

## Tell-E-Gram Text Only Version, June 21, 2013

### **POA Meetings and Events:**

- **Long Range Planning, 10 a.m. Thursday, June 27, POA Office**
- **Public Services Advisory Committee, 1 p.m. Thursday, June 27, POA Office**
- **POA 101, 2 p.m. Thursday, June 27, Kahite Activity Center**
- **POA Offices closed July 4 in celebration of Independence Day**

# May 2013 Financial Report

Last month I discussed some changes to our capital planning process that have already lowered our interest expense and offer the potential to smooth and reduce our capital costs over time. This month I am using this forum to discuss the results of our 2012 audit and our 2013 year-to-date revenue, expenses and net income variances to budget.

Each year the financial statements of the Tellico Village Property Owners Association are audited by an independent, external audit firm. Management is responsible for the preparation and fair presentation of the POA's financial statements in accordance with accounting principles generally accepted in the United States. This includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The auditor's responsibility is to express an opinion on these financial statements based on their audit. The Coulter & Justus, P.C. CPA firm, a local CPA firm with extensive experience in all areas of financial reporting, taxation and auditing, conducted the audit. This is the second year that Tellico Village has used this firm, and the audit was conducted very efficiently and close to budget.

Audits are conducted using generally accepted auditing standards established by the Auditing Standards Board of the American Institute of Certified Public Accountants. These standards require extensive reviews of accounts, controls, policies and procedures and other areas of concern in determining the financial position of an entity. The audit firm committed two people full time over a period of five weeks to conduct their field work on our site. This was followed by internal reviews and preparation of the audited financial statements.

The audit of the 2012 financial statements was completed in April, with the Association receiving an unqualified opinion. This is the best opinion that an entity can receive, and it means that the financial statements present fairly, in all material aspects, the financial position of the POA, results of operations, and net cash flows in conformity with generally accepted accounting principles (GAAP). An unqualified opinion means that there are no qualifications or exceptions stated by the auditors regarding fair presentation or conformity to GAAP.

A copy of the 2012 audit and the financial statements are available on the Tellico Village website on the Finance page. Property owners may request a printed copy at the Tellico Village POA's main office located at 112 Chota Center. Also, a more detailed discussion of the audited financial statements is presented in the Second Quarter Board Report which was recently mailed to all property owners.

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 May 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 June Board meeting, we are 69% of the way through our 2013 Capital Plan and are coming in about \$45,000 over 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 unfavorable Capital Project variances to date, we are currently essentially on budget to generate about \$12,000 Positive Net Cash Flow for the Year 2013. 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 essentially on budget toward achieving our goal of Cash Self Sufficiency for 2013.

Following are some key Financial Measures through May YTD.

All numbers in \$1,000s.	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	\$5,795	\$6,063	(\$268)
Expenses	<u>5,962</u>	<u>6,289</u>	<u>327</u>
Net Income	\$ (167)	\$ (226)	\$ 59

Our Total Revenue Year to Date is \$268,000 worse than Budget. Shortfalls in Golf, Boat Slip rentals, RV space rentals, and 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 \$327,000, 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 five months of the year. Through the end of May our Year-to-Date Net Income is a loss of \$167,000 compared with a budgeted loss of \$226,000, for a favorable variance to budget of \$59,000.

At their June meeting, the Board of Directors approved a capital project to develop a master site plan for the Toqua club house property and potential club house renovations. This master site plan will guide the planning of long range projects by determining land use capabilities, facilities footprints, parking and other factors. The Board also approved construction of a pool pavilion and entry arbor for the Chota Recreation Center, which is the final phase of the Chota Rec facelift project. Overall, this project is coming in at about \$125,000, which is \$50,000 under budget. Finally, the Board approved the acquisition of the Tellico Senior Living Neighborhood Option Property as the next step in getting this project back on track.

## **Tellico Village Live on the Radio**

Tune in to the SportsAnimal today noon-7 p.m. as they broadcast LIVE from Toqua Golf Course, 99.1 on your FM dial.

### **Reciprocal Courtesy Cards for Yachting Clubs of America Available**

Property owners can purchase Reciprocal Courtesy Cards for the Yachting Clubs of America in the POA office for \$20. The card will allow you to frequent the more than 700 yachting clubs which, like TVYCC, are members of the association. There are YCA affiliated yacht clubs throughout the USA and its territories. For more information about YCOA, go to

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[www.ycaol.com](http://www.ycaol.com); the website that tells about the Association and all the yacht clubs that are members. Stop by the POA office to learn where member clubs are. For other questions about the program, call Mitzi Lane, 865-458-5408, extension 4116.

## Some Other Stuff You Need to Know...

### About Boating Safely Class June 25

The U.S. Coast Guard Auxiliary Flotilla 12-2 will present About Boating Safely 1-5 p.m. Tuesday and Thursday, June 25 and 27, in the Yacht Club. The cost is \$45 (couples/families who share course materials may attend for \$10 per additional person) including text, exam and certificate; Students under 16 years of age (proof please) will receive a \$25 discount. All students who must comply with TN Mandatory Boater Education Law will be provided with a proctored Tennessee Exam. Fees will be collected at first class.

This boating class will give you the knowledge needed to obtain a boat license or safety certification in many states. Successful completion of the course and multiple choice exam will earn you a safe boating certificate. Many boat insurance companies will offer discounts on boating insurance to boaters who successfully complete About Boating Safely.

For more information: <http://www.flotilla-12-2-tellico-village.blogspot.com/>.

### Spence Field Hike June 26

The Tellico Village Hiking Club will depart 8 a.m. Wednesday, June 26, from Chota Center to hike:

- SPENCE FIELD FROM CADES COVE
- Distance: 10.5 miles round trip
- Rating: Strenuous
- Driving time: 1.25 hours
- Leader: Hamish deWilde, 860-716-4016 or [signal53@aol.com](mailto:signal53@aol.com)

This trail begins at the circular parking area of the picnic area at Cades Cove. Spence Field is quite a challenge. The trail is very rocky and steep but the rewarding view at Spence Field is well worth the effort. Most of the guide books describe the trail as one of the most rewarding in the park. A good supply of water and high energy food is needed especially if the weather is hot. We should arrive at Spence Field in time for lunch. At the shelter near Spence Field, there is a spring, but the water needs to be treated. Hiking pole(s) are very helpful on this hike.

Hiking boots and hiking sticks are recommended. Driving directions will be provided the morning of the hike.

Bring water and a trail lunch. Carpooling is recommended, passengers are asked to contribute \$6 to the driver to help cover gas, etc. For more information, go to [www.tvhikers.com](http://www.tvhikers.com).

### Tellico Village Women's Club Launch Membership Campaign

General Federation of Women's Clubs (GFWC) – Tellico Village Chapter is a *Pay It Forward* Organization. We are not the *Ladies Who Lunch*, nor do we dictate how you should volunteer your time. What we are is a group of dedicated women who feel that at this point in our lives it is really better to give than to receive. We know that the most valuable commodity one can donate is time. We are looking for some like-minded ladies who want to volunteer their time

and effort to “pay it forward” by participating in one of our causes, or who already donates time to a favorite cause, and would like to join our fun, friendly, dedicated group.

We are on a summer hiatus until August when we will begin ramping up for the November Home Tour ‘*Over the River*’. This is the first time that the home tour will be held outside of Tellico Village. WindRiver, formally Rarity Point, is hosting the club’s home tour. This is the Tellico Village Women’s Club’s sole annual fund raising event. It has been an extremely successful premiere fund raiser, with the proceeds benefiting many local charities. Over \$18,000 was donated to charities from the 2012 Home Tour.

Club meetings are held the fourth Monday of the month at 3 p.m. except for the months of May, June, and July. Typically the meetings convene with a social hour 3 p.m. to 3:30 p.m. with the business meeting immediately following. Most meetings are held at the Christ Our Savior Lutheran Church, 260 Wade Road, Loudon, TN 37774 located on Highway 72 one mile west of Highway 444 in Loudon County, Tennessee.

We would love to have you come check us out. We have a wonderful system of Big Sisters in place to help you navigate GFWC and our chapter in particular. You can volunteer as much or as little time as you like, we would just like you take a little time to get to know us and see if you feel there is a fit. Please check out our website at <http://www.tellicowomensclub.org/> and read what we are all about, be sure to check out our photo gallery, under the *About Us* tab, to see how much fun we have volunteering our time, as we all know, a picture is worth a thousand words!

Please contact Sam McQueeney at [samnskip@charter.net](mailto:samnskip@charter.net) or 865-657-9020 if you are interested in finding out more about GFWC-Tellico Village Women’s Club. As we like to say, your new best friends are waiting for you – you just haven’t met them yet!