



SEAPINES

C O M M U N I T Y

CSA



2015 ANNUAL REPORTS

Communi



Community Services Associates, Inc.



CSA 2015 Board Members

Mark Griffith*
Chairman

David Borghesi *	Carolyn Adams*
Paul Crunkelton	Steve Birdwell
Joe Kernan	Cary Corbitt
Charles Miner	Scott Richardson
Michael Tucker *	Mark King
Richard Speer	Don Sigmon*
Beverly Serral	John Trunck
James Richardson Jr.	Mark Yarbrough

* Executive Committee Member

CSA Annual Meeting Minutes

May 8, 2015

1. Call to Order

CSA Board Chairman, Mark Griffith, called the 2015 Annual Meeting of Community Services Associates, Inc., to order at 3:16 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 13, 2014 Annual Meeting Minutes

A motion was made to accept the minutes of the May 13, 2014, 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 - Chairman Griffith named the following Chairmen and members of the 2015 Nominating Committees to select candidates for the Class A Residential and Class B Commercial open positions for the CSA Board.

I. Residential - Class A:

Mark Griffith - Chairman
Bob Mang
Richard Speer
Michael Tucker
Charles Miner

II. Commercial – Class B:

Mark King - Chairman
Don Sigmon
Cary Corbitt

He encouraged persons interested in serving on the Board to submit their resume to the Nominating Committee by August 1, 2015, and reviewed the election process for 2015.

b. Nomination of Candidates by Petition – Chairman Griffith 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 – Each of the directors who had completed their term in 2014 were recognized for their service during their tenure: Rob Marsac, Charlie Ryan and recently deceased Chris Widnell. Charlie Ryan had served as Chairmen of the CSA Board in 2014.

b. Introduction of Board Members – The seventeen members of the CSA Board for 2015 were introduced and recognized. The residential members are: David Borghesi, Paul Crunkleton, Mark Griffith, Joe Kernan, Charles Miner, James Richardson Jr., Beverly Serral, Richard Speer, and Michael Tucker. James Richardson Jr., Beverly Serral and Richard Speer were newly elected in 2015 and the officers of the Board for 2015 are: Mark Griffith as Chairman; Michael Tucker as Vice Chairman; David Borghesi as Treasurer and Carolyn Adams as Secretary.

The commercial members are: Mark King, Don Sigmon, John Trunck and Mark Yarbrough. Carolyn Adams, Steve Birdwell, Cary Corbitt and Scott Richardson are the members appointed by The Sea Pines Resort.

c. Recognition of CSA Standing Committees – The purpose of committees is to make recommendations to the board on how to address Board's goals and to meet the needs of the community. The following committees and chairman for 2015 were announced:

Communications..... Mark Griffith
Executive Committee Mark Griffith
Finance Committee David Borghesi/Richard Speer
Gate Entry Committee Cary Corbitt
Joint CSA/ASPPPO Short Term Rental Committee..... Beverly Serral/ Mike Jordan
Maintenance, Enhancements and Major Projects James Richardson Jr.
Safety and Security Committee Michael Tucker
The Task Forces and Sub-committees formed for 2015 and their Chairmen are:
ARB Liaison James Richardson Jr.
Communications/Trolley Marketing Mark King
Communications/Commercial..... Mark Yarbrough
Communications/Strategic Planning Michael Tucker
Forest Preserve Advisory Charles Miner/Ted Allenbach
Governance/By-laws Richard Speer
Governance/Covenants..... Richard Speer
Governance/Nominations..... Richard Speer
Government Liaison..... Scott Richardson
Greenwood Gate Reconfiguration Michael Tucker
Legal Affairs Task Force Mark Griffith
Joint Traffic Task Force Joe Kernan
Six Oaks Advisory David Borghesi

d. Board Actions Overview – Mr. Griffith listed the goals the CSA Board had approved for 2015 at their February CSA Board meeting. The Board is well on its way to completing many of its goals for 2015. Mr. Griffith noted these were not in order of their priority:

- Complete and accept the Long Range Strategic Plan for CSA.
- Complete CSA's reserve study to determine if we have funds available for needed improvements and if there are any excess funds for new projects.
- Engage professional assistance to develop a resident data management system and survey program.
- Survey our residents to determine their appetite for and priority for major investments incorporated in the Long Range Strategic Plan.
- Evaluate our gate functionality and develop a plan to improve gate access.
- Improve condition and maintenance of our waterways and lagoons.
- 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.
- Work with the Town to improve the Sea Pines Circle and the corridor reaching from the circle to the Sea Pines main gate.
- Analyze and develop a strategy to return Six Oaks Cemetery to a sound financial position.

6. CSA President Report

CSA President, Bret Martin, said that CSA is in the process of developing an operating plan for 2015 and future years based on CSA's needs and by incorporating key components of the Long Range Strategic Plan based on property owners' preferences.

CSA has been working on several aspects of the plan. A key component is the development of a five-year financial plan with a reserve policy. CSA has been working to update its reserve study so it can be determined what its current and future operational needs are to ensure these funds are available. Once this has been determined it will be presented to the Finance Committee and CSA Board for approval. These will then be incorporated into our short and long-term business plans.

Future initiatives and components of the Long Range Strategic Plan will then be incorporated into the business plan. Some portions of the Long Range Strategic Plan do not require major capital funding and all these items will have to be prioritized. To make sure we have prioritized these items correctly, an outside firm has been retained to develop a communications process or system to help us poll or obtain preferences from all property owners. The purpose is to develop and house a database of property owner profiles and internet surveys to provide evidence or rationalization for future planning based on property owners' preferences. This project is also another way to improve our communications with property owners, something that CSA has been struggling with to accomplish. He then turned the meeting over to CSA's Treasurer, Mr. Borghesi.

7. Financial Overview

Mr. Borghesi, CSA Treasurer, said the audited Financial Statements for 2014 and 2013 have been completed and have been given a "clean" report by the outside auditing firm of Elliott Davis Decosimo. Copies were available at the meeting and upon request.

Mr. Borghesi summarized the essence of the audited statements which was included in the Annual Report for 2014 and recommended property owners view that financial section. It contained a comparative balance sheet; statement of income, expenses and cash flows. The annual report also includes a discussion and analysis of changes in financial position and results of operations. The report also includes commentary on the 2015 budgeted revenue and expenses in comparison to the 2014 budget and actual results.

He then guided property owners through the three different visual graphs of the annual report that depicted the following areas: Gate Entry Fees; Current Assets and Cash, and Fund Balance. Mr. Borghesi noted that most important, was the blue line of the Current Assets, less current liabilities-graph, which reflects the financial strength and flexibility for a property owners' association which is at 87% of annual revenues and demonstrates that CSA is well-positioned in both attributes.

Mr. Borghesi updated property owners on the three ongoing projects the Finance Committee is addressing:

- (1.) **CSA's Tax Liability** - Prior to 2013, CSA reported to the Internal Revenue Service ("IRS") as a for-profit organization. During 2014 it was determined that CSA could file as a tax-exempt organization because they operate as a quasi-governmental entity. Therefore, CSA has filed an application with the IRS to be recognized as a tax-exempt association. CSA believes their application will be accepted and will file a Form 990 for the 2014 calendar year.
- (2.) **Reserve Funds** – As part of its Reserve Study, CSA determined that an emergency reserve fund should have \$2.2 million in available funds. The reserve for replacement of major assets is still being determined.
- (3.) **Investments** – The Investment Sub-committee and Finance Committee presented a recommendation to the CSA Board on ways to improve how CSA invests its funds in both the Operating and Designated accounts. The CSA Board approved their recommendation at their October 2014 Board meeting.

Mr. Borghesi then presented 4 different graphs on CSA investments. They reflected the principles now used in making investments, the types of investments held, their fair market value and the laddering effect based on the maturity dates of investments held.

Mr. Borghesi asked for any questions to be directed to him either by contacting him personally or through email.

8. Closing Statement

No further closing statements were made.

9. Adjournment

The annual meeting was adjourned at 3:36 p.m.

Respectfully submitted,
Carolyn Adams
Secretary

2015 CSA Committees

The purpose of committees is to make recommendations to the board on how to address the Board's goals and to meet the needs of the community. We'd like to take a moment to thank all the members of each of our standing committees. For a complete list of accomplishments made in 2015 from each committee, please visit www.seapinesliving.com/2015annualreport

Landscape and Maintenance Committee

Will advise the CSA Board to exercise its oversight responsibilities regarding maintenance and major repairs and replacement, enhancements and capital projects for CSA consistent with CSA policies, goals, objectives and guidelines.

2015 Committee Members Chairman - James Richardson Jr.

Cary Corbitt	Mike Lawrence
Susan Allenhusen	John Parsons
Paul Crunkleton	Truitt Rabun
John Griffin	Don Sigmon
Kim Hall	Ron Taylor

Gate Entry Committee

Will advise the CSA Board to exercise its oversight responsibility concerning Sea Pines Gate Entry Policy and associated budgeting for Gate Entry revenue and expenditures. The committee will gather, evaluate and present data to support recommendations to the Board consistent with CSA policies, goals, objectives and guidelines for ensuring Sea Pines is a premier private residential community.

2015 Committee Members Chairman - Cary Corbitt

Mark Griffith	Steve Birdwell
Bob Mang	Bob Gossett
Charles Miner	Mark King
Michael Tucker	John Trunck

Safety and Security Committee

Will advise the CSA Board to exercise its oversight responsibilities regarding safety and security concerns for: operations and planning; gathering and evaluation of data to support safety and security decisions in consistency with CSA policies, goals, objectives and guidelines.

2015 Committee Members Chairman - Michael Tucker

Rob Marsac	Jim Lee
Steve Alfred	Eberle Smith
Bob Gossett	Doug Wolter
Angie Greenfield	Mark Griffith



Finance Committee

Will advise the CSA Board to exercise its oversight responsibilities regarding CSA finances, accounting, tax reporting, budgeting, financial risk management and financial reporting consistent with CSA policies, goals, objectives and guidelines.

2015 Committee Members

Chairman - David Borghesi
Co-chair - Richard Speer

Carolyn Adams	Lee McCollum
Neil Funnell	Rob Marsac
Jeff Herriman	Michael Tucker
Lisa Laudermilch	Ray Warco

Joint ASPPPO and CSA Short Term Rental Committee

Will advise the CSA Board and ASPPPO Board in exercising their responsibilities to enforce the Covenants and other rules and regulations governing the short term rental of residential property within Sea Pines.

2015 Committee Members

Co-chair - Mike Jordan
Co-chair - Beverly Serral

Carolyn Adams	Bob Hawkins
Karl Becker	Becky Pardue
Tom Cope	Eberle Smith
Dan Westerbeck	

Governance Committee

Will advise the CSA Board with respect to CSA By-Laws; CSA Director nomination and election process; new Board Member orientation; work with Sea Pines Company management ("Resort") on future covenant modifications; and development of Leadership Program to support CSA initiatives and provide develop an ongoing source of CSA Committee and Board members.

2015 Committee Members

Chairman - Richard Speer

David Borghesi	Michael Tucker
Mark Griffith	Steve Birdwell
Bob Mang	Mark King
Charles Miner	

Communications Committee

The committee will identify ways to improve communications and create greater community awareness of CSA operations and achievements. This committee will serve as a conduit between the various committee chairs and the community at large; helping communicate the goals, actions and accomplishments of all Sea Pines committees.

2015 Committee Members

Chairman - Mark Griffith

David Borghesi	Richard Speer
Charles Miner	Michael Tucker
James Richardson Jr.	Cary Corbitt
Beverly Serral	



Financial Summary for Community Services Associates, Inc.

2015 Revenues (\$ in '000's)

CSA revenues of \$10,601 increased by \$293 (or 2.85%) compared to 2014. This increase is comprised of three components. Residential assessments increased \$98 resulting from a 1.7% rate increase as allowed by Sea Pines covenants. Commercial assessments and fees increased by \$30 due to increased commercial activity. Gate and annual entry permit revenues increased \$165 (or 4.35%) due to the \$1 increase in daily gate passes being effective for the entire year versus nine months in the previous year.

2015 Expenses (\$ in '000's)

Operating expenses of \$10,319 increased by \$381 (or 3.84%) due to across the board increases in all categories of expense. The increases were consistent with anticipated spending in accordance with the 2015 budget.

Other Income (net of expenses) produced \$494. CSA realized a net gain of \$51 on the disposal of fixed assets. Realized investment income increased \$11 to \$322 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.

2015 Year-End Financial Position (\$ in '000's)

The 2015 year-end cash and cash equivalent balances of \$4,129 decreased by \$168 over the prior year end. 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 \$9,028 at December 31, 2015, a decrease of \$105.

Capital expenditures amounted to \$1,439 during 2015. These expenditures included the purchase of a new tub grinder (\$785), a front loader (\$178) and for additions and replacements of vehicles and equipment (\$476).

Fixed asset balances increased from the prior year by \$881, which resulted from the aforementioned capital expenditures, net of depreciation expense of \$524 and book value of disposed equipment.

Fund balances increased by the \$776, or the amount of Comprehensive Income. In November of 2014, 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. During 2015, the Board increased the balance of this fund by \$300 to \$2,500. In relation to the Board's adoption of a daily gate pass fee increase of \$1 during 2014 (and beyond) 20% of the increase is designated for future costs related to dredge permitting and water quality testing, and 20% for trolley operations. The combined amounts of these two designated funds, net of costs incurred, is \$213. The Infrastructure Replacement Fund balance decreased by \$103 (from \$6,388 to \$6,285) as a result of investment income offset by \$300 transfer to the Emergency Reserve Fund. The Operating Fund balance increased by \$473 to \$7,231. This represents the portion of comprehensive income not related to capital replacement and specific operations, as described above.

Other Information

CSA increased the available bank line of credit to \$5 million during 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 has received approval, effective August 3, 2015, from the Internal Revenue Service to be recognized as a tax-exempt organization under IRS Code Section 501(c)(4), a quasi-governmental entity that is tax exempt for all or much of its income, if any. CSA filed Form 990 for the year ended December 31, 2014 and will do so for 2015. Therefore, no provision for income tax expense has been recorded for the year ended December 31, 2015.

CSA received an updated infrastructure reserve study in January 2013 and has updated the information for transactions through 2015. The current estimated replacement cost of components of common property that have limited and predictable useful lives is approximately \$35 million. CSA has contracted with a reserve study specialist to provide a new infrastructure reserve study.

Community Services Associates, Inc.

Balance Sheets

December 31, 2015 and 2014

(Dollars in '000's)

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,129	\$ 4,297
Investments at fair value	9,246	8,322
Accounts Receivable, net of Reserve for Bad Debts of \$79 and \$93, respectively.	213	149
Prepaid Expenses	23	39
Total Current Assets	13,611	12,807
Property and Equipment		
Property and equipment, (net of accumulated depreciation of \$4,247 and \$4,294, respectively)	7,201	6,320
TOTAL ASSETS	\$ 20,812	\$ 19,127
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts Payable	\$ 983	\$ 412
Accrued Payroll and Related Benefits	405	373
Deferred revenue	3,195	2,889
TOTAL CURRENT LIABILITIES	4,583	3,674
Fund Balances		
Undesignated	7,231	6,758
Designated	8,998	8,695
Total Fund Balances	16,229	15,453
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,812	\$ 19,127

Community Services Associates, Inc.

Statements of Revenues and Expenses

For the Years Ended December 31, 2015 and 2014

(Dollars in '000's)

	2015	2014
OPERATING REVENUES		
Residential Assessments	\$ 5,951	\$ 5,853
Other Property Owner Assessments		
Grande Ocean Resort access fees	296	291
Sea Pines Resort, LLC assessments	207	197
Other business owner assessments and fees	207	192
Total Other Property Owner Assessments	710	680
Gate Entry and Permit Fees	3,940	3,775
Total Operating Revenue	10,601	10,308
OPERATING EXPENDITURES		
Maintenance Department, net	2,891	2,881
Safety, Security and Trolley Operations, net	2,977	2,995
General Administration	2,255	2,040
Facilities	257	192
Depreciation	524	508
Major Repairs and Replacements	1,415	1,322
Total Operating Expenditures	10,319	9,938
Excess of Revenues over Expenditures from Operations	282	370
OTHER INCOME		
Investment Income, net	322	311
Other Income	281	250
Other Comprehensive Income (Loss)	(109)	23
Total Other Income	494	584
COMPREHENSIVE INCOME	\$ 776	\$ 954

Community Services Associates, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

(Dollars in '000's)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Total Income	\$ 776	\$ 954
Other Comprehensive Income (Loss)	109	(23)
Excess of Revenues over Expenditures	885	931
Adjustments to reconcile excess revenues over expenditures to net cash provided by operating activities:		
Depreciation	524	508
Loss (Gain) on disposal of equipment	(51)	(2)
Realized (gain) loss on investments	6	10
(Increase) decrease in current assets:		
Receivables	(64)	7
Prepaid expenses	17	18
Increase (decrease) in current liabilities:		
Accounts payable	571	146
Accrued expenses	32	(101)
Deferred revenue	306	1,920
Net Cash Provided by Operating Activities	2,226	3,437
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(7,148)	(4,902)
Proceeds from redemption of investments	6,108	5,210
Proceeds from disposal of equipment	85	21
Acquisition of property and equipment	(1,439)	(1,477)
Net Cash (Used) by Investing Activities	(2,394)	(1,148)
Net Increase (Decrease) in Cash and Cash Equivalents	(168)	2,289
Cash and Cash Equivalents, beginning of year	4,297	2,008
Cash and Cash Equivalents, end of year	\$ 4,129	\$ 4,297

Budget Comparisons

2015 Budget compared to 2015 actual results

Actual revenues of \$10,601 compared favorably to budget by \$108 due to greater than budgeted gate entry and permit revenue. Actual operating expenses were under budget by \$320, principally due to position vacancies in both maintenance and security. Other income was favorable to budget due to improved investment income, gain on disposals of fixed assets and no provision for federal or state income tax expense.

2016 Budget compared to 2015 actual results

The 2016 budget was approved by the Board in November of 2015. Budgeted revenues of \$10,615 reflects an increase of \$14. The increase is derived from the 0.26% increase in residential property owner fees (\$18) and minor changes in the other revenue categories. Operating expenses are budgeted to increase \$1,310 (13%) over 2015 actual operating expenditures. The increases are principally in the maintenance department (\$498 or 18%) for planned expansion of landscape and plantation maintenance operations; in the safety and security department (\$187 or 7%) for planned

enhancement of patrol and safety operations. Excluding depreciation and major repair and replacement projects, the budgeted expenses of \$9,277 are comprised of payroll related costs of \$6,150 and \$3,127 of other operating expenses. Increase of payroll related expense is approximately 4% and is due mainly to additional workforce headcounts planned for 2016 (some of which is a carryover of added workforce in the second half of 2015.)

Major repair and replacement projects are budgeted at \$1,671, an increase of \$256 and is principally budgeted for road resurfacing (\$302), Fraser Circle reconfiguration (\$320) and stormwater drainage repairs, replacements and infrastructure study (\$546). All other projects are budgeted not to exceed \$100.

In addition to major repairs and replacements, \$515 has been budgeted for capital expenditures, principally for vehicle replacements (\$291), hydroseeder (\$37), information technology equipment (\$43), maintenance equipment (\$63), safety and security equipment (\$49) and HVAC replacements (\$20).

	Budget 2015	Actual 2015	Budget 2016
(Dollars in '000's)			
OPERATING REVENUES			
Residential Assessments	\$ 5,954	\$ 5,951	\$ 5,969
Commercial Property Assessments and Fees	726	710	722
Gate Entry and Permit Fees	3,813	3,940	3,924
Total Operating Revenue	10,493	10,601	10,615
OPERATING EXPENDITURES			
Maintenance Department, net	3,133	2,891	3,389
Safety, Security and Trolley Operations, net	3,173	2,977	3,164
General Administration	2,057	2,255	2,414
Facilities	267	257	310
Depreciation	515	524	681
Major Repairs and Replacements	1,494	1,415	1,671
Total Operating Expenditures	10,639	10,319	11,629
Excess of Revenues over Expenditures from Operations	(146)	282	(1,014)
OTHER INCOME			
Investment Income, net	310	322	186
Other Income	148	281	251
Other Comprehensive Income (Loss)	(114)	(109)	-
Total Other Income	344	494	437
REVENUES OVER EXPENDITURES	\$ 198	\$ 776	\$ (577)



Join us for the ASPPPO and CSA Annual Meetings on Monday May 9th, 2016 at the Sea Pines Country Club from 3-5 pm. A social will follow the meetings at 4 pm.

Cash Flow

The Board, with the assistance of the Finance Committee, monitors its 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 operating cash flow, as follows:

	2016 Budget	2015 Actual
Income (loss), excluding comprehensive income	\$ (577)	\$ 885
Plus Depreciation Expense	681	524
Less Capital Expenditures	(515)	(1,439)
Equals Operating Cash Flow	\$ (411)	\$ (30)

The 2016 budget anticipates the use of capital reserve assets to fund the deficit cash flow. A source of funds for major projects and capital expenditures is our existing Infrastructure Reserve Fund and their related investment balances. CSA management is currently undertaking an extensive and critical review of our ongoing operating and replacement reserve needs to determine what amounts, if any, may be

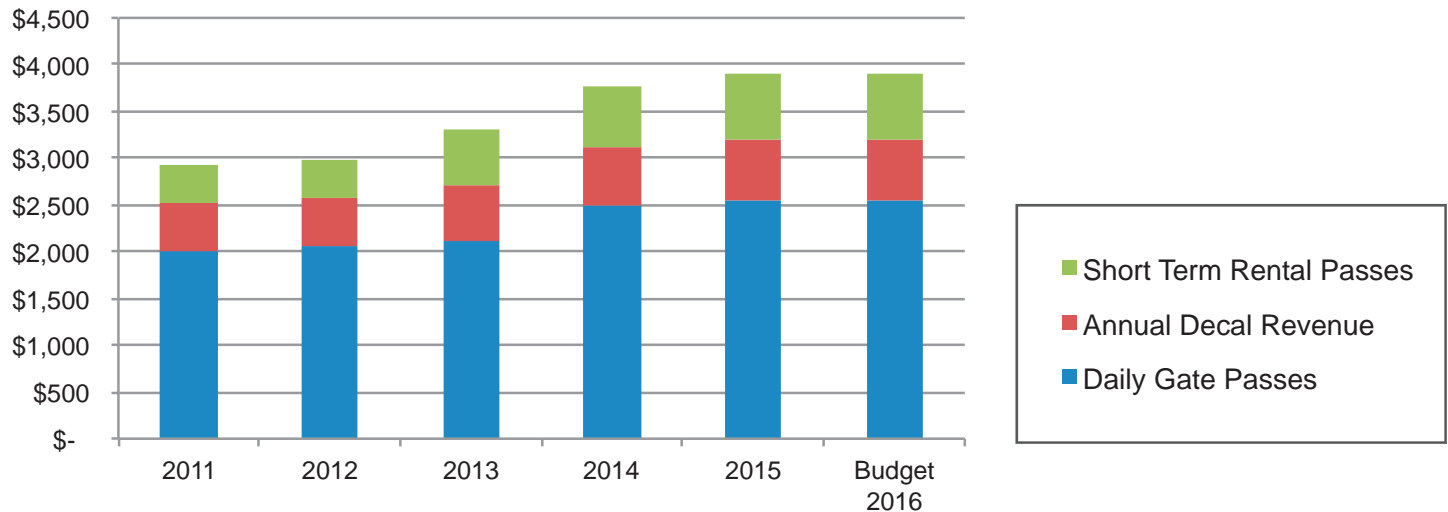
available for future deployment in desired capital additions or for the initiation of other major projects.

A copy of CSA's audited 2015 financial statements may be obtained by calling: (843) 671-1343 or by email: Santonia@csaseapines.com, or mailing: 175 Greenwood Drive, Hilton Head Island, SC 29928-4506

Additional Information

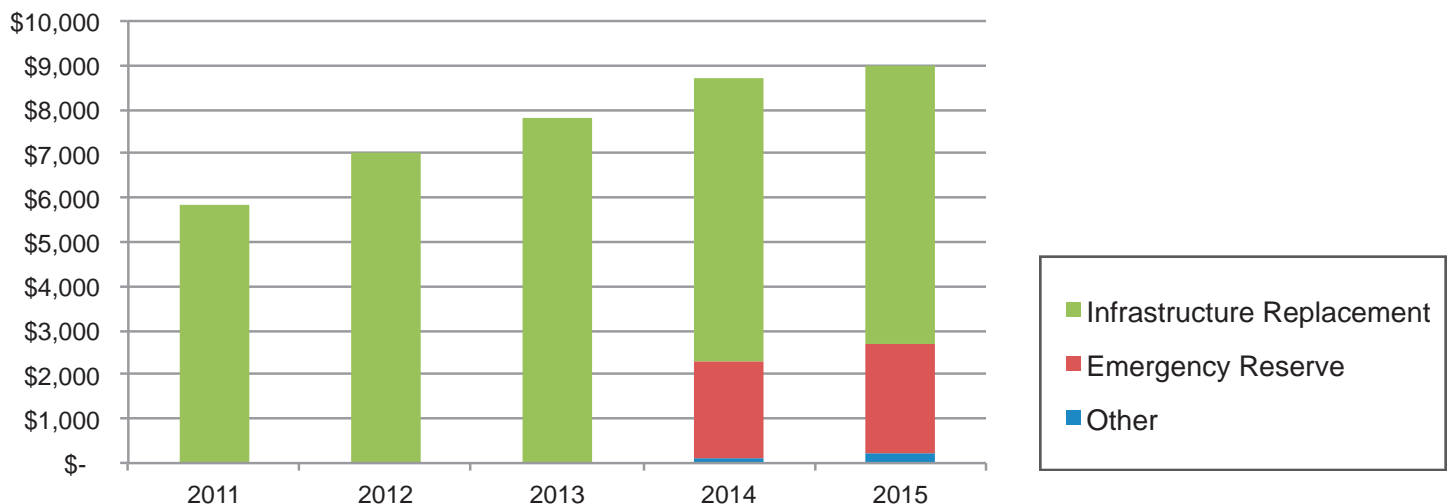
Gate Entry Permits

	2011	2012	2013	2014	2015	Budget 2016
Daily Gate Passes	\$ 2,012	\$ 2,060	\$ 2,123	\$ 2,481	\$ 2,554	\$ 2,552
Annual Decal Revenue	501	511	591	629	636	635
Short Term Rental Passes	417	407	602	665	719	705



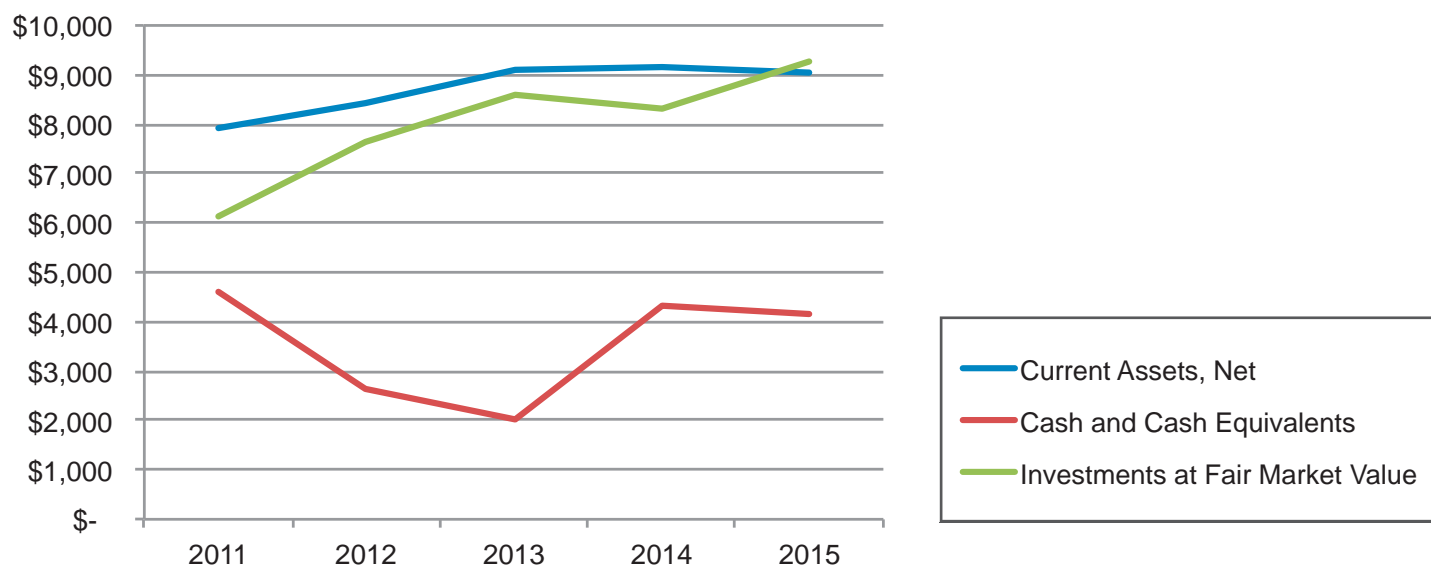
Year End Designated Fund Balances

	2011	2012	2013	2014	2015
Other	\$ -	\$ -	\$ -	\$ 107	\$ 213
Emergency Reserve	-	-	-	2,200	2,500
Infrastructure Replacement	5,869	7,010	7,784	6,388	6,285



Additional Information

	2011	2012	2013	2014	2015
Current Assets, Net	\$ 7,902	\$ 8,427	\$ 9,128	\$ 9,133	\$ 9,028
Cash and Cash Equivalents	4,591	2,658	2,008	4,297	4,129
Investments at Fair Market Value	6,132	7,618	8,616	8,322	9,246



Six Oaks Cemetery



Six Oaks Cemetery Trustees 2015

Chairman - Mark Griffith
 Vice Chairman - Michael Tucker
 David Borghesi - Treasurer
 Carolyn Adams - Secretary
 Don Sigmon - Appointed Member

Six Oaks Cemetery Advisory Committee 2015

David Borghesi Dr. Harry Maxson
 Dr. Michael Fritz Kathy Wilcox
 Betsy Kunkle Patty Zensinger
 Phil LoPresti

Six Oaks Cemetery, Inc. is a 501(c)(3) 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, across the street from the CSA building. Six Oaks is Hilton Head's only full service, public, perpetual care cemetery.

For additional information and to review the 2015 accomplishments please visit www.SeaPinesLiving.com/2015AnnualReport

Six Oaks Cemetery, Inc.

Financial Summary	2015	2014
Checking/Savings	\$ 228,696	\$ 139,095
Account Receivable	32,613	19,531
Prepaid Insurance	33,000	2,255
Plots Inventory	42,700	62,330
Columbarium V	2,900	4,350
Columbarium VI	3,625	4,350
Shed & Office Equipment	3,507	3,507
Accumulated Depreciation	(3,189)	(2,838)
Total Assets	<u>\$ 343,852</u>	<u>\$ 232,580</u>
Total Liabilities	<u>108,477</u>	<u>53,340</u>
Net Assets	<u>235,375</u>	<u>179,240</u>
Total Liabilities and Net Assets	<u>\$ 343,852</u>	<u>\$ 232,580</u>
Support and Revenues	\$ 468,186	\$ 347,143
Expenses	<u>412,051</u>	<u>361,488</u>
Change in Net Assets	<u>\$ 56,135</u>	<u>\$ (14,345)</u>

Sea Pines Forest Preserve Foundation



Sea Pines Forest Preserve Foundation Trustees 2015

Chairman - Mark Griffith
Vice Chairman - Michael Tucker
David Borghesi - Treasurer
Carolyn Adams - Secretary
Don Sigmon - Appointed Member

Sea Pines Forest Preserve Advisory Committee 2015

Chairman - Ted Allenbach
Lauri Allenbach Ward Kirby
Rob Bender Charles Miner
Elizabeth Blackburn Scott Richardson
Rosemary Kimball James Smith

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 four members who are the current officers of the CSA Board, plus one appointed member. The board established the Sea Pines Forest Preserve Advisory Committee 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, "The Bonfire", the "Party in the Pines" and yard sale fund raising events.

For additional information and to review the 2015 accomplishments please visit www.SeaPinesLiving.com/2015AnnualReport

Sea Pines Forest Preserve Foundation, Inc.

Financial Summary

	2015	2014
Total Assets	\$ 563,924	\$ 513,571
Total Liabilities	11,935	14,199
Net Assets	551,989	499,372
Total Liabilities and Net Assets	\$ 563,924	\$ 513,571
Support and Revenues	\$ 184,606	\$ 181,010
Expenses	131,989	115,799
Change in Net Assets	\$ 52,617	\$ 65,211

Association of Sea Pines



Plantation Property Owners, Inc.



ASPPPO 2015 Board Members

Charles Miner
ASPPPO President

David Borghesi

Michael Tucker

Mark Griffith

James Richardson Jr.

Mike Jordan

Richard Speer

Joe Kernan

Dan Westerbeck

ASPPPO Annual Meeting Minutes

May 8, 2015

1. Call to Order

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 Charles Miner presided and welcomed everyone to the meeting. He thanked the Sea Pines Country Club and their staff for hosting today's meeting.

2. Establish a Quorum

ASPPPO Secretary, Dan Westerbeck, confirmed that those present in person (245) or by proxy (1,225) constituted a quorum for the transaction of business.

3. Approval of the May 13, 2014 Meeting Minutes

A motion was made to accept the minutes of the May 13, 2014, Annual Meeting as submitted in the annual report. The motion received a second and was unanimously passed.

4. Approval of the Proposed ASPPPO By-law Amendments

Included in the proxy mailing were three proposed amendments to the ASPPPO By-laws. President Miner asked for a motion to approve the amendments as presented in the mailing. A motion was made, seconded and was unanimously passed.

5. Announcement of Nominating Committee Membership

As required by the ASPPPO By-laws, the ASPPPO Nominating Committee for 2015 was announced: President, Charles Miner, and ASPPPO Board members Mike Jordan and Michael Tucker.

6. Introduction of ASPPPO Board Members

The ASPPPO Board members were announced in order of seniority, those in attendance were asked to stand:

Third year: David Borghesi | Mike Jordan | Joe Kernan

Second year: Mark Griffith | Charles Miner | Michael Tucker

The newly elected Board Members in 2015 are:
James Richardson, Jr. | Richard Speer | Dan Westerbeck

The newly appointed ASPPPO members to the ARB were also announced. The ASPPPO Board appoints two full-time members of the Architectural Review Board, each of whom serves a three-year term. One Alternate member is jointly appointed by ASPPPO and CSA and serves a one-year term.

Kathy Wilcox was appointed to replace Julie Nelander who had completed her three-year term and Charlie Hyer was appointed to replace Joe Alexander who had moved from Sea Pines. Terry Rosser, who previously served as the Alternate member, was jointly appointed again by both boards to serve for 2015.

7. Recognition of Outgoing ASPPPO Board Members

President Miner acknowledged the Board members who had completed their three-year terms on December 31, 2014, and thanked them for their service: Paul Crunkleton, Charlie Ryan and recently deceased, Chris Widnell.

8. ASPPPO Board Update

President Miner said that Sea Pines is at a critical juncture and we are seeing drastic changes within the community. On the positive side, The Sea Pines Resort has made a significant investment in its facilities and we are experiencing an upswing in the real estate market.

Sea Pines has an extensive amount of covenants that were created by the developer and form the backbone of how Sea Pines operates, however, some of these are outdated. ASPPPO's role is to represent the residential properties in these covenants and is critical to the community which has just about reached build-out and it is a much different organization from 20-30 years ago.

The ASPPPO organization is vital in addressing some issues that have recently arisen and developed committees to deal with them.

One of these issues is the increase of short-term rentals within residential areas. Mike Jordan is co-chairman and represents ASPPPO on the Joint ASPPPO and CSA Short Term Rental Committee. That committee's goals include increasing the awareness of Sea Pines' rules, regulations and covenants to renters and how to be good neighbors while enjoying their visit.

The Town of Hilton Head recently changed its zoning ordinance which allows more density units per acre and greatly affects the flow of traffic for Sea Pines. A Joint ASPPPO and CSA Traffic Task Force was created to address the areas that affect Sea Pines and ASPPPO Board member Joe Kernan is a member of that Task Force. Joe was also appointed to sit on the Town of Hilton Head's newly formed Circle to Circle Committee. This committee was formed by the Town to address current and future traffic issues on the south end of the island.

Michael Tucker heads up the Land Use Monitor group who are looking at ways to ensure that residential properties, both developed and undeveloped, are properly maintained. A new set of guidelines is being created for the Land Use Monitor to follow. The goal is to have guidelines that are more objective and enforceable.

These are just a few of the things ASPPPO is doing on behalf of the residential residents. The ASPPPO Board consists of property owner volunteers who give their time and effort to ensure Sea Pines remains to be the viable community in the future as it has been historically. He encouraged property owners with a positive attitude and interested in serving the community to join the ASPPPO Board.

9. Adjournment

The annual meeting was adjourned at 3:15 p.m.

Respectfully submitted,

Dan Westerbeck
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, James Richardson Jr., to act as the ARB Liaison to attend the Sea Pines Architectural Review Board's (ARB) weekly meetings, during 2015. Mr. Richardson 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. Mr. Risk's activities generated additional revenues for the ARB in prompting contractors to secure permits and pay fees for work which they had not registered with the ARB. Mr. Risk managed to stay under budget, resolve numerous complaints instead of beginning litigation which resulted in lower legal fees for ASPPPO.

2015 ASPPPO Financial Statements

Financial Summary for the Association of Sea Pines Plantation Property Owners, Inc. (in \$'000's)

ASPPPO's net assets decreased by \$81 or 17% during 2015 due to \$123 of revenue less \$204 of program services less \$11 unrealized investment holding loss.

Membership dues for 2015 represented 77.3% of eligible Sea Pines property owners. Membership is voluntary and dues were based on \$30 for an owner of a family dwelling unit or \$15 for an owner of a residential lot. Owners with more than one property in Sea Pines pay dues based on one of the properties.

Total revenue from investments during 2015 was \$2 less than the prior year due to investments being redeemed during the year to help fund increased support services.

Total expenses for program services during 2015 were \$93 more than the prior year primarily due to increased legal and professional fees incurred as the result of negotiations with the Sea Pines Resort regarding possible revisions to the covenants.

ASPPPO's 2016 budget plan includes a \$86 (or 21%) decrease in net assets due to \$130 of revenue less \$212 of support services less \$4 investment bond premium amortization. Support services include covenant enforcement actions, legal and professional fees and referendum expenditures.

ASPPPO Budgeted Activities and Changes In Net Assets

2016 Budgeted Revenue	(in '000's)	
Membership dues	\$ 115	91.3%
License plate income	1	0.8%
Investment income, net	10	7.9%
Total Budgeted Revenue	126	100%
2016 Budgeted Expenditures		
Program services	212	168.3%
Total Budgeted Expenditures	212	168.3%
Budgeted Decrease in Net Assets	\$ (86)	-68.3%

Statements of Activities and Changes in Net Assets

Years Ended December 31, 2015 and 2014

(Dollars in '000's)

	2015	2014
REVENUE AND SUPPORT		
Membership dues	\$ 115	\$ 117
License plate income	1	1
Newsletter advertising fees	3	2
Investment income	4	13
Total Revenue and Support	123	133
EXPENDITURES		
Program Services		
Postage and printing	33	46
Land use monitor	21	20
Insurance	14	13
Annual and open meetings	6	6
Consulting	8	5
Property cleanup and miscellaneous net costs	1	1
Legal fees	104	3
License plates and miscellaneous costs	-	2
Total Program Services	187	96
Support Services		
Accounting and ballot certification fees	3	2
CSA service fee	9	8
Facilities usage	4	4
Telephone	1	1
Total Support Services	17	15
Total Expenditures	204	111
CHANGE IN NET ASSETS	(81)	22
Other Comprehensive Income (Loss)	-	(4)
NET ASSETS AT BEGINNING OF YEAR	494	476
NET ASSETS AT END OF YEAR	\$ 413	\$ 494

Statements of Financial Position

December 31, 2015 and 2014

(Dollars in '000's)

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 118	\$ 96
Investments	398	477
Prepaid Expenses	16	9
TOTAL ASSETS	<u>\$ 532</u>	<u>\$ 582</u>
LIABILITIES AND NET ASSETS		
Advances by CSA	\$ 35	\$ 4
Membership dues received in advance	84	84
Total Liabilities	<u>119</u>	<u>88</u>
NET ASSETS		
Undesignated	430	511
Accumulated other comprehensive income (loss)	(17)	(17)
Total Fund Balances	<u>413</u>	<u>494</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 532</u>	<u>\$ 582</u>

Statements of Cash Flows

Years Ended December 31, 2015 and 2014

(Dollars in '000's)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (81)	\$ 22
Adjustments to reconcile excess revenues over expenditures to cash provided by operating activities: (Increase) decrease in current assets:		
Prepaid expenses	(7)	(1)
Increase (decrease) in current liabilities:		
Advances by CSA	31	(2)
Membership dues received in advance	-	(2)
Net Cash Provided (Used) by Operating Activities	(57)	17
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(75)
Proceeds from redemption of investments	79	48
Net Cash Provided (Used) by Investing Activities	79	(27)
Net Increase (Decrease) in Cash and Cash Equivalents	22	(10)
Cash and Cash Equivalents, beginning of year	96	106
Cash and Cash Equivalents, end of year	\$ 118	\$ 96

NOTES

NOTES

NOTES

SEAPINES

175 Greenwood Drive
Hilton Head Island, SC 29928

PRSRT FIRST CLASS
U.S. POSTAGE
PAID
HILTON HEAD, SC
PERMIT NO. 260

