

Firefly Property Owners Association, Inc.
Annual Meeting
October 21, 2017

Location:

- Firefly Cove Lake Lure, North Carolina – Firefly Lodge

Roll Call/Call to Order:

- The meeting was called to order by President Bob Cameron at 10:00am.
- Directors present: President Bob Cameron, Vice President Mike Frosaker, Treasurer Rick Stockdale, Secretary Joy Ciocca, and Director Joe Pritchett
- Directors Absent: None
- Property Owners Present: Condos 102, 201, 203, Lots 2, 3, 5, 7, 8, 11, 12, 14, 15, 17, 18, 20, 21, 24, 28, 29, 33, 36, 47, and 51.
- Property Owners Represented by Proxy: Condos 101, 204, Lots 6, 13, 22, 23, 26, 30, 34, 35, 37, 38, 39, 40, 44, 45, 49 and 50.

Proxies:

- Secretary Ciocca certified all the proxies.

Quorum:

- Secretary Ciocca announced that there being a sufficient number of property owners represented, 41 (23 property owners present and 18 property owners represented by proxy), a quorum was established.

Certification of 2015 Annual Minutes:

- The minutes from the Annual Board meeting of October 22, 2016 for the Firefly Cove Property Owners Association were approved by motion, second, and by a vote of 41-0.

Election of New Board Member:

- President Bob Cameron's 3 year term expires on October 21, 2017. President Cameron called for other nominations from the floor. Jack Buckingham nominated Tom Smith, who declined the nomination. There were no other nominations from the floor. President Cameron stated the only nominee was Bill Walker. President Cameron then called a yes/no vote of the Director, which was unanimous vote of 41-0.

Election of New Board Member Results:

- President Cameron declared that Bill Walker was elected to the Board. Bill Walker will serve a new three (3) year term to the Firefly Cove POA Board. His term will expire in October 2020.

New Business:

- **2018 Budget:** Treasurer Stockdale presented the proposed 2018 budget to the property owners. (See Attachment A) After a brief discussion a motion was that the membership approves the proposed 2018 budget. The motion was seconded and approved by a 41-0 vote.
- **Financial Procedures:** Treasurer Stockdale stated that the 2018 Financial Procedures did not change from 2017. (See Attachment B) The Financial Procedures are guidelines for the Board to follow. The Board will review these guidelines annually and present changes, if any, to the membership at the Annual Meeting. A motion was made to approve the 2018 Financial Procedures. The motion was seconded and approved by a 41-0 vote.
- **Financial Report:** Treasurer Stockdale reported that we have approximately 51,000 in our reserve account and by the end of October after the collection of the fourth quarter dues there will be approximately 30,000 in our operating account. All bills are paid and we have no debt. The POA is in great financial shape.

Open Forum:

- Property Owner Shellenberger asked what items are scheduled to be done in 2018. Director Pritchett indicated he would speak about this later in the meeting.
- Property Owner Helms thanked the board members for all that they do for the association.

President's Report:

- President Cameron presented a report of the status of the Association. 2017 we have done completed the road project, in conjunction with the COA, we have replaced the lodge roof and painted the lodge and all railings. This was all done through reserve account money and at the end of the year we will still have over \$50,000 for future needs, which puts the POA in great shape. Additionally, this past season we replaced the pool pump. President Cameron stressed that the Firefly Cove community is a family and he and the board will continue to work to best serve the community. President Cameron closed with an offering of peace, love and happiness to everyone.
- Director Pritchett thanked Bob Cameron for all that he does and has done for this community and all his years of service on the board. Director Pritchett also acknowledged that Jonathan Hinkle has stepped down from his board position and thanked him for his years of service and the work he did as the ARC Chairman.
- Director Pritchett indicated that the board has appointed him to fill Jonathan Hinkle's Term. With this appointment, it is his duty to ensure that all funds are being handled properly. He confirmed that all expenses and contracts are legitimate and that there is no theft or concern for any impropriety. The POA is in great shape and in 2018 with the deposit of the \$9600 of the boat slip fees the reserve account will be over \$61,000. The board will consider spending some money on new Kayaks, work on the pool and the dock, and landscaping. He reminded everyone that this association is run by a board, and all decisions are made by the board collectively. The board will dutifully make decisions that are best for the community.

Adjournment of Meeting

- The meeting was adjourned at 10:32am by motion, second, and unanimous vote.

**Firefly Cove Property Owners Association
Proposed Budget 2018**

	<u>Budget</u>
Income	
Boat Slips Fees	\$ 9,600
Operating Dues	\$ 99,864
Reserve Contribution Fees	\$ 876
Architectural Review Fees	
Road Impact Fees	
Easement Fees	
Total Income	<u>\$ 110,340</u>
Other Income	
Interest Income	\$ 13
Total Other Income	<u>\$ 13</u>
Total Revenue	<u>\$ 110,353</u>
Expenses	
Administrative Expenses	
Bookkeeping Fees	\$ 4,800
Insurance Expenses	\$ 2,540
Legal Fees	\$ 1,200
Office Supplies	\$ 1,000
Permits & Licenses	\$ 750
Tax Preparation Fees	\$ 2,400
Total Administrative Expenses	<u>\$ 12,690</u>
Operating Expenses	
Boat Dock Area Expenses	\$ 3,000
Gate Expenses	\$ 1,540
Landscaping Expenses	\$ 29,000
Lodge Expenses	\$ 30,000
Pool/Pool Area Expenses	\$ 8,500
Trail Expenses	\$ -
Emergency Repairs	\$ -
Total Operating Expenses	<u>\$ 72,040</u>
Capital Expenditures	
General Reserve for Capital Expenditures	\$ 25,000
Boat Dock Reserve for Capital Expenditures	\$ 600
Total Capital Expenditures	<u>\$ 25,600</u>
Total Administrative, Operating, Reserve & Capital Expenses	<u>\$ 110,330</u>
Increase in Cash	<u>\$ 23</u>

FIREFLY COVE FINANCIAL PROCEDURES
2018

**Article I
Contracts**

- 1.1 Contracts for goods or services will be negotiated and executed by the President or another Board member at the President's direction.
- 1.2 Contracts over \$1000 require approval of at least two Board members.
- 1.3 Contracts over \$5000 require the Board of Directors approval.
- 1.4 Copies of all contracts will be kept on file by the Treasurer and the Bookkeeper.

**Article II
Invoices and Receipts**

- 2.1 Invoices or receipts will be required for all goods and services provided to the Firefly Cove POA. This paperwork must include a clear description and cost of the product and/or service provided. Any Board member with involvement generating an invoice or receipt should include "OK to Pay" notation dated and signed.
- 2.2 All invoices or receipts must be delivered to the Bookkeeper for payment.

**Article III
Payments**

- 3.1 A Board member will review all invoices or receipts with the Bookkeeper and consult as needed with other Board members for approval.
- 3.2 Check signing authority:
 - 3.2.1 Checks written up to \$1000 requires one Board member's signature.
 - 3.2.2 Checks written for over \$1000 requires two Board member's signature.
- 3.3 Check payments will be disbursed by the Bookkeeper.

- 3.4 A check disbursement log must be maintained for Monthly to Date and Yearly to Date reporting.
- 3.5 Any Invoice or receipt paperwork must be noted with traceability to a check number and Income Statement Line Item charged.

Article IV
Dues

- 4.1 Quarterly dues remittances will be delivered by a Board member to the Bookkeeper for recording. A log of property owner dues payment status will be maintained by the Bookkeeper and reported on a monthly basis as part of financial statements.
- 4.2 All payment of dues will be deposited into the POA checking account by a Board member or the Bookkeeper.
- 4.3 Delinquent dues payments will be handled as follows:
 - 4.3.1 When property owner dues become 30 days past due, the Secretary will send an email reminding the property owner that the past due balance must be paid as soon as possible to prevent further action by the Board.
 - 4.3.2 If property owner dues become 60 days past due, the Treasurer with assistance from Board will be responsible for determining an appropriate course of action. Phone calls, E-mails, letter indicating legal action are possible remedies.
 - 4.3.3 Dues payments greater than 60 days in arrears will be assessed an interest penalty of 18% per annum. The penalty can be negotiated as part of a payment plan.

Article V
Financial Reporting

- 5.1 Bookkeeper will issue monthly POA financial reports no later the 25th day following the close of the previous month.
- 5.2 Reports will include
 - 5.2.1 Monthly to Date and Yearly to Date Income Statement with Budget and Variance Columns
 - 5.2.2 Month End Balance Sheet
 - 5.2.3 Log of check payments for the month with explanations as needed
 - 5.2.4 Summary of property owner dues pre-payments & delinquencies
- 5.3 Reports will be distributed to all Board members via email. Financial reports will be available to property owners if requested.

Article VI
Financial Planning

- 6.1 The Treasurer, with assistance from Board and Finance Committee, will develop the annual operating and capital budgets. The Board will review and approve these documents prior to delivering the Budget to all POA members 60 days in advance of the Annual Property Owners Meeting. Purpose is to provide information for budget discussion and ratification during the Annual POA Meeting.
- 6.2 CPA firm will be selected to file tax returns and conduct audits as needed to verify accuracy of financial reporting.

Article VII
Essential General Maintenance/Repairs

- 7.1 Any Board Member/Officer may order or request reimbursement for items or services which are reasonable and necessary to address the essential general maintenance/repairs of Firefly Cove.

- 7.2 If the total cost for the essential items or services is less than \$200;
 - 7.2.1 A Board member is not required to obtain Board approval.
 - 7.2.2 Reimbursement for items/supplies must be “at cost”.
 - 7.2.3 Hourly rate for services performed is not to exceed \$50.00.
 - 7.2.4 Reimbursement for such items/services must be documented by an itemized receipt.
 - 7.2.5 Only itemized invoices, showing dates, times, hourly rate, description, etc. will be paid.

- 7.3 If the total cost for the essential items or services is greater than \$200;
 - 7.3.1 Approval must be received in advance from the President of the Association or at least two Board members.
 - 7.3.2 Approval should be documented via email or other writing and attached to all receipts or invoices.
 - 7.3.3 Reimbursement for items/supplies must be “at cost”.
 - 7.3.4 Hourly rate for services performed is not to exceed \$50.00.

7.3.5 Reimbursement for such items/services must be documented by an itemized receipt.

7.3.6 Only itemized invoices, showing dates, times, hourly rate, description, etc. will be paid.

Article VIII Unbudgeted Spending

8.1 For obligations/expenditures not included in the current year's budget, the following procedures apply;

8.1.1 If the obligation/expenditure is deemed an emergency (safety/health/security threat), a board member may act to obligate the POA to address the emergency but shall make a reasonable effort to contact all board members for input in an effort to best assess the threat and address the emergency.

8.1.2 For non-emergency unbudgeted spending under \$500, the obligation/expenditure requires the approval of a minimum of 2 board members.

8.1.3 For non-emergency unbudgeted spending \$500 or above, the obligation/expenditure requires board approval.

8.1.4 Spending on all non-emergency unbudgeted obligations/expenditures may not exceed \$5,000 in any fiscal year without POA membership approval.

8.2 The President of the Association is exempt from 8.1.1 and 8.1.2.

Article IX Improvement to Common Area/Amenity

9.1 Any improvement to the common area/amenity that is greater than \$3,000 requires;

9.1.1 A design/drawing of the improvement to the common area/amenity

9.1.2 At least 2 written bids

9.1.3 Approval of the POA membership