

Tell-E-Gram Text Only Version, May 17, 2013

POA Meetings and Events:

- **Dock Captains, 3 p.m. Monday, May 20, POA Office**
- **Long Range Planning, 10 a.m. Thursday, May 23, POA Office**
- **Public Services Advisory Committee, 1 p.m. Thursday, May 23, POA Office**
- **Golf 101, 9 a.m. Friday, May 24, Tanasi**

Financial Report for April 2013

By Parker Owen, Finance Director

Last month I discussed some changes in our approach for discussing financial information for the Tellico Village Property Owners Association. We are reporting revenue, expense and net income variances to budget at an overview level for this article. I am also using this forum to discuss current topics of interest and our long range approach to financial decision making. This month I discuss some changes in our capital planning process.

About one year ago, we received some substantial requests for capital funding for Golf Maintenance equipment, replacement of the Tanasi golf cart fleet and replacement of the Wellness Center cardio equipment. All of this equipment had been budgeted as being leased. We had little choice but to replace it as most of the used equipment had either been returned the previous fall, or was nearing the end of the current lease term.

Each individual proposal was subjected to a lease versus buy analysis. Most of the lease proposals reflected high interest rates, low residual values, or both. We decided to buy most of the new equipment outright using bank financing at lower interest rates. The only exceptions were two fairway mowers and a spray rig where the lease rates were lower cost, and the residual values were acceptable. We leased those on operating leases.

Going into this year's budget process, I instructed our department heads to submit all of their capital requests as though they were purchased. This provided more transparency as to the specific pieces of equipment included in the budget. We still do lease versus buy analyses but not until projects are submitted for final approval. This year we have approved leasing two fairway mowers with a very attractive 1.9% fixed interest rate and a \$1 buyout at lease-end. The rest of the equipment has been purchased outright with a combination of operating cash and bank financing.

Overall for the POA, we are moving away from leasing toward outright ownership of assets and lower cost bank financing where we need it. We have reduced our interest expense from about \$100,000 in 2011 to about \$70,000 for 2012, even though our total debt from all sources increased slightly. Moving away from leasing not only saves interest expense, but it gives us more flexibility on the timing of capital replacements. We will no longer replace equipment simply because the lease runs out but will replace equipment because it is no longer economical to maintain and operate. In effect, we will stretch out the useful life of some of this equipment and get additional years of service at lower cost. The goal is to eliminate peak replacement years like 2012 and 2013 and to smooth our capital replacement budget to a lower level over time. We will not see this effect all at once, but we know this approach will yield a more manageable capital program long term.

Last month I discussed our 2013 Budget goal of Cash Self-Sufficiency, and each month we are

reporting on our position relative to this goal. Through the end of April operations we had unfavorable variances to Budget for Revenues, offset by favorable variances to Budget for Expenses. Also, including the capital projects approved at the May Board meeting, we are over 62% through our 2013 Capital Plan and are coming in about \$36,000 under budget for all capital projects approved to date. Our approved 2013 Budget projected positive Net Cash Flows of \$15,000. Considering our favorable variances to budget for Net Income and our favorable Capital Project variances to date, we are currently on pace to generate over \$105,000 Positive Net Cash Flow for the Year. Of course these projections will change as we go through the year and encounter both positive and negative influences. Still, combining all of these factors, we are off to a good start toward achieving our goal of Cash Self-Sufficiency for 2013.

Following are some key Financial Measures through April YTD.

All numbers in \$1,000s.	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	\$4,462	\$4,661	(\$ 199)
Expenses	4,658	4,921	263
Net Income	\$ (196)	\$ (260)	\$ 64

Our Total Revenue Year to Date is \$199,000 worse than Budget. Shortfalls in Golf, Boat Slip rentals, RV space rentals, Water and Sewer accounted for the unfavorable variance. These were partly offset by revenue from Realtor participation in the Village Marketing Program and by higher than budgeted Recreation revenue. On the expense side, we had favorable variances totaling \$263,000, mostly in Maintenance, Supplies, Bad Debt Expense, Utilities, Salaries and Benefits. Some of these are timing differences and will be offset in coming months. But, timing differences aside, we estimate that we had favorable expense control during the first two months of the year. Through the end of April our Year-to-Date Net Income is a loss of \$196,000 compared with a budgeted loss of \$260,000, for a favorable variance to budget of \$64,000.

At their May meeting, your Board of Directors approved capital projects to complete the painting portion of the Chota Rec Center facelift project and to build restrooms for the Kahite Boat Docks. Next month I will discuss results of our outside audit of the 2012 Financial Statements. The Report of Independent Auditors and the 2012 Financial Statements have been posted to the POA web site at www.tellicovillagepoa.org in the Finance section.

Retiring Unserviceable American Flags

American Legion Post 256 will be "properly retiring unserviceable" American flags on Friday, June 14. The Flag Retirement Ceremony will be conducted at the Tellico Village Fire Department on Chota Road starting at 10 a.m. The collection period for placing flags in a collection container through June 12. The collection containers are located at the following places:

- Chota Recreation Center
- Kahite Clubhouse Lobby
- Tanasi Clubhouse Lobby
- Tellico Village POA Administrative Offices
- Tellico Village Public Library

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- Tellico Village Fire Department Building
- Vickery House at 261 Osprey Circle in Rarity Bay

Local Cub and Boy Scout troops will participate with the Fire Department and American Legion Post 256 to retire the flags. Also local residents of the area will participate in the ceremony with their vocal talents. The public is always invited to this annual event in Tellico Village. If more information is needed please contact Rich Gruber at 865-271-8610.

Charitable Events and Fundraisers

Bass Tournament May 18

Why do people go fishing? For some it's for food, for others it's the challenge, the outdoors experience or the competition. This Armed Forces Day, fishermen from our community will have a special reason for fishing: They'll be "Fishing for Freedom."

"Fishing for Freedom" is the first annual bass tournament sponsored by Smoky Mountain Service Dogs (SMSD), an organization that provides mobility assistance service dogs to our area's disabled veterans at no cost. "We hope that on Armed Forces Day fisherman will come out and help us assist those that have sacrificed so much to serve us," said SMSD's chairman, Mike Kitchens.

"Fishing for Freedom" will kick off 7 a.m. Saturday, May 18. There will be an entry fee of \$60 per boat and prizes that range from \$50 for fifth place to \$1,000 for first place. "We will also have an optional \$10 lunker fee," Kitchens explained, "with all lunker fees going to a single winner."

The event will start at the Tellico-TVA boat ramp, which is between the Fort Loudoun Dam and the Tellico Bridge at the intersection of Highway 321 and Tellico Parkway (Highway 444). For additional information, contact Mike Kitchens, 865-408-3070 or at rmkitch1@charter.net.

2013 Memorial Day Beautification Tournament

Let's show our support to all the volunteers who help give the courses that extra special touch by signing up for the **2013 Memorial Day Beautification Tournament**. Proceeds go to all three golf course beautification teams.

- What: 2013 Memorial Day Beautification Tournament
- Where: Kahite Golf Course
- When: 10 a.m. Monday, May 27, shotgun start
- Format: Tennessee Scramble. Each four-person team must include at least one man and one woman.
- Mulligans/door prize tickets will be available for purchase along with a chance to buy a better drive from the pros on hole #18.
- There will be awards given to the top three teams based on a full field and closest to the pin for men and women.
- Cost: \$25 per person plus green and cart fees. Following play beer and soft drinks will be provided along with a chance to win great door prizes.
- Contact: You can register at any of the three Village Pro Shops (entry deadline is May 23).

Volunteer Opportunities

Smoky Mountain Service Dogs Needs Foster Homes

If you are looking for a place to volunteer some time (a little or a lot), Smoky Mountain Service Dogs would love to welcome you into our volunteer family. Our mission is to obtain and train certified service dogs for those who are physically and/or psychologically disabled. Currently we are in need of a foster home for three-four months for one of our younger dogs. An active family is best suited for this little guy as he needs to be exposed to as many environments as possible. Watching a dog graduate and seeing him/her work with their new owner, whose life is changed for the positive, is such a rewarding experience. To know that you helped bring this dog to this moment and see this person's life changed is just priceless. Give Shirley Bierkamp a call at 865-850-0370 or check out the website at www.smokymountain servicedogs.org. We are a non-profit, all volunteer organization.

Some Other Stuff You Need to Know...

Hike Mt. LeConte via Rainbow Falls May 22

The Tellico Village Hiking Club will depart 7 a.m. Wednesday (note early time), May 22, from Chota Center to hike:

- **Mount LeConte via Rainbow Falls and returning on Bullhead Trail**
- Distance: 13.7 miles
- Rating: Difficult, Very Strenuous
- Elevation Gain: 3820 feet
- Driving Time: 2+ hours each way
- Leader: Bob Stewart, 865-458-3727 or rlsmks@gmail.com

Points of interest will be Rainbow Falls, magnificent overlooks and vistas (weather permitting), and of course Mt. LeConte and the Lodge. The Llamas should be at the top when we are there for lunch. It will be a long but rewarding hike. Please bring extra trail snacks, lunch and water on the hike. Fresh water will be available at the Lodge for the hike back down.

Driving Directions will be provided at the Chota Center. Hiking boots and hiking stick(s) are recommended. Bring ample water. Car-pooling is recommended and will be set up the morning of the hike. A \$6 contribution to carpool drivers is suggested to help cover gas, etc. Check out the website www.tvhikers.com.

Hats and High Tea Garden Party May 25

The HOA is celebrating its 25th anniversary 3 p.m. Thursday, May 25, at 166 Saloli Way in Chatuga Coves. The cost is \$15 per person. The Top Notes and Rosie Ratcliff will perform for your dancing pleasure. Contact Julie Sheffer, 865-8052 or ladywll@bellsouth.net; or Phyllis Greene, 423-884-2491 or pgreene.phyl@gmail.com, for more information or reservations.

There will be a hat contest, a table contest, dancing, croquet, badminton, bean bag toss, and marshmallow golf. Prizes will be awarded for best decorated table, best hat, and game winners.

What you need to bring:

- A TV tray or small table to eat on
- Lawn chairs

- BYOB
- Tea cup

New Beginning Tai Chi Class Begins June 6

The Taoist Tai Chi Society will offer a beginning Tai Chi class 10:30 a.m.-noon beginning Thursday, June 6, in the Wellness Center. (You do not need to be a member of the Wellness Center to attend these classes.) This four-month session will teach you the 108-movement exercise set. For more information, contact Gail Eades, 865-599-6785.

Taoist Tai Chi is a slow movement “internal” form of the ancient Chinese martial art. It is widely known for its health benefits, for increased flexibility and strength, for improved balance, and for taming the “busy mind.” It can be practiced by people of all ages and physical conditions.

The Taoist Tai Chi Society is a tax-exempt, charitable and all-volunteer organization. Their qualified instructors donate their time in order to share the health-giving benefits of Tai Chi.

Loudon County Clerk’s Office Will Open TV Satellite Office June 6

The Loudon County Clerk is pleased to announce the opening of our new satellite office in the Tellico Village area. Effective Thursday, June 6, the Loudon County Clerk’s office will be assisting customers with the following services: Vehicle registrations, vehicle renewals, duplicate titles, handicap applications.

The office space is located at: 100 Chota Center, courtesy of Lakeside Real Estate Group. Hours will be: 9 a.m.-4 p.m. Thursdays to serve Loudon County residents.

Fishing Club meets June 12

The Tellico Village Fishing Club will meet 7-8:30 p.m. Wednesday, June 12, in the Yacht Club. Returning speaker Chadwick Ferrell, professional fish guide, will discuss fishing Watts Bar Lake for bass and the use of a cast net. Visitors are welcome. For more information, contact Chuck Stoeffler, 865-458-1410.

Recent Events and Bragging Rights

Kiwanis of Tellico Village Champions Volunteer Girls State

Chuck Hitch, President of the Tellico Village Kiwanis, presented Cheri Parrish, Principal of Loudon High School, a check for \$500 help selected Junior Girls from Loudon High School attend the American Legion Auxiliary (ALA) Volunteer Girls State (VGS) session in Nashville, TN.

The 67th session will be held on the campus of Lipscomb University.

Three juniors have been chosen to participate: are Annah Dorsett, Megan Costner, and Alli Montooth. They were selected for displaying high moral character, outstanding leadership qualities, academic excellence, interest in government, community and program participation, respect for God, allegiance to American flag, and be physically able to complete six long days of intense activity.

American Legion Auxiliary, Volunteer Girls State is the Tennessee session of a nationwide leadership and citizenship training program offered to young women who are juniors in high school.

Established in 1946, the program is a non-partisan, non-political attempt to teach and encourage civic responsibility in rising seniors across the state. Girls State is a citizenship program sponsored by the American Legion Auxiliary. It is one the most highly regarded programs in the nation and Tennessee is reputed to have one of the very best sessions. High schools are invited to submit “citizens” for approval—few are selected—it is an honor to be approved.

For one week out of the summer, “citizens” of ALA VGS have the opportunity to form and run a mock government by meeting, living, and working with other young female leaders.

“Citizens” spend the week creating their own city, county, and state governments where they experience the electoral process first-hand as voters, as candidates and various other supporting roles.

Daily assemblies expose “citizens” to distinguished speakers, state leaders and government officials, as well as other motivational presentations. Perhaps the greatest reward of participation in the program is the opportunity to form lasting friendships with peers and role models.

Kiwanis of Tellico Village is proud to help sponsor such a worthy program.

Submitted by Bob Treece, PR Coor. Kiwanis of Tellico Village

Reciprocal Courtesy Cards for Yachting Clubs of America Available

Property owners can now purchase Reciprocal Courtesy Cards for the Yachting Clubs of America in the POA office for \$20. This card allows members to frequent yachting clubs anywhere that is a member of this association. There are yacht clubs located up and down the East Coast. For more information about YCOA, go to www.ycaol.com; the website that tells about the Association and all the yacht clubs that are members. For other questions about the program, call Mitzi Lane, 865-458-5408, extension 4116.