

2017 Annual Indigo Plantation Property Owners Association, Inc.

Meeting Minutes, October 7, 2017

President Jim Poppe welcomed all in attendance and requested a moment of silence for all victims of the Las Vegas shooting tragedy.

Quorum and Meeting Minutes 2016

A quorum was present. The 2016 minutes were distributed. A motion was made and the motion was seconded to approve the minutes. The minutes were approved.

New Pool Report

Facilities Director Steve Baldi presented preliminary findings and drawing (see attachment) on options for a new pool. The existing pool is in poor condition, and a recent POA survey indicated that more than 77 percent of respondents favored building a new, larger pool. Over the past five years the POA spent \$31,000 on repairs and operating expenses, and due to the current condition, it may not receive certification to operate next summer. The new pool construction would include fencing and an electronic card entry system. If approved, it is hoped that the new pool would be opened by summer 2018.

Treasurer Steve Fogarty reported that, based on an estimated cost of \$195,000, the proposed new pool, as presented by Steve Baldi, could be financed by existing budget reserves and a \$15 per quarter increase of POA dues. Financing options include commercial or private loans.

A special POA meeting to discuss more details and entertain questions about new pool options is scheduled for Nov. 4, 2017, 10:00 a.m. at the Indigo Clubhouse.

Financial/Budget 2017-2018

Steve Fogarty reported that the POA financials are in good shape. He handed out and reviewed financial statements (see attachments) as well as a list of reclassified reserve allocations for funding the proposed new pool. The budget was approved.

BHI Inc. Report on Land Use in Indigo Plantation

Chad Paul, BHI, Inc. CEO, presented an overview of the status of BHI-owned property located in and bordering Indigo Plantation, including the Indigo Marina, parking lots and the hundreds of acres located in Southport and the county between Indigo and Robert Ruark Drive:

- The George Mitchell Estate, which owns BHI, Inc., still remains in probate. Currently, there are no development plans for high-density Planned Unit Development (PUD) -zoned lots B, C and D off of Indigo Plantation Drive or the acreage bordering Indigo Plantation.
- The tree pile on lot C will be mulched in the winter, which is a safer time, given the heat generated in the mulch, and will be available for Indigo POA common areas and BHI, Inc.
- The leveling of the dirt pile is almost complete, and rye grass will be planted for erosion control.
- Indigo Marina and ICW will be dredged this winter and the spoils will be placed on the island across the ICW.

- Indigo resident access on marina property is not permitted due to insurance regulations. However, there should not be a problem if Indigo residents want to walk on the road in front of the marina. A question was raised regarding public or private ownership of the marina frontage road. Mr. Paul said he would check on that.
- Mr. Paul expressed regrets that he did not communicate plans with Indigo before the transfer of dirt to Lot D and promised to improve communication with Indigo on any future BHI, Inc. plans and development. To address the issues of dirt spreading across the townhouses in Indigo Village, Mr. Paul provided carwash coupons and sent a check to Indigo Village to cover power washing expenses.
- A request was made to plant some type of shrubs or trees to block the dirt pile view from Indigo Plantation Drive. Mr. Paul said he would be open to that suggestion and would follow up with his staff for implementation.
- A suggestion was made for the board to consider attaching information about BHI, Inc. PUD zoned lots to Indigo covenants for both current owners and perspective buyers.

POA Survey

Secretary Ginny Prunty gave an overview of the POA Survey conducted this spring. The online survey was completely confidential and conducted through Survey Monkey. Fifty-one people participated in the survey for a 42% rate of return. Survey results can be viewed on indigopoa.com. Survey areas included the POA board, ARB, covenants, bylaws, common areas, landscaping, facilities, new pool, communications and social events. Results and comments will be used by the board and committees for direction in better meeting the operation and needs of the POA.

Architectural Review Board (ARB) Report

Paxton Watkins reported that the ARB has had a very active season of real estate interest in Indigo Plantation. The following lots have been approved for construction and owners are in contact with ARB to ensure conformity with POA rules during the building process.

1. 6040 Dutchman Creek Rd. been prepared for construction. Owners are Mary and Steve Wylong from Vero Beach Florida. The builder is Cameron Smith Construction, and the home will be approximately 3,200 sq. ft.
2. 6060 Dutchman Creek. Rd. has been approved, but not prepared for construction. The owner is Tommy Toley. The builder is Shoemaker Homes, and the home is approximately 2,100 sq. ft.
3. 638 Carolina Bay Ct. has been approved, but not yet been prepared for construction. Owners are Marinda Lennon and Chase Hildreth. The home is approximately 3,600 sq.ft.
4. 6251 Cottage Creek Rd. has been approved, but not yet prepared for construction. Owners are Joy and Norm Rademaker. The builder is Wayne Smith Construction/David Smith contractor and the home is approximately 2,200 sq. ft.

Director of Facilities Report

Steve Baldi reported the following work performed in 2017 YTD on Indigo common areas and facilities:

- Lot 44 drainage ditch cleaned out - contractor
- Street sign repainting completed - Steve Baldi
- Drainage ditches cleaned out - City of Southport
- Clubhouse garbage, recycle and yard cans labeled - Steve Baldi
- Reconfigured pool house walls - Steve Baldi
- Rewiring of pool house - contractor
- Indigo trail signs installed - Steve Baldi
- As built survey completed for lot 53 - contractor

Future work includes replacement of rotting pergola roofs at front entrance, power washing of front entrance fence and brush trimming along roadways.

Landscaping Committee Report

(Report provided by Karen Rife and presented by Steve Baldi in Karen's absence)

Committee Chair Karen Rife thanked members Rachel Janney, Sally Baldi, Shay Watkins, Calla Wallace and Deb Alt for their hard work and dedication. The committee also thanked Bob and Ginny Prunty for donating four American flags in memory of her brother. They have been very helpful posting them during key holidays.

- The January planning meeting drew up the planting, work day and beautification schedule for the entrance, "white fence" beds and clubhouse, including spring planting recommendations, fall and holiday decor.
- A proposed budget was approved, except for purchase of new commercial grade winter holiday garlands for the entrance. These will be in Phase 2 for the new board to consider.
- Plantings will remain "natural" and environmentally friendly with no formal mass plantings of annuals. Deer are a significant problem, so fencing has been added to the two entrance gazebos that house the planters. Plants selected tolerate the diverse lighting (shady on one side and sunny on the other). It has been a learning experience and a challenge. A vigilant schedule for Deer Scram has been followed, yet plantings have still been destroyed. Flag Irises were donated by Karen and Shay for the Dutchman Creek and Cottage Creek white fences. These native plants will tolerate standing water, will fill in over time, improve the overall look and help somewhat with drainage in these wetland areas.
- Three Railing planters with self-watering systems were purchased, painted and added to the Clubhouse. The poolside terracotta planters were repurposed and cigarette butt chimneys were added.
- A spring workday included plantings in the six pots at the entrance, trimming azaleas and dead wood from existing foundation plantings and shaping the Crepe Myrtle trees; also filling planters at the clubhouse, trimming the Privet plants (hoping they would rejuvenate) and establishing a summer watering schedule shared by the committee.
- For the fall workday the committee agreed to use the remaining budget to purchase pansies for the railing boxes and four Sasanqua Camellias for the entrance. Additional holiday lighting has been purchased as budgeted. Flood lights will be used to highlight decor at the clubhouse and light the flags when posted at the entrance.

Social Committee Report

Committee Chair Deb Alt reported that 85% of POA survey responses favored the continuation of 4-6 social events per year. This reflects the good attendance at this year's events, which so far have included a Mardi Gras Party in February, a Progressive Dinner in May, the annual Pool Cookout in June and the Dock Party at the Indigo Marina in September. A Halloween Party for all ages is scheduled for Oct. 29, and the annual Holiday Celebration is scheduled for Dec. 15 at the clubhouse. Deb invited those who are interested to join the committee and attend a planning meeting at the clubhouse on Oct. 26 at 7:00 pm, even to help plan for only one event.

Election of Board Members

Proxies and ballots were tallied for the election of three board members. With 42 members casting a total of 149 votes, a quorum was reached. Claus Fey and Steve Fogarty were re-elected for a second two-year term and Karen Rife was elected for a first two-year term.

Other business

Claus Fey thanked outgoing President Jim Poppe for his four years of service on the POA board and presented him a gift card from the board.

Kathy Craven was also recognized for her 11 years of managing the clubhouse reservations and scheduling. To show POA appreciation, the board presented her with a plant.

The board thanked Sally Baldi for taking over the management of clubhouse reservations, which are now online at Indigopoa.com.

Jim Poppe read a letter from the Doshier Hospital Development office thanking Indigo for its \$200 donation to the hospital's new equipment fund. The donation was from leftover money after the Dock Party expenses along with individual contributions collected at the event.

There being no other business, a motion was made to adjourn and the motion was seconded. The meeting was adjourned.

Respectfully submitted,
Ginny Prunty
Secretary, Indigo Plantation POA



**2017-2018 INDIGO POA BUDGET
INCOME STATEMENT (with New Pool)**

	Budget 2016-2017	Actual 2016-2017 12 Months	Budget 2017-2018	2018 Budget vs. 2017 Act. Increase (Decrease)
Revenues/Sources				
Assessment Income	64,260	64,260	72,000	7,740
Less: Discounts		-243	-250	-7
Finance Charges/Fines	100	1,500	50	-1,450
Clubhouse Rental Income	300	575	450	-125
Transfer from Reserves	15,000	0	120,000	120,000
Proceeds from Loan			75,000	75,000
Interest Income	500	324	300	-24
Total Revenues	80,160	66,416	267,550	201,134
Expenses				
General and Administrative				
Accounting Fees	3,840	3,840	4,000	160
Legal Fees	50	0	50	50
Bank Charges	50	56	0	-56
Interest Expense		0	4,416	4,416
Pool Loan Principal		0	8,995	8,995
Postage and Mail	100	517	500	-17
Office Supplies	75	145	150	5
Fire Fee	250	0	0	0
Federal and State Income Taxes	1,000	0	0	0
Common Area Real Estate Taxes		3,098	3,100	2
Miscellaneous General & Admin.	300	1,964	1,200	-764
Indigo POA web site	250	149	350	201
Bad Debts Expense	0	0	0	0
Total General and Administrative	5,915	9,769	22,761	12,992
Insurance				
Comprehensive & Wind/Hail	2,000	1,863	1,900	37
Total Insurance	2,000	1,863	1,900	37
Clubhouse and Pool				
Club House Facility (Rec. Center Maintenance)	2,500	3,057	2,000	-1,057
Tennis Courts	250	24	250	226
Telephone	700	830	800	-30
Electricity, Water & Sewer	4,800	4,937	4,900	-37
Extermination	300	225	225	0
Pool Permits	200	0	200	200
Pool Supplies	125	726	125	-601
Operations - Pool	6,500	5,820	5,500	-320
Pool Replacement			195,000	195,000
Total Clubhouse and Pool	15,375	15,619	209,000	193,381
Common Area Land Purchase	15,000	0	0	

Routine Grounds Maintenance				
Maintenance (& Landscaping Supplies)	24,000	24,268	25,000	732
Landscape Plants (Indigo garden club)	750	649	750	101
Total Grounds Maintenance	24,750	24,917	25,750	833
Revenue Before Reserve Allocation	17,120	14,248	8,139	-6,109
Transfers to Reserves				
Tennis Court Resurface	1,000	1,000	500	-500
Carpet Replacement	0	0		
Roof	400	400		
Painting	900	900		
Furniture	500	500		
Club House Facility (Rec. Center)			3,000	200
Common Area Improvements	5,000	5,000	2,500	-2,500
Hurricane (Uninsured Costs)	700	700	700	0
Legal	100	100	100	0
Pool Repairs	2,500	2,500	1,300	-1,200
New Pool	7,000	7,000	0	-7,000
Total Transfers	18,100	18,100	8,100	-10,000
Net Income	-980	-3,852	39	3,891

Indigo Plantation Property Owners Association

2017-2018 Reserve Reclassification and Application

		2017-2018 Reserve Categories (To)									
		Club House & Facilities	Pool Repair	Tennis Court Resurfacing	Common Area Improvements	Hurricanes	Legal	Retained Earnings Beginning Balance	Reserves Beginning Balance	Transfer to New Pool	
		From	3,713		2,909	5,833	5,500	2,000	36,231	19,955	120,000
		To									
2016-2017 Reserve Categories (From)	Parking Lot Resurfacing	5,387	539								4,848
	Tennis Court Resurfacing	2,909		2,909							
	Roof	2,566	257								2,309
	Exterior Painting	8,336	834								7,502
	Interior Painting	5,296	530								4,766
	Furniture	3,507	351								3,156
	Common Area Improvements	5,833			5,833						
	Carpet Replacement	4,905	1,204								3,701
	Hurricanes	8,035				5,500					2,535
	Legal	8,589					2,000				6,589
	New Pool	35,490									35,490
	Pool Repairs	7,133									7,133
Reserve Y-E Beginning Balance		97,986									
Annual Reserve Increase			3,000	1,300	500	2,500	700	100			
Retained Earning		78,200						36,231			41,969

INDIGO PLANTATION PROPERTY OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Twelve Months Ended September 30, 2017

Berry, Padgett & Chandler, PLLC
Certified Public Accountants
P.O. Box 10339 – 1123 North Howe Street
Southport, NC 28461
(910) 457-9455

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Indigo Plantation Property Owners Association, Inc.
Southport, NC 28461

Management is responsible for the accompanying financial statements of Indigo Plantation Property Owners Association Inc., which comprise the balance sheet as of September 30, 2017, and the related statements of revenues, expenses, and changes in fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basis financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

We are not independent with respect to Indigo Plantation Property Owners Association, Inc.

Berry, Padgett & Chandler, PLLC CPAs

Berry, Padgett & Chandler, PLLC CPAs

Certified Public Accountants

Southport, North Carolina

October 2, 2017

Indigo Plantation Property Owners Association Inc.

Balance Sheet

September 30, 2017

ASSETS

Current Assets		
Checking Account-Operating	\$	61,662.05
Business IDA Account		26,486.43
Certificate of Deposit SSB		103,915.65
Assessments Receivable		3,117.50
Interest Receivable		202.44
Prepaid Invoices		165.00
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Total Assets	\$	<u>195,549.07</u>

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	\$	295.00
Prepaid Owner Assessments		4,070.55
Builders Deposit		15,000.00
Unearned Income		0.00
		<hr/>
Total Liabilities		<u>19,365.55</u>

Equity		
Reserves		
Parking Lot Resurfacing		5,386.84
Tennis Court Resurfacing		2,909.20
Roof		2,566.41
Exterior Painting		8,335.58
Interior Painting		5,296.25
Furniture		3,506.55
Common Area Imprvmnts		5,833.38
Carpet Replacement		4,905.07
Hurricanes		8,034.76
Legal		8,588.71
Reserve For New Pool		35,489.88
Pool Repairs		7,133.12
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Total Reserves		<u>97,985.75</u>

Retained Earnings		
Retained Earnings		82,049.78
Net Income		(3,852.01)
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Total Retained Earnings		<u>78,197.77</u>

Total Equity		<u>176,183.52</u>
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Total Liabilities & Equity	\$	<u>195,549.07</u>
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See Accountant's Compilation Report

Indigo Plantation Property Owners Association Inc.
Statement of Income
For the Twelve Months Ending September 30, 2017

	<i>ACTUAL</i> Year to Date	<i>Budget</i> Year to Date	Variance
Revenues			
Assessment income	\$ 64,260.00	\$ 64,260.00	0.00
Discounts	(243.00)	0.00	(243.00)
Other Income - Fines	1,500.00	0.00	0.00
Finance charges	0.00	100.00	(100.00)
Clubhouse rental income	575.00	300.00	275.00
Interest income	324.31	500.00	(175.69)
Total Revenues	66,416.31	65,160.00	1,256.31
Expenses			
General and Administrative			
Accounting Fees	3,840.00	3,840.00	0.00
Legal Fees	0.00	50.00	(50.00)
Bank Charges	55.50	50.00	5.50
Postage and Mail	517.47	100.00	417.47
Office Supplies	144.95	75.00	69.95
Property Tax & Fire Fee	3,098.44	250.00	2,848.44
Federal and State Income Taxes	0.00	1,000.00	(1,000.00)
Miscellaneous General & Admin.	1,964.05	300.00	1,664.05
Website	149.00	250.00	(101.00)
Total General and Administrative	9,769.41	5,915.00	3,854.41
Insurance			
Insurance	1,863.00	2,000.00	(137.00)
Total Insurance	1,863.00	2,000.00	(137.00)
Clubhouse and Pool			
Rec. Center Maintenance	3,056.50	2,500.00	556.50
Tennis Court	24.03	250.00	(225.97)
Telephone	830.07	700.00	130.07
Electricity, Water & Sewer	4,936.55	4,800.00	136.55
Extermination	225.00	300.00	(75.00)
Permits-Pool	0.00	200.00	(200.00)
Pool Supplies	726.71	125.00	601.71
Operations-Pool	5,820.00	6,500.00	(680.00)
Total Clubhouse and Pool	15,618.86	15,375.00	243.86
Routine Grounds Maintenance			
Maint. & Landscaping Supplies	24,268.01	24,000.00	268.01
Landscape Plants	649.20	750.00	(100.80)
Total Grounds Maintenance	24,917.21	24,750.00	167.21
Transfers to Reserves			
Transfer-Tennis Court Resurf.	999.96	1,000.00	(0.04)
Transfer-Roof	399.96	400.00	(0.04)
Transfer-Exterior Painting	900.00	900.00	0.00
Transfer-Common Area Imprvmnts	5,000.04	5,000.00	0.04
Transfer-Furniture	500.04	500.00	0.04
Transfer-Hurricane	699.96	700.00	(0.04)
Transfer-Legal	99.96	100.00	(0.04)
Transfers New Pool	6,999.96	7,000.00	(0.04)
Transfer-Pool Repairs	2,499.96	2,500.00	(0.04)
Total Transfers	18,099.84	18,100.00	(0.16)
Total Expenses	70,268.32	66,140.00	4,128.32
Net Income	(\$ 3,852.01)	(\$ 980.00)	(2,872.01)