

**Sylvan Shores Property Owners Association
Annual Meeting Minutes
September 3, 2016**

Call to Order: President Joel Linker called the annual meeting of the Sylvan Shores Property Owners Association to order at 10:35 am.

Roll call- All Board members in attendance: Joel Linker-President, Polly Brown-V. Pres, Betsy Berglund-Treasurer, Ann Dibb-Secretary, Terry Chacos, Judy Fricke, Joan Morphew

Reading of the minutes of the previous meeting: Ann made a motion to approve the 2015 meeting minutes. Seconded. There was no discussion. Motion carried.

Reports of the Officers:

Secretary report: Ann Dibb read the secretary report. (see appendix)

Treasurer report: Betsy Berglund read the treasurer report. The 2015 balance sheet, 2015 Profit and Loss budget vs actual, and 2016 balance sheets were reviewed. It was noted that the 2015 Profit and loss Budget vs Actual has a \$1900 income error as a results of manual journal entries in QuickBooks. Betsy to work with the bookkeeper to ensure it is corrected. (See appendix for full Financials and report)

President report: Joel Linker read the president report (see appendix)

Reports of the Committees

- a. Financial Committee Betsy Berglund read the Financial Committee Report(see appendix)
- b. Architectural Committee. Terry Chacos read the Architectural Committee Report (see appendix)
- c. Entertainment Committee. Polly Brown reported. Road side clean up took place on April 16 with 10-12 volunteers. Sundaes on Saturday occurred June 11th, serving 30-40. A meal for a small cost and potluck will be held after the annual meeting. Next activity is December 3rd.

Photo contest results:

- 1st place: Betsy Berglund
 - 2nd place Bruce Dibb
 - 3rd place: Mary Linker
- d. Bylaws and Covenants Committee. Judy Fricke read the Bylaw and Covenants report (see appendix)

Unfinished Business – no unfinished business

New Business- no new business

Member participation:

- Roger Donovan- Recommendation to eliminate the code of ethic policy for the Board as they are not being followed.
- Joe Marte: Expressed concern regarding the leaf and brush pile by the community center which has gotten very large and in need of removal or burning. Large tree stumps have been placed there. The burn pile was moved to the community center in early 2015 to be close to a water source.
- Neil Grover: Expressed concern regarding maintenance neglect.
- Kathy Wipperling: This Board has had to prioritize differently than other boards and expressed appreciation.

Election of Directors: Dennis Wipperling Election Committee chair announced the results of the election. 1520 ballots were distributed. 379 ballots returned. There were no duplicate ballots. 746 votes were cast. There were 32 ineligible or spoiled ballots. With two open positions Melissa Hurd and Patrick Fiscus are elected as Board members. Election committee included Monica Chacos, Joyce Kasey, Carol Kolladge and Judy Marte.

- Melissa Hurd – 219
- Patrick Fiscus 215
- Keith Bexell 172
- Sean O’Conner 140

Announcement of the next Annual Meeting date, September 2, 2017

Adjournment Betsy motioned to adjourn. Seconded. Meeting adjourned at 11:45 a.m.

Submitted by

Ann Dibb, Secretary

10:33 AM
 08/28/16
 Accrual Basis

Sylvan Shores Property Owners Association
Balance Sheet
 As of December 31, 2015

	<u>Dec 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1015 · 105 Cash on Hand	
1015.1 · Durand petty cash	500.00
1015 · 105 Cash on Hand - Other	<u>95.72</u>
Total 1015 · 105 Cash on Hand	595.72
1000 · 111 Unity Bank Central	7,498.86
1050 · 115 State Farm 93120	25,404.42
1041 · 116 State Farm 80581	25,675.67
1060 · 117 State Farm 72774	25,675.67
1055 · 118 State Farm 64930	25,675.67
1020 · 123 Operating Expense Fund	171,617.51
1040 · 124 Annuity	<u>13,659.05</u>
Total Checking/Savings	295,802.57
Accounts Receivable	
1105 · Allowance for Doubtful Accounts	-76,000.00
1100 · Assessments Receivable	<u>186,719.26</u>
Total Accounts Receivable	110,719.26
Other Current Assets	
1350 · Prepaid Gas	2,031.10
1301 · Prepays - CG	234.15
1300 · Prepays	<u>5,332.85</u>
Total Other Current Assets	7,598.10
Total Current Assets	414,119.93
Fixed Assets	
1425 · Accum Depr - Campground	-38,252.75
1405 · PPE - Campground	39,252.75
1400 · Property-Plant-Equip - Operatin	383,342.20
1410 · Land - All	43,919.74
1420 · Accumulated Depreciation	<u>-236,711.62</u>
Total Fixed Assets	191,540.32
TOTAL ASSETS	<u><u>605,660.25</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable - Campground	49.40
2000 · Accounts Payable	<u>1,080.70</u>
Total Accounts Payable	1,130.10
Other Current Liabilities	
2100 · Prepaid Owner Assessments	556.44
2010 · Sales Tax Payable	690.00
2015 · Payroll Tax Payable	266.98
348 State tax W/H	5.00
350 Accrued UC Taxes	<u>194.97</u>
Total Other Current Liabilities	1,913.39
Total Current Liabilities	3,043.49
Total Liabilities	3,043.49
Equity	
3515 · Transfer to Campground	-6,066.51
3360 · Transfer from Operating	6,066.51
3100 · Reserve Fund Balance	88,742.86
3502 · Fund Balance Operating	497,795.36
3300 · Fund Balance Campground	9,637.05
Net Income	<u>6,441.69</u>
Total Equity	602,616.76
TOTAL LIABILITIES & EQUITY	<u><u>605,660.25</u></u>

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08/30/16

Cash Basis

Sylvan Shores Property Owners Association
Profit & Loss Budget vs. Actual
 January through December 2015

	Jan - Dec 15	Budget
Ordinary Income/Expense		
Income		
4510 - Interest - Replacement	-412.99	
4000.1 - 1510 Assessment Income	136,827.84	187,325.00
4505 - 1520 Interest Income	3,173.60	400.00
4100 - 1550 Swimming fees	1,485.09	1,500.00
4200 - 1570 Social Income	1,348.08	1,400.00
4410 - 1580 Other income	1,253.03	1,300.00
4001 - 2510 SSPOA CG Assessments	675.00	675.00
4420 - 2513 Camping income	5,424.91	8,300.00
4700 - 2514 Day Camping	3,833.29	0.00
4730 - 2517 Seasonal Parking	1,125.00	0.00
4005 - 2530 Assessment Refunds - CG	36,950.00	
Total Income	169,722.85	180,500.00
Expense		
9140 - Asphalt Repairs/Replacement	10,950.00	
5930 - Bad Debts	34,093.53	
5001 - 1618 Salaries Bldg. O & C	1,448.00	
5000 - 1619 Employee Benefits & compen	1,515.00	3,400.00
5002 - 1620 Salaries-office	23,003.91	30,912.00
5004 - 1621 Salaries-pool attendants	4,488.02	4,345.00
5006 - 1622 Salaries Maintenance	3,144.41	4,525.00
5008 - 1623 Salaries grounds	3,257.55	4,000.00
5010 - 1624 Salaries cleaning	2,420.64	4,750.00
5012 - 1626 Payroll taxes	3,255.75	4,500.00
5016 - 1660 Professional fees	11,649.58	10,000.00
5570 - 1745 Repairs & Maint. general	4,707.41	5,000.00
5572 - 1746 Repairs & Maint. buildings	1,191.15	
5300 - 1748 Repairs & Maint. grounds	32.15	
1749 Repairs & Maint. pool	10.00	
5650 - 1750 Repairs & Maint pools	4,112.15	3,500.00
5660 - 1751 Repairs & Maintenance-Spec	0.00	15,000.00
5950 - 1770 Depreciation	15,795.14	
5955 - 1794 Property Taxes	10,682.00	11,631.00
5960 - 1795 SSPOA Lot Assessments	5,970.00	5,970.00
5020 - 1801 Insurance	10,086.55	10,620.00
5110 - 1810 Utilities	10,193.20	12,400.00
5800 - 1820 office expense	4,945.73	5,555.00
5810 - 1822 Credit Card Expense	1,010.32	1,350.00
5840 - 1824 operating supplies	2,787.35	4,500.00
5820 - 1830 Telephone	3,837.05	3,420.00
5822 - 1855 Annual Mtg.-Administration	1,547.71	1,650.00
5824 - 1860 Advertising & Newsletter	3,846.54	4,000.00
5826 - 1865 Committee expense	98.27	1,200.00
5580 - 1870 Gasoline expense	442.90	500.00
5828 - 1880 Social Activity	994.26	700.00
5830 - 1882 Travel	832.86	1,500.00
5831 - 1885 Corporate Income Tax	0.00	400.00
5832 - 1890 Misc.	87.05	150.00
5585 - 1895 Property Clean Up	181.07	2,000.00
2619 Employee Benefits & compen	0.00	100.00
6004 - 2620 Salaries - office	3,140.00	2,455.00
6008 - 2622 Salaries - Maintenance	1,055.13	1,000.00
6012 - 2623 Salaries - grounds	1,304.55	1,000.00
6014 - 2624 Salaries - cleaning	0.00	50.00
6016 - 2626 Payroll Taxes	463.83	500.00
6030 - 2745 Repairs & Maint. general	2,343.55	1,000.00
6032 - 2747 Repairs & Maint. equipment	249.63	
6040 - 2770 Depreciation - CG	273.10	
6044 - 2794 Property Taxes	1,618.00	1,710.00
6048 - 2795 SSPOA CG Lot Assessments	675.00	675.00
6050 - 2801 Insurance	577.17	600.00
6054 - 2810 Utilities	2,277.40	1,800.00
6060 - 2820 Office Expense	35.00	35.00
6064 - 2822 Credit Card Expense	151.71	50.00
6068 - 2824 Operating supplies	2,112.54	1,500.00
6072 - 2830 Telephone	121.30	210.00
6076 - 2870 Gasoline	221.45	250.00
6080 - 2882 Travel	66.85	240.00
Total Expense	199,077.00	171,328.00
Net Ordinary Income	-6,354.15	9,574.00
Net Income	-9,354.15	9,574.00

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 Accrual Basis

Sylvan Shores Property Owners Association
Balance Sheet
 As of June 30, 2016

	Jun 30, 16
ASSETS	
Current Assets	
Checking/Savings	
1015 - 105 Cash on Hand	180.33
1000 - 111 Unity Bank Central	13,934.00
1050 - 115 State Farm 93120	25,977.17
1041 - 116 State Farm 80581	25,949.81
1060 - 117 State Farm 72774	25,949.81
1055 - 118 State Farm 54930	25,949.81
1020 - 123 Operating Expense Fund	241,630.07
1040 - 124 Annuity	13,859.05
Total Checking/Savings	373,180.10
Accounts Receivable	
1105 - Allowance for Doubtful Accounts	-78,000.00
1100 - Assessments Receivable	247,163.30
Total Accounts Receivable	171,163.30
Other Current Assets	
1350 - Prepaid Gas	2,031.10
1301 - Prepaids - CG	234.15
1300 - Prepaids	5,332.85
1200 - Undeposited Funds	100.00
Total Other Current Assets	7,698.10
Total Current Assets	552,021.50
Fixed Assets	
1425 - Accum Depr - Campground	-33,282.75
1405 - PPE - Campground	39,252.75
1400 - Property-Plant-Equip - Operatin	333,342.20
1410 - Land - All	43,919.74
1420 - Accumulated Depreciation	-238,711.62
Total Fixed Assets	191,540.32
TOTAL ASSETS	743,561.82
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 - Accounts Payable - Campground	49.40
2000 - Accounts Payable	1,080.70
Total Accounts Payable	1,130.10
Other Current Liabilities	
2100 - Prepaid Owner Assessments	558.44
Total Other Current Liabilities	558.44
Total Current Liabilities	1,688.54
Total Liabilities	1,688.54
Equity	
3515 - Transfer to Campground	-8,068.51
3360 - Transfer from Operating	8,068.51
3100 - Reserve Fund Balance	83,742.66
3502 - Fund Balance Operating	497,796.38
3300 - Fund Balance Campground	9,837.05
3900 - Retained Earnings	8,441.69
Net Income	139,258.52
Total Equity	741,875.28
TOTAL LIABILITIES & EQUITY	743,561.82

Sylvan Shores Property Owners Association
Profit & Loss Budget vs. Actual
 January through June 2016

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 08/30/16
 Cash Basis

	Campground		Operating		TOTAL	
	Jan - Jun 16	Budget	Jan - Jun 16	Budget	Jan - Jun 16	Budget
Ordinary Income/Expense						
Income						
4000 - Assessments Billed	0.00		140,843.96		140,843.96	0.00
4300 - 1585 Sale of Equipment/Other	0.00		1,800.00		1,800.00	0.00
4000.1 - 1510 Assessment Income	0.00	84,999.98	0.00		0.00	84,999.98
4505 - 1520 Interest Income	0.00	1,250.02	1,337.73		1,337.73	1,250.02
4100 - 1550 Swimming fees						
4101 - Candy, chips	0.00		23.00		23.00	0.00
4102 - Paddle boat rental	0.00		2.00		2.00	0.00
4100 - 1550 Swimming fees - Other	0.00	750.00	154.00		154.00	750.00
Total 4100 - 1550 Swimming fees	0.00	750.00	179.00		179.00	750.00
4200 - 1570 Social Income	0.00		0.00		0.00	650.02
4410 - 1590 Other Income						
4410.1 - Property transfer forms	0.00		40.00		40.00	0.00
4410.2 - Permit fees	0.00		125.00		125.00	0.00
4410.3 - Property for Sale Books	0.00		111.00		111.00	0.00
4410.4 - Ping Pong balls	0.00		14.50		14.50	0.00
4410.5 - Pop Machine Income	0.00		168.30		168.30	0.00
4410 - 1590 Other Income - Other	0.00	500.02	2,122.54		2,122.54	500.02
Total 4410 - 1590 Other Income	0.00	500.02	2,581.34		2,581.34	500.02
4001 - 2510 SSPOA CG Assessments	0.00	675.00	0.00		0.00	675.00
4420 - 2513 Camping Income	9,340.00	2,499.98	0.00		9,340.00	2,499.98
4700 - 2514 Day Camping	794.00	1,500.00	0.00		794.00	1,500.00
4730 - 2517 Seasonal Parking	0.00	500.02	0.00		0.00	500.02
4430 - 2590 Other Income - CG	109.16		0.00		109.16	0.00
Total Income	10,243.16	5,175.00	146,742.03	88,150.04	156,985.19	93,325.04
Expense						
5001 - 1618 Salaries Bldg. O & C	0.00	999.98	1,520.00		1,520.00	999.98
5002 - 1620 Salaries-office	0.00	15,000.00	5,069.50		5,069.50	15,000.00
5004 - 1621 Salaries-pool attendants	0.00	2,400.00	60.00		60.00	2,400.00
5006 - 1622 Salaries Maintenance	0.00	2,000.02	1,812.50		1,812.50	2,000.02
5008 - 1623 Salaries grounds	0.00	1,749.98	847.50		847.50	1,749.98
5010 - 1624 Salaries cleaning	0.00	2,000.02	97.50		97.50	2,000.02
5011 - 1625 Salaries Pool Tech	0.00		752.50		752.50	0.00
5012 - 1626 Payroll taxes	0.00	2,000.02	572.28		572.28	2,000.02
5016 - 1660 Professional fees						
5016.1 - Audit Fees	0.00		3,080.00		3,080.00	0.00
5016.2 - Webmaster	0.00		722.50		722.50	0.00
5016.4 - Legal Fees	0.00		1,410.00		1,410.00	0.00
5016.5 - Management fees	0.00	9,999.98	3,000.00		3,000.00	0.00
5016 - 1660 Professional fees - Other	0.00		645.00		645.00	9,999.98
Total 5016 - 1660 Professional fees	0.00	9,999.98	8,857.50	9,999.98	8,857.50	9,999.98

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08/30/16
Cash Basis

**Sylvan Shores Property Owners Association
Profit & Loss Budget vs. Actual
January through June 2016**

	Campground		Operating		TOTAL	
	Jan - Jun 16	Budget	Jan - Jun 16	Budget	Jan - Jun 16	Budget
5570 · 1745 Repairs & Maint. general	147.59	3,000.00	359.31	3,000.00	506.90	3,000.00
5572 · 1746 Repairs & Maint. buildings	0.00	99.98	1,367.94	99.98	1,367.94	99.98
5573 · 1747 Repairs & Maint. equip.	0.00	0.00	85.05	0.00	85.05	0.00
5300 · 1748 Repairs & Maint. grounds	0.00	500.02	3,088.57	500.02	3,088.57	500.02
5650 · 1750 Repairs & Maint. pools	0.00	2,499.98	2,082.31	2,499.98	2,082.31	2,499.98
5650 · 1751 Repairs & Maint. pools	0.00	5,000.02	6,948.22	5,000.02	6,948.22	5,000.02
5955 · 1794 Property Taxes	0.00	6,099.98	7,519.00	6,099.98	7,519.00	6,099.98
5960 · 1795 SSPOA Lot Assessments	0.00	3,000.00	5,970.00	3,000.00	5,970.00	3,000.00
5020 · 1801 Insurance	0.00	6,000.00	7,960.66	6,000.00	7,960.66	6,000.00
5110 · 1810 Utilities	49.96	5,000.02	5,764.80	5,000.02	5,814.76	5,000.02
5800 · 1820 office expense	0.00	2,250.00	2,994.68	2,250.00	2,994.68	2,250.00
5810 · 1822 Credit Card Expense	0.00	750.00	502.10	750.00	502.10	750.00
5840 · 1824 operating supplies	0.00	2,000.02	1,075.38	2,000.02	1,075.38	2,000.02
5820 · 1830 Telephone	0.00	1,899.98	1,572.89	1,899.98	1,572.89	1,899.98
5821 · 1850 Board Mtg. expense	0.00	0.00	687.81	0.00	687.81	0.00
5822 · 1855 Annual Mtg. -Administration	0.00	800.02	0.00	800.02	0.00	800.02
5824 · 1860 Advertising & Newsletter	0.00	2,000.02	1,378.06	2,000.02	1,378.06	2,000.02
5826 · 1865 Committee expense	0.00	249.98	0.00	249.98	0.00	249.98
5580 · 1870 Gasoline expense	0.00	249.98	451.50	249.98	451.50	249.98
5828 · 1880 Social Activity	0.00	0.00	0.00	0.00	0.00	0.00
5828.1 · Candy and chips	0.00	0.00	205.68	0.00	205.68	0.00
5828 · 1880 Social Activity - Other	0.00	600.00	36.04	600.00	36.04	600.00
Total 5828 · 1880 Social Activity	0.00	600.00	241.72	600.00	241.72	600.00
5830 · 1882 Travel	0.00	600.00	444.07	600.00	444.07	600.00
5831 · 1885 Corporate Income Tax	0.00	200.02	0.00	200.02	0.00	200.02
5832 · 1890 Misc.	0.00	99.98	63.70	99.98	63.70	99.98
5832.1 · Pop	0.00	0.00	0.00	0.00	0.00	0.00
5832 · 1890 Misc. - Other	0.00	99.98	63.70	99.98	63.70	99.98
Total 5832 · 1890 Misc.	0.00	99.98	63.70	99.98	63.70	99.98
5585 · 1895 Property Clean Up	0.00	249.98	41.99	249.98	41.99	249.98
6004 · 2620 Salaries - office	435.00	1,500.00	0.00	435.00	435.00	1,500.00
6008 · 2622 Salaries - Maintenance	0.00	500.02	0.00	500.02	0.00	500.02
6012 · 2623 Salaries - grounds	1,302.25	699.98	0.00	1,302.25	1,302.25	699.98
6014 · 2624 Salaries - cleaning	220.50	0.00	0.00	220.50	220.50	0.00
6016 · 2626 Payroll Taxes	48.71	249.98	0.00	48.71	48.71	249.98
6030 · 2745 Repairs & Maint. general	125.60	600.00	0.00	125.60	125.60	600.00
6033 · 2746 Repairs & Maint. buildings	37.50	358.00	0.00	37.50	37.50	358.00
6032 · 2747 Repairs & Maint. equipment	358.00	150.00	0.00	358.00	358.00	150.00
6035 · 2751 Repairs & Maint. buildings	0.00	750.00	0.00	0.00	0.00	750.00
6044 · 2794 Property Taxes	825.00	950.02	0.00	825.00	825.00	950.02
6048 · 2795 SSPOA CG Lot Assessments	675.00	337.50	0.00	675.00	675.00	337.50
6050 · 2801 Insurance	717.13	350.02	0.00	717.13	717.13	350.02
6054 · 2810 Utilities	927.40	1,100.02	0.00	927.40	927.40	1,100.02
6060 · 2820 Office Expense	39.00	24.98	0.00	39.00	39.00	24.98

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08/30/16
Cash Basis

**Sylvan Shores Property Owners Association
Profit & Loss Budget vs. Actual
January through June 2016**

	Campground		Operating		TOTAL	
	Jan - Jun 16	Budget	Jan - Jun 16	Budget	Jan - Jun 16	Budget
6064 - 2822 Credit Card Expense	38.69	50.02	0.00	0.00	38.69	50.02
6068 - 2824 Operating supplies	1,148.95	1,100.02	0.00	0.00	1,148.95	1,100.02
6072 - 2830 Telephone	284.64	99.98	0.00	0.00	284.64	99.98
6076 - 2870 Gasoline	225.75	125.02	0.00	0.00	225.75	125.02
6080 - 2882 Travel	90.00	150.00	0.00	0.00	90.00	150.00
Total Expense	7,696.67	8,737.56	70,189.04	79,299.98	77,885.71	88,037.54
Net Ordinary Income	2,546.49	-3,562.56	76,552.99	8,850.06	79,099.48	5,287.50
Net Income	2,546.49	-3,562.56	76,552.99	8,850.06	79,099.48	5,287.50

5:46 PM
 08/23/16
 Cash Basis

Sylvan Shores Property Owners Association
Profit & Loss
 January through June 2016

	Jan - Jun 16
Ordinary Income/Expense	
Income	
4000 · Assessments Billed	140,843.98
4300 · 1585 Sale of Equipment/Other	1,800.00
4000.1 · 1510 Assessment Income	0.00
4505 · 1520 Interest Income	1,337.73
4100 · 1550 Swimming fees	
4101 · Candy, chips	23.00
4102 · Paddle boat rental	2.00
4100 · 1550 Swimming fees - Other	154.00
Total 4100 · 1550 Swimming fees	179.00
4410 · 1590 Other income	
4410.1 · Property transfer forms	40.00
4410.2 · Permit fees	125.00
4410.3 · Property for Sale Books	111.00
4410.4 · Ping Pong balls	14.50
4410.5 · Pop Machine Income	188.30
4410 · 1590 Other income - Other	2,122.54
Total 4410 · 1590 Other income	2,581.34
4420 · 2513 Camping income	9,340.00
4700 · 2514 Day Camping	794.00
4430 · 2590 Other Income - CG	109.16
Total Income	156,985.19
Expense	
5001 · 1618 Salaries Bldg. O & C	1,520.00
5002 · 1620 Salaries-office	5,089.50
5004 · 1621 Salaries-pool attendants	80.00
5006 · 1622 Salaries Maintenance	1,812.50
5008 · 1623 Salaries grounds	847.50
5010 · 1624 Salaries cleaning	97.50
5011 · 1625 Salaries Pool Tech	752.50
5012 · 1626 Payroll taxes	572.28
5016 · 1660 Professional fees	
5016.1 · Audit Fees	3,080.00
5016.2 · Webmaster	722.50
5016.4 · Legal Fees	1,410.00
5016.5 · Management fees	3,000.00
5016 · 1660 Professional fees - Other	645.00
Total 5016 · 1660 Professional fees	8,857.50
5570 · 1745 Repairs & Maint. general	506.00
5572 · 1746 Repairs & Maint. buildings	1,387.94
5573 · 1747 Repairs & Maint. equip.	85.00
5300 · 1748 Repairs & Maint. grounds	3,088.57
5650 · 1750 Repairs & Maint pools	2,082.31
5660 · 1751 Repairs & Maintenance-Spec	6,948.22
5955 · 1794 Property Taxes	7,519.00
5960 · 1795 SSPOA Lot Assessments	5,970.00
5020 · 1801 Insurance	7,980.66
5110 · 1810 Utilities	5,814.78
5800 · 1820 office expense	2,994.88
5810 · 1822 Credit Card Expense	502.10
5840 · 1824 operating supplies	1,075.38
5820 · 1830 Telephone	1,572.89
5821 · 1850 Board Mtg. expense	687.81
5824 · 1860 Advertising & Newsletter	1,378.08
5580 · 1870 Gasoline expense	451.50
5828 · 1880 Social Activity	
5828.1 · Candy and chips	205.66
5828 · 1880 Social Activity - Other	38.04
Total 5828 · 1880 Social Activity	241.72
5830 · 1882 Travel	444.07

5:46 PM
08/23/16
Cash Basis

Sylvan Shores Property Owners Association
Profit & Loss
January through June 2016

	<u>Jan - Jun 16</u>
5832 - 1890 Misc.	
5832.1 - Pop	63.70
Total 5832 - 1890 Misc.	<u>63.70</u>
5585 - 1895 Property Clean Up	41.99
6004 - 2620 Salaries - office	435.00
6012 - 2623 Salaries - grounds	1,302.25
6014 - 2624 Salaries - cleaning	220.50
6016 - 2626 Payroll Taxes	48.71
6030 - 2745 Repairs & Maint. general	125.00
6033 - 2746 Repairs & Maint buildings	37.50
6032 - 2747 Repairs & Maint. equipment	358.00
6044 - 2794 Property Taxes	825.00
6048 - 2795 SSPOA CG Lot Assessments	675.00
6050 - 2801 Insurance	717.13
6054 - 2810 Utilities	927.40
6060 - 2820 Office Expense	39.00
6064 - 2822 Credit Card Expense	38.89
6068 - 2824 Operating supplies	1,148.95
6072 - 2830 Telephone	284.64
6076 - 2870 Gasoline	225.75
6080 - 2882 Travel	90.00
Total Expense	<u>77,885.71</u>
Net Ordinary Income	<u>79,099.48</u>
Net Income	<u><u>79,099.48</u></u>

Reports of the Committees:

Sylvan Shores Property Owners' Association – Annual Report of the Finance Committee, Sept, 3, 2016

The finance committee met several times during this past year and reports have been shared during the board meetings. The highlights include:

Budget – the 2015 budget was reviewed in detail and the 2016 budget was created taking into account the potential for changed or unusual items such as the purchase of a new lawn tractor and trailer and the potential for higher professional fees. New accounts were recommended to be set up to allow for more transparency in financial reporting. The income items for Swimming Fees and Other Income include subaccounts to show more detail to allow for more internal control regarding cash received. Professional Fees include subaccounts for Audit Fees, Webmaster, Legal Fees, and Management Fees. There is a new salary account to detail what is paid to the Certified Pool Operator (Pool Tech).

Campground rates – we discussed campground rates and whether or not they should be increased for 2016 and decided against any increase after comparing our rates and amenities to others in the area. Based upon member input, we did reduce the rate we charge for electric for partial season campers which had been the same as full season campers.

We had accounting firms submit bids for conducting the first ever financial audit of our books and it was completed with a final report in mid-June from Michael Mullen, CPA. They recommended that the board design internal controls, determine the operation of those controls, establish a risk assessment process, the continuation of dual signatures on all checks, numbered receipts for the campground and assessment receipts, and an update of our asset list. Their biggest recommendation was to be on the accrual basis and to include assessments receivable with an allowance for doubtful accounts in our financial reports. They also thought we should have certain accounts labeled as reserves. Major repairs and improvements that are not budgeted would come out of reserves. Any excess income in the budget would go into reserves and it was recommended that we send a check monthly to our reserve account. They recommended that 5% of the reserve be allocated to the campground since the campground income was 5% of the overall budget.

Since the audit, account numbers have been changed, recommended adjusting journal entries have been made, assessments receivable are now being reported in the financial reports, and an inventory of all assets was done by Joan Morphew and Betsy. Betsy has tried comparing the inventory list with the asset list to determine which assets can be removed. She also made an inquiry to the auditor to get a list of what specific assets were removed in their final report but has not had a response.

Dennis Wipperling has taken charge of understanding our insurance coverage and needs this year. He is recommending adding crime prevention and equipment breakdown coverage. He stopped coverage on the mower we sold and started coverage on the new mower. His biggest recommendation is that we read the policies to make sure we are doing all the things we need to be doing in order for us to actually be covered. For example, we may need to have signs at all docks stating "swim at your own risk" and "no diving" and drinking water should be tested annually.

Arlene Grover recommended that we invest more money to get it out of the low interest savings account and went to the local financial institutions to get interest rates which were 1.25% for 18 months and 1.35% to 1.4% for 5 years. Dennis Wipperling made phone calls with Capital One to see what rate they pay on savings since we could access the money at any time without penalty and that rate was 1% for the first year. No recommendation of which option to take has been made to the board as yet.

Respectively submitted,
Betsy Berglund

Sylvan Shores Property Owners' Association – Annual Report of the Architectural Committee, Sept, 3, 2016

Permits approved/denied from May 2015 to September 2016:

Houses: approved 0, denied, 2.
Garages: approved 5, denied 1 but it was approved at a later date.
Boathouses (Shed): approved 2, denied, 0.
Carpport: approved 1, denied 0.
Decks: approved 3, denied 0.
Trailers: approved 0, denied 1 (this was an RV not a mobile home).
Retaining wall replacement: approved 1, denied 0.

A "Standard Operating Procedure" (SOP) was created as a guide for SSPOA office personnel to use when a Building Permit is turned into the office.

The Building permit was revised to conform to the SSPOA Covenants and Bylaws through a series of meeting with members of the Architectural Committee. The committee met frequently from October of 2015 through May of 2016. The suggested changes by the committee were reviewed by the Board of Directors and approved on May 12, 2016.

In addition a document named "Fine Criteria" was created to use as a guide when a non-compliant property owner was found to not be following the rules of the SSPOA Covenants, By-Laws, or Building Permit documents. If after working with the non-compliant property owner to correct the non-compliant issue, a fine may be recommended by the Architectural Committee using the criteria in this document, their recommendation would be sent to the Board of Directors for approval and if approved the non-compliant property owner would be notified by the Architectural Committee Chairman and have 30 days to become compliant. If after 30 days the property is still non-compliant it would be turned over to the attorney to have a lien placed on the non-compliant property.

Report submitted by Terry Chacos.

Building and Maintenance Report (from 5/16/2016 to 8/22/2016)

Clubhouse: Many interior and exterior lights were replaced. The drains under the roof eave near the pool were cleaned and a rain downspout was extended past the fence. A new mailbox was installed it has a locked drop box to keep mail secure. Contracted to have a leak repaired along the foundation. The septic tanks were pumped out prior to July 4th weekend.

Campground: Ten partial service sites have had electrical upgrades consisting of the replacement of the service box that contained two (2) twenty amp fuses and 2 unprotected duplex outlets with a new service box consisting of two (2) twenty amp circuit breakers and 2 GFCI 20 amp duplex outlets. (cost \$3045.00). The septic tanks were pumped out prior to July 4th weekend.

Community Center: The Community Center was used in August by a local group for a weekend gathering where approximately 75 people attended.

Fawn Lake Dock and Boat Landing: The Fawn Lake boat landing received a load of gravel to smooth out the gaps between the concrete pads so boat trailers will not get stuck. The Fawn Lake dock had a cracked deck panel replaced, and will need to have a brace repaired on the end of the dock when it is pulled out for the season.

Basketball court: Backboard was broken, purchased a new backboard but need to order a new mounting bracket for it.

Suggested Future facilities improvements, fall of 2016 through 2017:

Clubhouse:

1. Replace two lights that are on poles going to the beach with LED lights, suggested budget \$975.00.
2. Bring in a fresh load of sand for the Fawn Lake Clubhouse beach, suggested budget of \$375.00. for 10 yards. (8-23-2016 waiting for a quote)
3. Replace one of the docks at the Fawn Lake beach (one dock is very heavy and does not have removable deck panels) suggest budgeting \$3500. Sell the old dock.
4. Replace all interior and exterior light bulbs (100 total) with LED bulbs, suggested budget \$600. Will check with Todd Wadena Electric to see if there is a rebate program available.
5. Install a new card access system on 3 doors, suggested budget \$5000.

Campground:

1. Upgrade the electrical on 10 more partial Service, remove old box and fuses, install new box with 2 twenty amp circuit breakers and 2 GFCI 20 amp outlets, old estimate (2016) was \$3045 suggest budgeting \$3500. Upgrade the electrical service for 5 of the 10 full service sites from 30 amps to 50 amps the old estimate (2016) is \$4400, suggest budgeting \$5000.
2. Upgrade the men's and women's bathhouse, new showers, toilets, sinks, flooring (suggest budgeting \$7500) get estimates from contractors.
3. The water softeners at the campground are very old and undersized, Ecowater has a recommendation for replacement, I will work with them to get a cost.
4. Plan for replacement of the riding lawnmower in a year or two.

Community Center:

1. No planned upgrades as of the date of this report, new board may have new ideas.

Tennis Courts:

1. Repaint and stripe, install new nets.

Report submitted by Terry Chacos

Sylvan Shores Property Owners' Association – Annual Report of the Bylaw and Covenants Committee, Sept, 3, 2016
BYLAW AND COVENANTS COMMITTEE CHAIR REPORT

When I started my term in May of 2015 I had hopes of providing some new ideas to move SSPOA forward. I wanted to see more activities and amenities provided to include all members of the association. However, because I served as an elected director of my local union board for thirteen years and as a Trustee for four years prior to that, I knew the first thing I needed to do was to become familiar with the governing documents.

When reading the bylaws and covenants, I discovered there were several items we were not following. Because of this I suggested that we put a committee together to both review and update the Bylaws and Covenants to conform to what we were doing and to update items to today's standards.

Starting in the fall of 2015, the committee had several meetings and countless hours of discussion regarding the bylaws. We went through them line by line. We finished discussing the bylaws in January 2016. Then both the Architectural and Bylaws/Covenant Committees began reviewing the Covenants. The discussed bylaw changes were made to the document and then provided to our attorney for review. We received some suggestions and answers to questions proposed. Resolutions were written and reviewed by the committee and the Board of Directors. Some additional suggestions were made and some additional changes were made after review by the committee and Board. After all committee members and Board of Directors had an opportunity to respond the Board of Directors determined a date to hold a meeting to change the bylaws through resolutions. This occurred June 11, 2016. The hard work of the

committee and Board of Directors made this time consuming task a success.

Some of the items discovered in our research and discussion that were not part of the bylaws meeting are;

Audit – The association has been in existence for over 40 years and there was no indication that an audit had ever been done. As a member of the BOD and Finance Committee it was important to have this done. The board is responsible for the finances of the association and every board should be aware of the financial status of the association. The audit provided us with the information we needed to make improvements to our reporting and to notify members of the financial status of the association.

Signing of checks – Article VI, Section 6 states; that all checks shall be signed by the Treasurer and counter-signed by the President or any Vice President. An improper motion was made in 1996 to have the manager sign all checks. The Association Manager was writing and signing the checks. After August 1, 2015 this was corrected to follow the bylaws.

Committees –It was found that some committees were making and implementing decisions coming out of committee. This is outside of the work of any committee unless specifically stated. Any decision a committee may come up with is brought to the board as a recommendation for the board to consider and vote on. Most committees do not have the authority to make and implement policy.

Finance Committee – The bylaws state there will be a Finance committee, but somewhere in the past it was referred to as Advisory committee, but there was no reference to there being an Advisory Committee or change thereof in the bylaws. We are now referring to it as the Finance committee as stated in the bylaws. It also came to my attention that the Finance Committee was meeting and determining and implementing employee wages without first bringing it to the BOD for approval. The meeting took place June 22, 2015, minutes were provided. I was not in attendance at this meeting but after review of the minutes I had asked the co-chair of the committee to write up the motion to the increase in wages in a July 27, 2015 email, but no motion was written and provided to the board to increase wages. Additionally there were no minutes found of the Board approving bonuses granted to employees.

Association Properties Committee – This committee is referenced in the bylaws and the duties and responsibilities associated with it still exist however there is no reference to the existence of this committee in the recent past. The BOD needs to reestablish this committee, the duties associated with this committee still exist.

Security and Safety Committee - In 1996 a motion was made that this committee was no longer active, however, no change was made to the bylaws and the reference in the bylaws to this Committee continued. The motion was not proper and did not change the bylaws. The duties of the Security and Safety committee have now been incorporated into the Association Properties Committee and this committee, through resolution, has been eliminated.

Annual meeting – How confusing would this be for a new member who receives the bylaws and plans on attending the annual meeting as stated to be in September. But September annual meetings had been changed to May, with no update to the bylaws. I found meeting minutes where the BOD made a motion in 2005 to change the annual meeting to 1st Saturday after Easter to begin in 2006. This motion was improper and the bylaws were never changed. After discussing survey results at the June 11, 2016 bylaw meeting and listening to members comments it was decided to leave the annual meeting as currently written in the bylaws.

Elections- Candidates may have a representative present during the counting of ballots. This was never published in any of the election material provided to candidates. With the current election this information was provided. Election procedures were not followed; Bylaws Article IX, Section 3. "Ballots are 'mailed' to each person entitled to vote". This does not allow for extra ballots to be available for handing out, it appears in prior elections this was allowed. This could allow for tampering of ballots. All ballots need to be accounted for in order to lessen the possibility of improprieties. Entitlement to vote is defined in Article 3, Section 7. A member in arrears on assessments, fines and/or fees does not have voting privileges. Roberts Rules Chapter XIII, Section 45 clarifies that this is ; "... to the date as of which the ballots are issued". In previous elections ballots were provided to members who paid their dues after the dates the ballots were issued. The ballots will be returned by mail or by personal delivery to the Secretary at the annual meeting.

Ballots were allowed to be delivered to the office, there is no provision in the bylaws for submission to the office. The Election Committee would meet on the night before the Annual meeting to count ballots and then again the day of the annual meeting. This was improper, and could lead to election improprieties, the bylaws state; "...ballots will be in a locked place until the day fixed by the Board for counting of such mailed ballots." This does not state "days".. Requiring 25 signatures to be a candidate made it challenging to become a board candidate, since the majority of members do not live in Sylvan Shores. Eliminating this challenge provides for more candidates and a more diverse selection of candidates. There was no direction on how to submit and accept a BOD resignation, we now have language on this.

Renting – There has been a belief that there is no renting in Sylvan Shores. However, Bylaws, Article III, Section 5, speaks to Temporary Members being Lessees, Article IX, Old Section 16, (C) Safety and Security Committee speaks to establishing rulesfor Members families, tenants, and guests... This language is now in Section 19, (C). The Covenants, Article IX, Amendment, speaks of the requirement to amend the bylaws for specific items, one being

Renting. Though the BOD and committee has discussed the intent of these items the BOD should come up with definition to help clarify. Even a previous attorney stated we would have a burden to overcome in denying renters. However, it is clear that renting is part of our governing documents.

Rules and Regulations- Throughout the bylaws and covenants there is reference to the BOD and some committees to recommend to the BOD rules and regulations. It is also stated that these rules and regulations will be published, however it was found that though there had been some rules and regulations made they were not published or posted. This made it difficult for members to be aware of any such rules and regulations and also made it difficult to enforce. Each new board should review these rules and regulations and update if necessary and make sure they are posted.

Property Tours – I was part of the property tour that was conducted in May of 2015. This being my first property tour I didn't know what to expect. As we drove around it was determined who had violations and then letters were composed to send to those property owners. However, after the letters were sent and some complaints were made, I realized that I had not been provided with any of the rules and regulations needed to determine the violations and not all properties were part of the tour. This left the determination of who was in violation of any rules to be very subjective. I asked that we not fine anyone until we had knowledge of what the rules were, if the member was made aware of the rule, and that everyone was being treated equally. This would be considered Due Process. This is when I found that throughout the bylaws there are rules and regulations that the BOD is responsible for knowing and updating. Until the rules and regulations are updated and all members have knowledge of them it is irresponsible to levy fines against a member.

Dues - The billing of dues has not been done in accordance with the covenants. Article V, Section 3, describes how the annual dues assessment is determined. "... In cases where an Owner owns more than one lot in a single plat or subdivision the assessment for the first lot owned shall be \$120.00, but each additional lot in the same subdivision shall bear an annual assessment of \$45.00." The key word is "same subdivision". It was determine through discussion by the Bylaws and Covenants committee that those that own more than one lot, regardless if they are in more than one subdivision, are only paying the \$45.00 for the additional lots. It appears that the \$45.00 is for additional lots only in the "same subdivision". If lots are owned in other subdivisions the first lot should be assessed the full assessment and any subsequent lots in that subdivision would be subject to the discount of only \$45.00 per lot. It was recommended that the association identify those members who would fall in this category and notify them that the 2017 annual assessments will be in accordance with Article V, Section 3 of the Covenants.

Square Footage – It was discovered that the Covenants that are filed with the county are different than what was made available on-line and what was provided to the BOD and members. The version that is filed with the county has the following language as it relates to Article VII, Section 1., "...Every dwelling house shall have not less than 600 square feet..." There was a version that had 1000 square feet and one that had 750 square feet. Once it was determined what version was filed with the county all other documents were corrected to reflect the 600 square feet.

Building and Use Limitations – Covenants, Article VII, Section 2. States in part; “No trailer, mobile home or similar type structure, basement, tent, shack, garage, barn or other outbuilding shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character or any building in the process of construction, be used as a residence.” There was a belief that this language meant that members who have a residence on their property could not use a tent on their property at any time. When the Bylaws and Covenant Committee and Architectural Committee met it was determined that this article was to be interpreted to mean that during construction these structures could not be used a residence. It would appear the purpose of this language is to prevent someone from using these type of structures as a residence when there is no running water or sewer facilities available. Once a residence has been established any of the stated structures could be on the property. It should be noted that one of the items on the “Rules and Regulations” was that if you had a trailer on your property (with a residence) it was permissible as long as it was moved once a year. It would seem if you can have a trailer you could have a tent. Again, as long as not used as a residence.

The committee and Board of Directors have updated the Bylaws, we are still working on the Covenants. We had finished discussion on the Covenants, but after some suggestions from the Financial Audit the committee needs to discuss these items before moving forward. I had hoped that this could have been accomplished before the end of the summer. But schedules just didn’t allow for meetings this summer. I am hopeful that we will be able to meet soon after the annual meeting and move forward with proposal to change the covenants.

Submitted by;
Judy Fricke
Board of Directors
Chair of Bylaws and Covenant Committee