afterwards, approval was received from The Resort and commercial entities at the committee level.

The Long Range Strategic Plan was reviewed by the CSA Executive Commit-

tee in September 2014 and modified again by CSA management the following month. The final document was approved by the CSA Board at their February 23, 2015 meeting as a visionary concept.

### The four objectives of the plan are:

1. To develop policies and programs that assure the financial sustainability of Sea Pines Plantation.
2. To initiate a community wide partnership aimed at perpetuating Sea Pines Plantation as a world class resort and residential destination.
3. To develop policies and programs that will enhance the quality of the Sea Pines lifestyle.
4. To create and maintain a trusted governance model that equitably reflects community contributions.

The tactics to achieve the objectives will change from year to year depending on these four following basic questions:

1. Do the majority of our citizens support this decision?
2. Does this vote make good financial sense?
3. Does this vote enhance the lifestyle of our citizens?
4. Do we offer enough transparency as to why this action is being proposed?

The Strategic Plan is a living document, actions and strategies must reflect proposed models which predict future circumstances. From time to time, changes to this Long Range Strategic Plan will be required.

The implementation of the Long Range Strategic Plan will be based on CSA’s financial and manpower capabilities for the next five years. Please keep in mind the projects and concepts in the plan can be rescheduled, adjusted or eliminated as financial or other community priorities occur.

Like all communities, Sea Pines is changing and if we are to contribute to the success of the Plantation then we must make tough decisions that put us in control of our own destiny.

# 2014 Financial Report

## Financial Summary for Community Services Associates, Inc.

### 2014 Committee Members

Chairman – Dave Borghesi

Co-Chairman – Neil Funnell

Carolyn Adams Rob Marsac

Ed Abrams Charlie Ryan

Mark Griffith William Snider

Jeff Herriman

### 2014 Revenues and expenses compared to 2013 (\$ in '000's):

CSA revenues of \$10,308 increased by \$572 or 5.9% compared to 2013. This increase is comprised of three components. Residential assessments increased \$93 resulting from a 1.6% rate increase as allowed by Sea Pines covenants. Commercial assessments and fees remained unchanged. Gate and annual entry permit revenues increased \$479 (14.5%) due to the \$1 increase in daily gate passes effective April 1st, and increased purchases of annual decals and short term rental passes.

Operating expenses of \$9,938 increased by \$986 (11.0%) due to across the board increases in all categories of expense. The increases were consistent with anticipated spending in accordance with the 2014 budget. Additional expenditure of \$361 over budget were incurred with the approval of the Board, principally on the areas of maintenance, landscape, and major repair and replacement projects.

Other Income (net of expenses) of \$250 increased by \$63, due in part to a property tax refund and new locker fees at Tower Beach Park pavilion. Realized investment income increased \$54 to \$311 as a result of greater average investment balances. Investments are stated at their fair market value, and unrealized changes in fair market values are reported as Other Comprehensive Income (Loss) as required under U.S. Generally Accepted Accounting Principles. Current year changes in fair market values stabilized

from prior years' when market interest rates fluctuated to a greater extent.

### 2014 Year-end Financial Position (\$ in '000's):

The 2014 year-end cash and cash equivalent balances of \$4,297 increased by \$2,289 over the prior year, due in large part to a \$1,920 increase in deferred revenues (essentially the receipt of 2015 property assessments in December.) Further, \$406 of mutual bond fund investments were converted to cash at year end. That increase in cash was reinvested in fixed income securities in January 2015. Because cash balances can vary significantly for reasons other than operating results, a better view of CSA's financial strength and flexibility is its current assets, net of its current liabilities, which was \$9,133 at December 31, 2014, and relatively unchanged from the prior year year-end.

Capital expenditures amounted to \$1,477 during 2014. These expenditures were made for the completion of renovations to the Tower Beach Park Pavilion (\$833), capital refurbishments to the CSA administration building (\$116) and for additions and replacements of vehicles and equipment (\$528).

Fixed asset balances increased from the prior year by \$949, which resulted from the aforementioned capital expenditures, net of depreciation expense of \$508 and a disposal of a minor piece of equipment.

Fund balances increased by the \$954, or the amount of Comprehensive income. Designated fund balances changed during the year, most notably by the establishment of three additional designated funds. In November, the Board approved the establishment of an Emergency Reserve Policy that established a range of funds designated for such short term emergency needs in a range of 25% to 30% of budgeted operating expenses, as defined. Subsequently, the Board approved a designated emergency fund in the amount of \$2,200. In relation to the Board's adop-

tion of a daily gate pass fee increase of \$1 during 2014 (and beyond) 20% of the increase was designated for future costs related to dredge permitting and water quality testing, and 20% to capital costs for trolley operations. The combined amounts of these two designated funds, net of costs incurred, is \$107. The Infrastructure Replacement Fund balance decreased by \$1,396 (from \$7,784 to \$6,388) as a result of investment income offset by \$1,700 transfer to the newly established Emergency Reserve Fund. The Operating Fund balance remained relatively unchanged as income mostly was offset by the \$607 transfer to the newly designated funds.

### Other items:

In June 2012, CSA received an unfavorable jury verdict with an approximately \$6 million award granted the plaintiff. CSA appealed the verdict. During 2014, a confidential settlement was reached with the plaintiff that dismisses the litigation and resolves all outstanding issues. CSA did not incur any substantial expense in relation to the settlement which was covered by CSA's various insurers.

CSA renewed its \$1 million bank line of credit effective December 31, 2014, and intends to increase the available bank line of credit to \$5 million with a renewal date on or about June 1, 2015. CSA also maintains a credit line with a financial institution that is the custodian for CSA's investment securities. The credit line is secured by the fair market value of securities that maintain a specific credit rating. No amounts of these credit lines were used during or at the end of the year.

CSA is currently a taxable entity under the current Federal and state tax regulations. It is the intent of CSA to file its 2014 tax returns as a quasi-governmental entity that is tax exempt for all or much of its income, if any. Based on this intent, no provision for income tax expense has been recorded for the year ended December 31, 2014. There were no tax expenses recorded for the year ended December 31, 2013 based on then available tax credit carryforwards that were utilized in the 2013 tax filings.



Community Services Associates, Inc.

# Balance Sheets

December 31, 2014 and 2013

(Dollars in '000's)

	2014	2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,297	\$ 2,008
Investments at fair market value	8,322	8,616
Receivables (less allowance for doubtful accounts of \$99 in 2013 and \$93 in 2014)	149	156
Prepaid expenses	39	57
Total current assets	12,807	10,837
<b>Property and equipment</b> (at cost, less accumulated depreciation of \$4,350 in 2014 and \$3,974 in 2013)	6,320	5,371
Total assets	<u>\$ 19,127</u>	<u>\$ 16,208</u>
<b>Liabilities and fund balances</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 412	\$ 266
Other accrued expenses	373	474
Deferred revenue	2,889	969
Total current liabilities	<u>3,674</u>	<u>1,709</u>
<b>Fund balances</b>		
Undesignated	6,758	6,715
Designated for capital replacement	8,695	7,784
Total fund balances	<u>15,453</u>	<u>14,499</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,127</u>	<u>\$ 16,208</u>

Community Services Associates, Inc.

# Statements of Revenues and Expenses

For the Years Ended December 31, 2014 and 2013

(Dollars in '000's)

	2014	2013
<b>Revenues</b>		
Residential property assessments	\$ 5,853	\$ 5,760
Grande Ocean Resort access fees	291	285
Sea Pines Resort, LLC assessments	197	198
Other business land owner assessments and fees	192	197
Commercial assessments and fees	680	680
Gate and annual entry permit fees	3,775	3,296
Total revenues	10,308	9,736
<b>Operating Expenses</b>		
General, administrative, and community center	2,171	1,883
Maintenance and sign shop, net	2,942	2,804
Safety and security	2,652	2,317
Major repair and replacement projects	1,322	1,136
Sea Pines Plantation trolley and maps, net	343	314
Depreciation	508	498
Total operating expenses	9,938	8,952
<b>Excess of Revenues Over Expenses From Operations</b>	370	784
<b>Other Income (Expense)</b>		
Investment income, net	311	257
Other comprehensive income (loss)	23	(164)
Other income (expense)	250	187
Total other income	\$ 584	\$ 280
<b>Total Income</b>	<b>\$ 954</b>	<b>\$ 1,064</b>



Community Services Associates, Inc.

# Statements of Cash Flows

For the Years Ended December 31, 2014 and 2013

(Dollars in '000's)

	2014	2013
<b>Cash Flows From Operating Activities</b>		
Total comprehensive income	\$ 954	\$ 1,064
Other comprehensive income (gain) loss	(23)	164
Excess of revenues over expenses	931	1,228
Adjustments to reconcile excess of revenues over expenses to cash provided by operating activities:		
Depreciation	508	498
Loss on disposal of equipment	(2)	28
Realized (gain) loss on investments	10	65
(Increase) decrease in current assets:		
Receivables	7	(40)
Prepaid expenses	18	212
Increase (decrease) in current liabilities:		
Accounts payable	146	(7)
Accrued expenses	(101)	(86)
Deferred revenue	1,920	(431)
Net cash provided by operating activities	3,437	1,461
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(4,902)	(6,164)
Proceeds from sales of investments	5,210	4,936
Proceeds from disposal of equipment	21	35
Acquisition of property and equipment	(1,477)	(924)
Net cash (used) for investing activities	(1,148)	(2,164)
Net (Decrease) in Cash and Cash Equivalents	2,289	(650)
Cash and Cash Equivalents at Beginning of Year	2,008	2,658
Cash and Cash Equivalents at End of Year	\$ 4,297	\$ 2,008

# Budget Comparisons

## 2014 Budget compared to 2014 Actual (\$ in 000's)

Actual revenues of \$10,308 compared favorably to budget by \$194 due to greater than budgeted gate entry fee permit revenue. Actual operating expenses exceeded budget by \$361, principally in maintenance (lagoon repairs and machinery maintenance), major repair and replacement projects (leisure trails repair and overlays, additional landscaping for Baynard Park, Tower Beach Park boardwalks, and conceptual design for the Forest Preserve) and general and administrative expense (payroll related) categories. Other income was favorable to budget due to new and unbudgeted revenues

from usage and locker rental of the Tower Beach Park pavilion.

## 2015 Budget compared to 2014 Actual (\$ in 000's)

The 2015 budget was approved by the Board in late November, 2014. Budgeted revenues of \$10,493 reflects an increase of \$185. The increase is derived from the 1.7% increase in residential property owner fees (\$101) and minor increases in the other revenue categories. Operating expenses are budgeted to increase \$700 (7%) from 2014. The increases are again spread across expense categories. Excluding depreciation and major repair and replacement projects, the budgeted expenses of \$8,629 are comprised of pay-

roll related costs of \$5,944 and \$2,685 of other operating expenses. Increase of payroll related expense is approximately 8% and is due mainly to additional workforce headcounts planned for 2015 (some of which is a carryover of added workforce in the second half of 2014.) The budgeted operating expense increase is approximately 4% and relates to planned expansion of maintenance and landscape scope of duties.

Major repair and replacement projects are budgeted at \$1,494, an increase of \$172 and is principally budgeted for road resurfacing (\$1,130.) All other projects are budgeted not to exceed \$100. The 2015 budget does not in-

	Budget 2014	Actual 2014	Budget 2015
<b>Revenue</b>			
Residential property assessments	\$5,854	\$5,853	\$5,954
Commercial assessments and fees	667	680	726
Gate entry permit fees	3,593	3,775	3,813
<b>Total Revenue</b>	<b>10,114</b>	<b>10,308</b>	<b>10,493</b>
<b>Expenses</b>			
Maintenance	2,850	2,942	3,240
Safety and security	2,639	2,652	2,793
General and administration	2,070	2,171	2,217
Major repair and replacement projects	1,128	1,322	1,494
Sea Pines Plantation trolley and maps, net	387	343	379
Depreciation	503	508	515
<b>Total Expenses</b>	<b>9,577</b>	<b>9,938</b>	<b>10,638</b>
Operating income loss	537	370	(145)
Investment income, net	317	311	310
Other comprehensive income (loss)	(87)	23	(114)
Other income, net	172	250	148
<b>Total Other Income</b>	<b>402</b>	<b>584</b>	<b>344</b>
<b>Total Comprehensive Income</b>	<b>\$ 939</b>	<b>\$ 954</b>	<b>\$ 199</b>
<b>Capital Expenditures</b>			
Tower Beach Park	822	833	-0-
CSA administration building	150	116	-0-
Vehicles and equipment replacements	443	528	709
<b>Total Capital Expenditures</b>	<b>\$1,415</b>	<b>\$1,477</b>	<b>\$ 709</b>



**Join us for the ASPPPO and CSA Annual Meetings on Friday, May 8th at Sea Pines Country Club from 3-5pm. A social will follow the meetings at 4pm.**

clude \$104 for projects approved and anticipated to have been completed in 2014. These projects have been or are now anticipated to be completed and expensed in 2015.

### A Word about Cash Flow

The Board, with the assistance of the Finance Committee, monitors it current assets (principally cash and investments) periodically throughout the year. Cash and investments are projected to the end of the year as each month's actual results of operations and capital expenditures are reported. The ability to make reasonable forecasts allows the Board to determine if available cash flow from

operations can be invested in additional unbudgeted but desired capital assets or major projects. A simple calculation can be used to approximate free cash flow, as follows:

2015 Budget	2014 Actual
Income, excluding comprehensive income	
\$313	\$931
Plus Depreciation Expense	
515	508
Less Budgeted Capital Expenditures	
(709)	(1,477)
Equals Free Cash flow	
\$119	\$ (38)
Another source of funds for major	

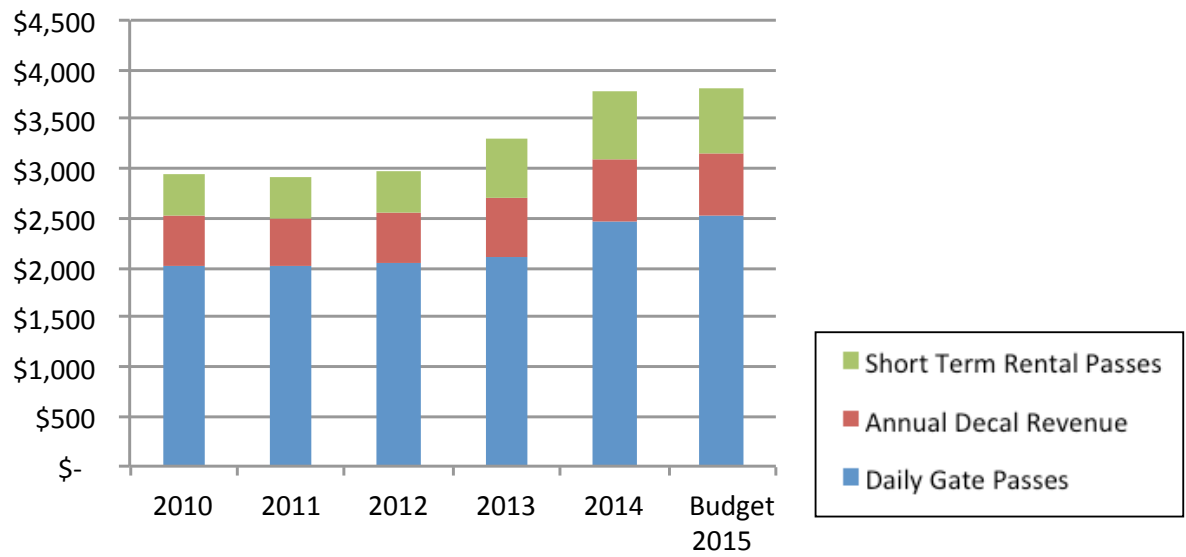
projects and capital expenditures is our existing Infrastructure Reserve Fund, and any Operating Fund and investments balances. CSA management will be undertaking an extensive and critical review of our ongoing operating and replacement reserve needs to determine what amounts, if any, may be available for future deployment in desired capital additions or initiation of major projects.

A copy of CSA's audited 2014 financial statements may be obtained by calling: (843) 671-1343 or by email: [Santonia@csaseapines.com](mailto:Santonia@csaseapines.com), or mailing: 175 Greenwood Drive, Hilton Head Island, SC 29928-4506



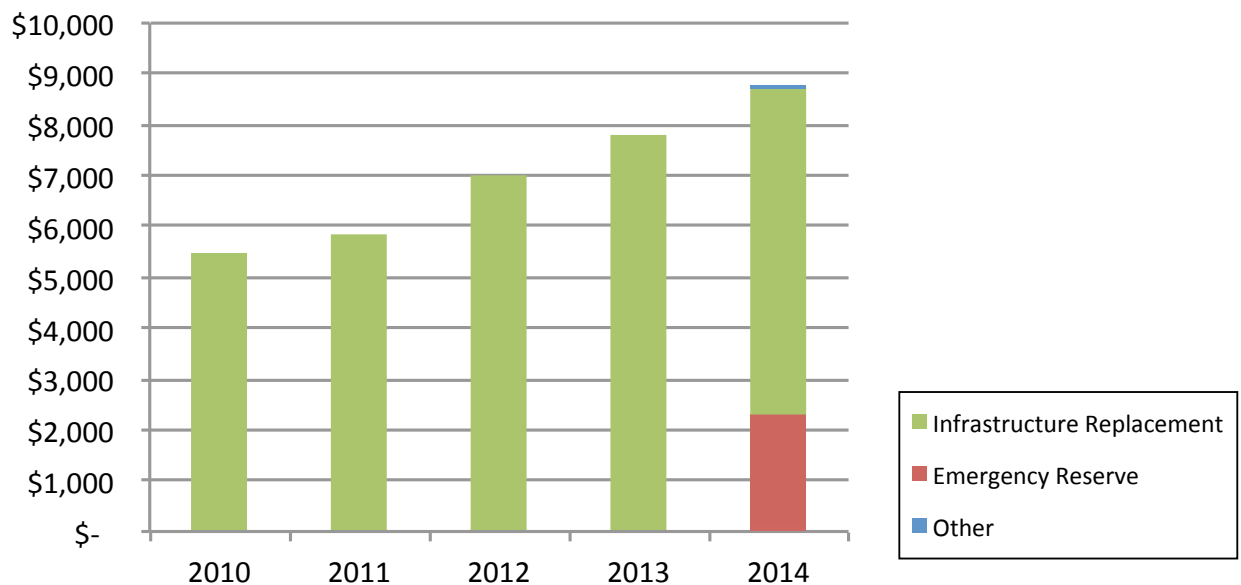
# Additional Information

Gate Entry Permits	2010	2011	2012	2013	2014	Budget 2015
Daily Gate Passes	\$ 2,017	\$ 2,012	\$ 2,060	\$ 2,123	\$ 2,481	\$ 2,534
Annual Decal Revenue	509	501	511	591	629	625
Short Term Rental Passes	425	417	407	602	665	654



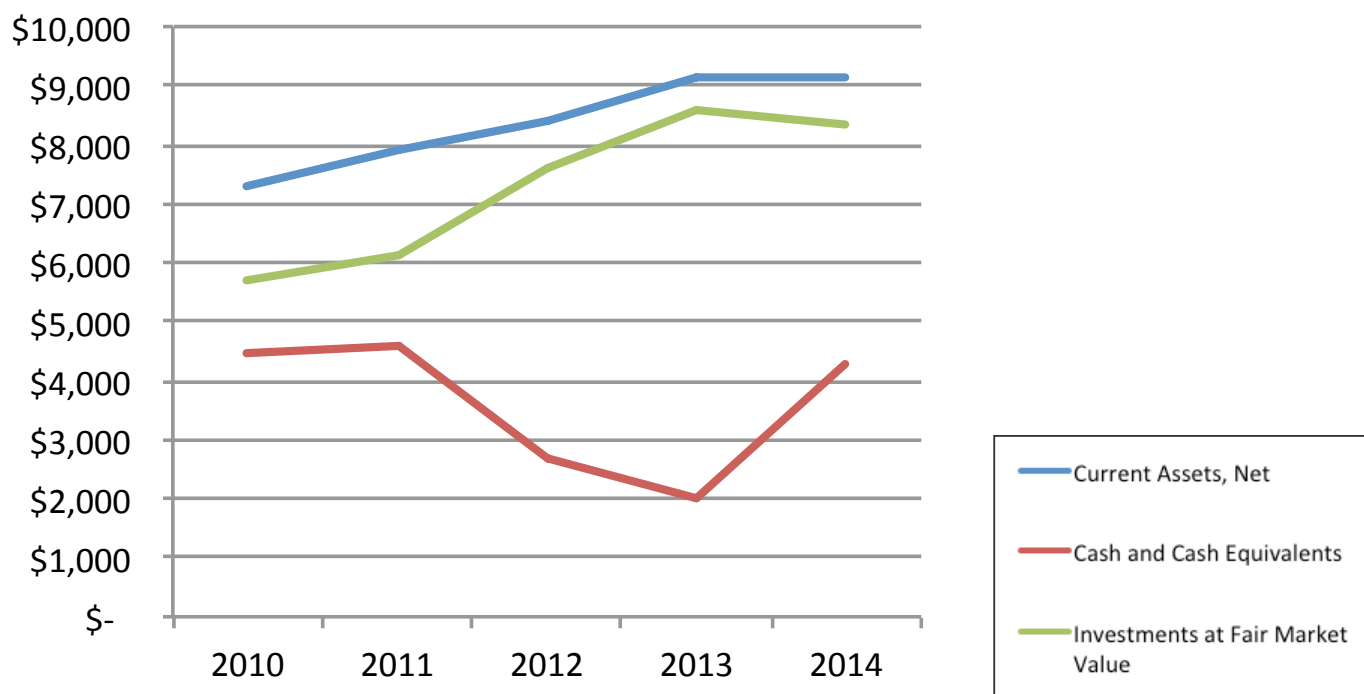
## Year End Designated Fund Balances

	2010	2011	2012	2013	2014
Other	\$ -	\$ -	\$ -	\$ -	107
Emergency Reserve	-	-	-	-	2,200
Infrastructure Replacement	5,462	5,869	7,010	7,784	6,388



# Additional Information

	2010	2011	2012	2013	2014
Current Assets, Net	\$7,266	\$7,902	\$8,427	\$9,128	\$9,133
Cash and Cash Equivalents	4,450	4,591	2,658	2,008	4,297
Investments at Fair Market Value	5,700	6,132	7,618	8,616	8,322



# Six Oaks Cemetery

## Six Oaks Cemetery Board and Sea Pines Forest Preserve Foundation Board 2014

Chairman – Charlie Ryan

Carolyn Adams    Rob Marsac  
Dave Borghesi    Don Sigmon

## Six Oaks Cemetery Advisory Committee 2014

Dave Borghesi  
Dr. Michael Fritz  
Betsy Kunkle  
Phil LoPresti  
Dr. Harry Maxon  
Kathy Wilcox  
Patty Zensinger

Expenses are incurred for general administration and marketing costs, burial expenses, landscape maintenance and required contribution to the Perpetual Care Trust Fund. In-

vestment income from the Perpetual Care Trust Fund may be transferred to the cemetery to offset the cost of maintenance; however, no such amounts were transferred in 2014.



Six Oaks Cemetery, Inc. is a 501(c)(13) not for profit corporation, created to operate and manage the Six Oaks Cemetery. Its board consists of five members, four who are the current officers of the CSA Board, plus one member who is appointed.

The cemetery is located off of Greenwood Drive, within a larger area of approximately 24 acres which includes the Six Oaks Park (portion of the original Lawton Plantation). The developed portion of the cemetery occupies 5.6 acres at the present time.

An Advisory Committee was created in 2011 to allow for a line of communication between cemetery owners and the board.

Revenues are derived principally from the sale of interment facilities.

Financial Summary	2014	2013
Total Assets	\$ 256,748	\$ 233,964
Checking/Savings	139,095	144,672
Account Receivable	19,531	33,150
Prepaid Insurance	2,255	-
Plots Inventory	62,330	65,582
Columbarium V	4,350	5,800
Columbarium VI	4,350	6,525
Shed & Office Equipment	3,507	3,507
Accumulated Depreciation	(2,838)	(2,488)
<u>Total Assets</u>	<u>\$ 232,580</u>	<u>\$ 256,748</u>
Total Liabilities	53,340	62,620
Net Assets	179,240	194,128
<u>Total Liabilities and Net Assets</u>	<u>\$ 232,580</u>	<u>\$ 256,748</u>
Support and Revenues	\$ 347,143	\$ 337,693
Expenses	361,488	330,477
<u>Change in Net Assets</u>	<u>\$ (14,345)</u>	<u>\$ 7,216</u>



# Sea Pines Forest Preserve Foundation

## Forest Preserve Committee Members 2014

Chairman – Ted Allenbach

Lauri Allenbach	Kimball
Rob Bender	Charlie Miner
Elizabeth Blackburn	James Smith
Ward Kirby	Andrew Summers
Rosemary	

The Sea Pines Forest Preserve Foundation is a 501(c)(3) non-profit organization that was established in 1993, with the major responsibility of ownership, maintenance and enhancement of the Wildlife Habitat Zone. Its board consists of five members who are the current officers of the CSA Board, plus one appointed member. The board established the Sea Pines Forest Pre-

serve Advisory Board to assist them in protecting and maintaining the ecosystem while encouraging outdoor recreation through careful development of Forest Preserve infrastructure. The Foundation is funded by an annual property owners' solicitation mailing, the sale of Forest Preserve calendars, T-shirts, hats, and "The Bonfire" and yard sale fund raising events.

The Sea Pines Forest Preserve Advisory Board continues to arrange and hold the annual yard sale and "The Bonfire" dinner and silent auction fundraiser. Both of these events bring the community together, are well attended and highly praised by residents who participate. A great way to have fun while supporting a good cause and raising funds for projects in the Preserve!

## Projects accomplished in 2014:

- Stocked catfish in Lake Joe to promote kid's fishing
- Stocked largemouth bass in Lake Mary to increase catch rates
- Conducted annual electrofishing survey of fish population
- Planted wildflower field
- Hosted 4th annual Community Yard Sale
- Hosted 4th annual "The Bonfire", our most successful to date
- Completed Phase I of sign redevelopment program
- Participated in concept development for improvement initiative
- Produced 2015 calendar
- 2014 annual contribution drive one of most successful ever – thank you!

## Financial Summary

	2014	2013
Checking/Savings	\$ 212,095	\$ 160,163
Certificates of Deposits - Restricted for Beach Land Conservancy	122,070	121,359
Land	62,300	62,300
Cart/Equipment	-	5,041
eCircuit Box/Line	19,151	19,151
Lake Pumps	16,385	16,385
Rice Field Boardwalk	69,850	69,850
Fishermans Point Dock	29,176	-
Fences	6,588	6,588
Accumulated Depreciation	(24,044)	(21,487)
Total Assets	\$ 513,571	\$ 439,350
Total Liabilities	14,199	5,189
Net Assets	499,372	434,161
Total Liabilities and Net Assets	\$ 513,571	\$ 439,350
Support and Revenues	\$ 181,011	\$ 156,272
Expenses	115,800	100,812
Change in Net Assets	\$ 65,211	\$ 55,460

# Association of Sea Pines Plant



# ntation Property Owners, Inc.



## ASPPPO 2014 Board Members

Dave Borghesi

Paul Crunkleton

Mark Griffith

Mike Jordan

Joe Kernan

Charlie Miner

Charles Ryan

Michael Tucker

Chris Widnell



From the President of ASPPPO  
Charlie Miner



Charlie Miner  
President of ASPPPO

## Fellow ASPPPO Members,

Some fifteen years ago my wife and I made what was for us, a major investment in Sea Pines Plantation. We bought a house, became South Carolina residents and committed to Sea Pines emotionally as our new permanent home. We had visited Hilton Head for many years, stayed with friends, enjoyed the beaches, biked the trails and dined at the many excellent restaurants. Sea Pines Plantation was clearly the best plantation on the island. I expect many of you had a similar experience.

When we moved here, we thought Sea Pines was the best value for both its residential property and its lifestyle. In my view, it still is and can be for years to come. But, it will require a thoughtful effort to maintain, enhance and protect our mutual home. That is where ASPPPO comes in. ASPPPO (Association of Sea Pines Plantation Property Owners) was created to represent the interests of residential property owners. Fortunately, we have excellent partners who share this view. Just look at the new Sea Pines Beach Club, Plantation

Club, Lawton Stables, Tower Beach, SIDA and there is much more yet to come. These are just a few of the amenities that underscore the value we all share. Working together, we can continue building that value and making Sea Pines the best place on the East Coast to live, work and visit.

We also face challenges. The Town of Hilton Head recently enacted a new Land Management Ordinance (LMO) and committed to a new college extension on Office Park Road. Both may have dramatic impact on an already difficult traffic problem at our main entrance.

Sea Pines is a major rental market with roughly sixty percent of our property owners being non-resident. This means thousands of seasonal visitors. It is important that they understand and adhere to our rules.

Accordingly, ASPPPO is working with our partner CSA to exert our combined influence on the Town. Our joint Short Term Rental Committee is working to see that our renters are also good neighbors. These and similar efforts will con-

stitute our agenda for 2015. We are here to represent your interests.

We are fortunate to have a capable new administration and a draft strategic plan to help guide our future. We welcome your thoughts and input as we work to communicate, refine and implement our vision. Our names and contact information are included in this report and our website. You can also speak to us directly at our Community Coffee on the first Wednesday of each month or at our board meetings which are open to the public. Sea Pines is a wonderful value proposition. Together we can build on this while we continue to enjoy life in this virtual paradise.

*Charles B. Miner*

Charlie Miner

# ASPPPO Annual Meeting Minutes

Tuesday, May 13, 2014

The Annual Meeting of the Association of Sea Pines Plantation Property Owners, Inc., was called to order at 3:00 p.m. in the Sea Pines Country Club located on Governors Road. President Mike Jordan presided and welcomed everyone to the meeting. He thanked the Sea Pines Country Club and their staff for hosting today's meeting.

## 1. Establish a Quorum

ASPPPO Secretary, Paul Crunkleton confirmed that those present in person or by proxy constituted a quorum for the transaction of business.

## 2. Approval of the May 14, 2013 Meeting Minutes

A motion was made to accept the minutes of the May 14, 2013 Annual Meeting as submitted in the annual report. The motion received a second and was unanimously passed.

## 3. Announcement of Nominating Committee Membership

As required by the ASPPPO By-laws, the ASPPPO Nominating Committee for 2014 was announced: President Mike Jordan, Paul Crunkleton and Charlie Miner.

Many property owners are very talented and possess an impressive background and President Jordan encouraged those who have an interest in serving their community to contact either staff or the ASPPPO Nominating Committee. The Nominating Committee plans on holding interviews this summer to identify property owners with the appropriate background to participate in the ASPPPO Board election held in the fall.

## 4. ASPPPO Board Members and Committees for 2014

The ASPPPO Board members, its officers and committees for 2014 were introduced:

### Newly Elected Board Members:

**Paul Crunkleton** – appointed to complete Ken Laurer's vacant seat  
**Mark Griffith**  
**Charlie Miner**  
**Michael Tucker**

### Officers:

<b>Vice-President</b>	Chris Widnell
<b>Treasurer</b>	Mark Griffith
<b>Secretary</b>	Paul Crunkleton

Each board member also serves on either a committee or sub-committee to address specific issues or goals determined by the full board and these were announced in conjunction with naming the members of the board:

**Mike Jordan** – ASPPPO President; Covenant Enforcement; Joint A ASPPPO/CSA Short Term Rental Committee

**Paul Crunkleton** – ARB Liaison; Waste and Recycling Committee; current Secretary

**Michael Tucker** – Head of CSA Search Committee to fill vacant CSA Executive VP position; Long Range Strategic Planning

**Mark Griffith** – Present Treasurer; CSA Landscape and Maintenance Chairman

**Dave Borghesi** – Former ASPPPO Treasurer; current CSA Treasurer

**Joe Kernan** – Traffic Issues; water treatment plant issues

**Charlie Ryan** – now CSA President

**Chris Widnell** – Density Units

**Charlie Miner** – Waste and Recycling Committee

## 5. Recognition of Outgoing ASPPPO Board Members –

President Jordan acknowledged Christine Beal who had completed her three-year term. She had served as ASPPPO's Secretary and on other various committees. He also thanked Bob Mang and Rob Marsac who had completed their terms. Rob Marsac had served as the former ASPPPO President and as a member of the CSA Board. Bob Mang served as an ASPPPO Board member and as CSA President for the last two years. Both had served on various committees. Rob Marsac and Bob Mang had inherited ASPPPO and CSA major problems during their tenure, but had handled them well.

## 6. Closing Remarks

ASPPPO's balance sheet reflects \$475,000 at year-end and remains financially sound. The board has made the utmost effort to be involved in concerns regarding the community and maintaining transparency with its members. It has also worked closely with the POA Presidents' group and obtained feedback that has proven beneficial to all.

Being a board member takes time-less effort and energy President Jordan thanked both former and present board members for their service to the community. He further thanked the staff at CSA for their support provided to ASPPPO during the year.

## 7. Adjournment

The annual meeting was adjourned at 3:20 p.m.

Respectfully submitted,

Paul Crunkleton  
Secretary

# ASPPPO Operations

## ARB Liaison

One of the responsibilities of the ASPPPO Board is to appoint two property owners to serve as full-members of the Sea Pines Architectural Review Board (ARB). Also, the Alternate ARB member is jointly appointed by both the ASPPPO and CSA Boards.

The ASPPPO President appointed ASPPPO Board member, Paul Crunkleton, as an ARB Liaison to attend the Sea Pines Architectural Review Board's (ARB) weekly meetings, every other week during 2014. The CSA ARB liaison attends the other alternate week's meeting. Mr. Crunkleton provided updates on current ARB issues during the ASPPPO Board meetings and helped to maintain an open line of communication between the two.

## Land Use Monitor

The purpose of the Land Use Monitor is to follow up on any complaints regarding unkempt yards and properties that are in violation of the Sea Pines covenants. The Land Use Monitor program was started in 2012; hired David Risk to fill this position and his role continues to prove very successful. ASPPPO President Mike Jordan worked closely with David Risk in 2014; Mr. Risk managed to stay under budget, resolve numerous complaints instead of beginning litigation which resulted in lower legal fees for ASPPPO.

## Report of the Joint CSA/ASPPPO Short Term Rental Committee

### 2014 Committee Members

Co-Chairman – Mike Jordan

Co-Chairman – Beverly Serral

Carolyn Adams

Karl Becker

Tom Cope

Bob Hawkins

Eberle Smith

The Short Term Rental Committee, initiated in 2014, is a joint committee of CSA and ASPPPO and is co-chaired by Beverly Serral (CSA) and Mike Jordan (ASPPPO). The committee arose first as a task force in 2013 as a result of owner concerns regarding the proliferation of vacation rental properties and the lack of education on the subject—as regards both vacationers and rental homeowners. The committee developed an updated list of rental guest guidelines and printed the list for distribution to all Sea Pines rental guests. Approximately 25,000 of these brochures were distributed to vacationers in 2014 via independent rental firms, along with vehicle passes in the instance of owner direct rentals, and as consistent verbiage in the Sea Pines Resort literature. This concerted effort has had a positive educational effect and will be contin-

ued—and will eventually morph more technologically advanced methods of communication such as a mobile app.

For 2015 and beyond the goal is even more educational outreach. One program being researched is a seasonal roving ambassador-type program of staffers who will regularly patrol the most often visited vacation neighbourhoods on the hunt for not only such offenses as poor parking choices and unsightliness of bikes and towels, but also to pro-actively assist vacationers and homeowners with needs and questions. This should alleviate strain on Security and allow that department to focus on true matters of safety.

Note to any owner considering offering up your home or villa for vacation rental via VRBO or any other internet site and coordinating your own rentals: Please begin by contacting Bruce Perry at 843-671-7277 (843-671-PASS) for a complete primer on all things renting—from ordering guest vehicle passes to guest guidelines, owner responsibilities and more.

As the rental “season” lengthens beyond summer and guest numbers increase annually, it is important that we all strive for peaceful co-existence and positive experiences. The committee welcomes your comments and suggestions at [rentalcomments@seapinesinfo.com](mailto:rentalcomments@seapinesinfo.com)



# 2014 ASPPPO Financial Statements

## Financial Summary for the Association of Sea Pines Plantation Property Owners, Inc.

ASPPPO's net assets increased \$18 (thousand) or 4% during 2014 primarily due to \$133 of revenue less \$96 of program services less \$15 of support services less \$4 unrealized investment holding loss.

Membership dues for 2014 represented 77% of eligible Sea Pines property owners. Membership is voluntary and dues were based on \$30 dollars for an owner of a family dwelling unit or

\$15 dollars for an owner of a residential lot. Owners with more than one Sea Pines property only pay dues based on one of the properties.

Total revenue for investment income during 2014 was \$5 thousand more than the prior year due to investments purchased early in the year with slightly higher interest rates.

Total expenses for program and support services during 2014 were \$3 thousand more than the prior year primarily due to increases of insurance premium expense.

ASPPPO's 2015 budget plan includes a \$7 thousand (5%) increase in net assets due to \$133 thousand of revenue less \$109 thousand of program services expenses which include increases for an owner survey, website upgrade, covenant enforcement actions, professional and legal fees, and less \$17 thousand of support services expenses.

## ASPPPO 2015 Budgeted Activities and Changes in Net Assets

### 2015 Revenue budget

(In '000's)

Membership dues	\$ 117	88.0%
License plate income	1	0.7%
Newsletter ad fees	3	2.3%
Investment income, net	12	9%
Total budgeted revenue	133	100.0%

### 2015 Expense budget

Program services	109	82%
Supporting services	17	12.8%
Total budgeted expenses	126	94.8%

### Budgeted increase of net assets

\$ 7	5.2%
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ASPPPO, Inc.

# Statements of Activities and Changes in Net Assets

For the Years Ended December 31, 2014 and 2013

(Unaudited Dollars In '000s)

	2014	2013
<b>Support and Revenue</b>		
Membership dues	\$ 117	\$ 117
License plate income	1	1
Newsletter advertising fees	2	3
Interest income and realized gain on investments, net	13	8
Total support and revenue	<u>133</u>	<u>129</u>
<b>Expenses</b>		
Program services:		
Postage and printing	46	45
Land use monitor	20	20
Insurance	13	11
Annual and open meetings	6	5
Consulting	5	5
Property cleanup & miscellaneous net cost	1	3
Legal fees	3	2
License plate & miscellaneous costs	2	2
Total program services	<u>96</u>	<u>93</u>
Support services:		
Accounting and ballott certification fees	2	2
CSA service fee	8	8
Facilities Usage	4	4
Telephone	1	1
Total support services	<u>15</u>	<u>15</u>
Total expenses	<u>111</u>	<u>108</u>
Change in net assets	22	21
Other comprehensive unrealized holding gain (loss) for investments	(4)	(8)
<b>Net Assets at Beginning of Year</b>	<u>476</u>	<u>463</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 494</u></u>	<u><u>\$ 476</u></u>

ASPPPO, Inc.

# Statements of Financial Position

For the Period Ending December 31, 2014 and 2013

(Unaudited Dollars In '000s)

	2013	2012
<b>ASSETS</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 96	\$ 106
Investments	477	454
Prepaid expenses	9	8
<b>Total assets</b>	<b>\$ 562</b>	<b>\$ 568</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Advances by CSA	\$ 4	\$ 6
Membership dues received in advance	84	86
<b>Total Liabilities</b>	<b>88</b>	<b>92</b>
<b>Net Assets</b>		
Unrestricted	511	488
Accumulated other comprehensive investment gain (loss)	(17)	(12)
Unrestricted net assets	494	476
<b>Total liabilities and net assets</b>	<b>\$ 582</b>	<b>\$ 568</b>

ASPPPO, Inc.

# Statements of Cash Flows

For the Period Ending December 31, 2014 and 2013  
(Unaudited Dollars In '000s)

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 22	\$ 21
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities: (Increase) decrease in:		
Prepaid expenses	(1)	(2)
Increase (decrease) in:		
Advances by CSA	(2)	-
Membership dues received in advance	(2)	3
	<hr/>	<hr/>
Net cash provided (used) by operating activities	17	22
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Proceeds from redemption of marketable securities investments	48	188
Purchases of marketable securities investments	(75)	(314)
Net cash provided (used) by investing activities	(27)	(126)
	<hr/>	<hr/>
Net cash provided (used) by financing activities	-	-
	<hr/>	<hr/>
Net increase (decrease) in cash	(10)	(104)
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	106	210
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ 96</b>	<b>\$ 106</b>
	<hr/>	<hr/>



## Notes

