



**ASSOCIATION OF
SEA PINES PLANTATION
PROPERTY OWNERS**

2019 ANNUAL REPORT

**ASSOCIATION OF SEA PINES PLANTATION
PROPERTY OWNERS, INC.**

A Letter From The ASPPPO Board President

As I write this letter I realize there is one thread that the ASPPPO Annual Report has in common with everything else going on this year. And that is change. The COVID virus has influenced our daily lives so much that even our April Annual Meeting and Report were postponed until now.

While the year 2020 has been unique, I'd like to add from an ASPPPO perspective, that's a good thing. I'm all for positive change. Our thanks to Charlie Miner, our 2019 president, who completed the herculean task of updating our By-Laws, which has cleared the way for change, a little different from the virus. ASPPPO is under new leadership. In addition to my presidency, I welcome David Ellis, our new Secretary, Dana Guazzo and Grover Todd to the board. And by the way, CSA, both staff and board, is under new leadership. If you haven't heard from Sam Bennett, new CSA president, you will. He is the right man for the right time. In short, new leadership abounds.

More change has come to how ASPPPO operates. The first is flexibility. Rather than standing committees, ASPPPO is working with Task Forces that come and go as issues rise and are addressed. The second is communications. Our first website was launched this year. I encourage you to check out aspppo.net and access your account. In addition to information easily retrieved, the website contains a Member Directory. We are the people of Sea Pines and for the first time we have a means to find and communicate with each other.

By now, you have received at least two electronic newsletters from us keeping you abreast of matters of interest to property owners. The Land Use Management Committee, one of our few standing committees, has been working diligently on refreshing the 2010 Land Use Rules and Regulations.

Our social climate does not condone the use of the word, "plantation", which happens to be in our name. CSA moved to "Sea Pines Community" years ago. By year end, ASPPPO will hopefully have a new name, and one that clearly expresses what we do for you.

You, the Residential Property Owners, as a combined unit, have the largest financial investment in Sea Pines by far. This is our community. ASPPPO provides your voice.

It is a privilege to serve with my fellow board members and it is our hope that our collaboration and communication with the property owners continues on an upward path.

Warm regards,

Paula Scanlon

Paula Scanlon
President,
Association of Sea Pines Plantation Property Owners

2019 ASPPPO

BOARD MEMBERS



**Charles Miner,
ASPPPO President**

Barry Barth
Paul Crunkleton
Mark Griffith
Bill Johnson
Richard Matthews
James Richardson
Paula Scanlon
Richard Speer

2019 ASPPPO

ANNUAL MEETING MINUTES

Annual Meeting, April 29, 2019

An Annual Meeting of Association of Sea Pines Plantation Property Owners, Inc., (ASPPPO), was held on Monday, April 29, 2019, at the Sea Pines Country Club, 30 Governors Road, Hilton Head Island, SC, 29928.

Call to Order

The meeting was called to order by Charles Miner, President, at 3:00 p.m., Eastern time.

Establishment of Quorum

Paula Scanlon, Secretary, announced that quorum was established by those present in person, or by proxy.

Approval - Annual Meeting Minutes, April 30, 2018

A motion was made by Paula Scanlon, to approve the ASPPPO Annual Meeting Minutes, April 30, 2018. The motion was seconded and unanimously carried:

“RESOLVED, the Association of Sea Pines Plantation Property Owners, Inc., approved the Annual Meeting Minutes, April 30, 2018, as presented”.

Announcement – Nominating Committee

President Miner announced the Nominating Committee, 2019: Charles Miner; Chair, Barry Barth and Paula Scanlon.

Nomination by Petition

Per ASPPPO Bylaws, Residential Property Owners have the option to be nominated by petition. Petitions must provide fifty (50) signatures from valid Residential Property Owners. Petition candidates must be in good standing, willing and able to serve. Petitions must be submitted to the Nominating Committee by October 1, 2019.

Announcement – Date of Record, Election, 2019

President Miner announced the Date of Record, Election, 2019: October 1, 2019.

Board of Directors Report – President Miner

Introduction of Board Members

Property Owners elected in 2018, to serve a three (3) year term: Barry Barth, Paul Crunkleton and Paula Scanlon.

ASPPPO Board of Directors, 2019: Charles Miner, President; Barry Barth, Vice President; Rich Speer, Treasurer; Paula Scanlon, Secretary; Paul Crunkleton, Director; Mark Griffith, Director; Bill Johnson, Director; Richard Matthews, Director and James Richardson, Director.

Recognition of Outgoing Board Members

Board Members Beverly Serral and David Borghesi, were acknowledged and thanked for their terms of service, ended December 31, 2018.

President's Remarks

President Miner provided a community update. Highlights included:

- ASPPPO and CSA Board of Directors approved the final terms for the Referendum, 2019;
- Sea Pines is a community shared between the Sea Pines Resort, Commercial Businesses and Residential Property Owners;
- Meetings held with the Alliance for Sea Pines Future, failed to reach terms agreement. Main disagreements were the Sea Pines Resort Assessment and gate passes for the Resort's guests;
- The community will vote and determine the success of Referendum, 2019.

Financial Overview – Rich Speer

Rich Speer provided a financial update. Highlights included:

- ASPPPO membership has grown to 3808 members, representing approximately two-thirds of residential property owners. ASPPPO fees are capped at \$35.00 per year, per Bylaws. Bylaws are being rewritten and will address an increase to annual fees;
- Total budget is \$137,000 per year and expenses run \$129,000 - \$133,000. One third of the budget is spent on legal expenses, 20% on Land Use Monitor, printing, materials and other related costs. ASPPPO is contracted with CSA for services, at approximately \$20,000 per year;
- Assets are approximately \$344,000, mostly in securities, down from \$400,000 in 2016. Decrease is driven by expenses exceeding revenues and higher legal expenses incurred in 2018. Reserves should be raised \$75,000 - \$100,000, to provide adequate reserves needed to adequately preserve and protect Residential interests.

Adjournment

A motion was made by President Miner, to approve adjournment of the ASPPPO Annual Meeting, 2019. The motion was seconded and unanimously carried.

Respectfully Submitted,

Paula Scanlon
Secretary

FINANCIAL SUMMARY FOR ASPPPO

2019 ASPPPO FINANCIAL STATEMENTS

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

ASPPPO's net assets increased by about \$800 or 0.2% during 2019, compared to about a \$4,000 increase in 2018.

Membership revenue decreased about \$8,000 in 2019 over the prior year. Dues were received from 69.5% of eligible Sea Pines Plantation residential property owners (74.9% in 2018). Dues were \$35 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.

Operating expenses during 2019 were about \$15,000 higher than the prior year primarily due to the printing and mailing of the updated by-laws - \$14,800.

ASPPPO's approved 2020 budget plan includes about \$21,000 (or 6%) decrease in net assets due to estimate revenue of \$137,000 less \$153,000 in expenditures. The budgeted expenditures represent about a \$12,000 increase over 2018 principally related to additional costs associated with a full time land use monitor ("LUM") position. Total LUM costs are being shared with CSA and Sea Pines Architectural Review Corporation.

ASPPPO 2020 BUDGETED ACTIVITIES AND CHANGES IN NET ASSETS

2020 Budgeted Revenue	(in '000's)
Membership dues	\$ 123
Other revenue	1
Investment income, net	<u>8</u>
Total Budgeted Revenue	<u>132</u>
 2020 Budgeted Expenditures	
Land use monitor	35
Insurance	22
Printing & postage	18
Legal & professional	7
Property rehabilitation/covenant enforcement	5
Community events	6
General, administrative and other	<u>60</u>
Total Budgeted Expenditures	<u>153</u>
 2020 Budgeted Decrease in Net Assets	 <u><u>\$ (21)</u></u>

ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018
(Dollars in '000's)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 82	\$ 55
Investments	305	312
Prepaid expenses	<u>12</u>	<u>13</u>
TOTAL ASSETS	<u><u>399</u></u>	<u><u>380</u></u>
 LIABILITIES		
Advances by CSA	53	35
Membership dues received in advance	<u>1</u>	<u>1</u>
Total Liabilities	54	36
 FUND BALANCE	 <u>345</u>	 <u>344</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 399</u></u>	<u><u>\$ 380</u></u>

ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2019 and 2018
(Dollars in '000's)

	2019	2018
REVENUE AND SUPPORT		
Membership dues	\$ 126	\$ 133
Other revenue	1	1
Investment income, net	19	3
Total Revenue and Support	146	137
EXPENDITURES		
Land use monitor	21	21
Insurance	22	19
Printing & postage	26	9
Legal & professional fees	23	15
General, administrative & other	53	69
Total Expenditures	145	133
CHANGE IN NET ASSETS	1	4
NET ASSETS AT BEGINNING OF YEAR	344	340
NET ASSETS AT END OF YEAR	\$ 345	\$ 344

ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

(Dollars in '000's)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1	\$ 4
(Increase) decrease in current assets:		
Fair market values of investments	7	4
Prepaid expenses	2	-
Increase (decrease) in current liabilities:		
Advances by CSA	18	(77)
Membership dues received in advance	-	(2)
Net cash provided (used) by operating activities	<u>28</u>	<u>(71)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(127)	(226)
Proceeds from redemption of investments	<u>126</u>	<u>226</u>
Net cash (used) by investing activities	<u>(1)</u>	<u>-</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	27	(71)
Cash and cash equivalents, beginning of year	<u>55</u>	<u>126</u>
 Cash and cash equivalents, end of year	<u><u>\$ 82</u></u>	<u><u>\$ 55</u></u>