The Landings Association is a non-profit corporation formed to promote the health, safety, and welfare of the residents of The Landings on Skidaway Island. Every person or entity who is an owner of record in any lot or living unit which is subject to the covenants of record is a member of the corporation (Association).
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President's Message

It has been a pleasant and rewarding experience being your president since April of 1992. The opportunity to work with members of the Board of Directors, volunteers on our committees, and hard working members of our staff has been invaluable.

I have enjoyed the contact with our residents, and while we are unable to comply with everyone's wishes with respect to the administration of our duties on Skidaway Island, I hope you will recognize that we do our best to keep up the standard of living on the island to which we have become accustomed.

Strong Financial Position

The affairs of your Association are in good order. Our financial position is strong and we enter the new year with an excellent professional staff and some new faces in architectural administration and lagoon maintenance. We have been fortunate in maintaining excellent relations with the Board of Governors of The Landings Club in addressing common problems.

Some problems remain before us in the area of wildlife management with which you are familiar and we will continue to strive for an effective solution.

Three Directors Complete Terms

I particularly want to thank our retiring directors for their contributions to The Landings Association over the past three years. Marshall Edwards, who has served as vice president and president; Bill Hemphill, who has served four years as treasurer and three years as a director; and Howard Kauffmann, who has offered his considerable experience as a director, complete their terms this year and are leaving the Board. They are to be congratulated for their unstinting service. At the annual meeting three new directors will be welcomed to the Board and newly elected officers will assume their responsibilities.

I am confident that 1993 will be another good year for The Landings Association on Skidaway Island.

William R. Rawson, President

1992 Officers
William R. Rawson, President
John Morrill, Vice President
J. William Hemphill, Treasurer
Chuck Canter, Secretary

Board of Directors
Susan Barton
Simon Cols
Marshall Edwards
Drew Ernst
J. William Hemphill
Howard Kauffmann
Bill Lattimore, Jr.
John Morrill
Tom Potterfield
William R. Rawson
General Manager's Message

Those whose hobby it is to collect annual reports and hold executives accountable should be pleased to note that we met our main objective for 1992: “to slow the pace, taking time to review where we’ve been and determine if some things should be changed or eliminated as no longer necessary.”

What we learned ....

❖ That by restructuring the administration department we could work more efficiently without a full-time office manager.

❖ Our office layout was inefficient, so facility and equipment were upgraded and most offices rearranged.

❖ Thirty-three volunteer committees were too many now that we have a paid professional staff. They were restructured and down-sized into eight committees of six volunteers each with a primarily advisory role.

❖ Our important historical documents and substantial research material were scattered and difficult to use. A library and tax resource center was established and is now available to property owners.

❖ Postage and printing costs were too high, so we successfully obtained a second-class mail permit and re-bid our large printing jobs.

During this "slowdown period" we worked through a 56% labor turnover among administrative, maintenance and security workers, including a 160% turnover in Architectural Review! Throughout the seemingly interminable recruiting and training, we still managed to meet our capital expenditure schedule of $160.5K in equipment purchases, capital improvements of $334.5K, and $143.5K in road resurfacing work. All the while, four gates were manned, the grass was cut, the lagoons were treated, and a 70% increase in architectural plans reviewed. I believe your staff turned in a top-notch, professional performance!

Looking Ahead

If last year was a slowdown, I would like to think 1993 will be an acceleration so we might catch our breath! Ahead lay some world-class challenges: our all-new architectural review department faces a forecasted “robust year in home construction” (155 plans reviewed in 1992!). Responsibility will be ours for all 139 lagoons of The Landings, and we are taking their management and treatment in-house. While expanding our grounds maintenance to include the remainder of Oakridge, a structure will be built on McWhorter Road from which to base operations in Deer Creek and Marshwood in 1994. A serious workplace safety program will be developed in response to incredibly high worker’s compensation costs, and an employee motivation study will be conducted to improve our retention of skilled personnel.

Also ahead in 1993 is implementing the new volunteer committee structure and joining with The Landings Club in opportunities for cost-cutting.

But the mother of all challenges remains providing the services required to maintain your property values in the most effective manner and at reasonable costs. Our responsibilities have grown phenomenally over the last five years of transition from developer to Association control of the common properties. Keeping The Landings an attractive, desirable place to live at affordable costs continues to be our guiding operating principle.

Paul E. Sousa, General Manager

Paul E. Sousa, Association Management Specialist; B.S. Business Management, Providence College, 1964; Master of Public Administration, University of South Carolina, 1987.

Paul served for 21 years in the United States Air Force and retired a lieutenant colonel in 1985. During the last few years of his military career, he served as Personnel Director, Public Works Director and Base Commander.

During his graduate program, Paul served a full-time internship as assistant to the city manager of Camden, South Carolina. He later joined the Richland County Government as its first contract administrator in Columbia, South Carolina.

Paul joined the Association in November, 1987. He is a member of the Rotary Club of Savannah and the Geechee Sailing Club. He and his wife Marion live on Wilmington Island. They have five daughters and two grandchildren.
Management Staff

**Diane Coppage, Administration & Communications**

Diane Coppage has worked in the communications field for 15 years. Before starting her own agency in 1981, she worked as communications manager, copywriter and creative director for several organizations, including a non-profit association in Washington, D.C. She's written and produced magazines, newsletters, national advertising and public relations programs, and multimedia presentations for such clients as Pfizer Pharmaceuticals and The American College of Cardiology.

After moving with her husband Ed to The Landings in 1985, she continued working as a consultant and free-lance writer, publishing more than 25 articles on advertising and marketing. As a community volunteer, Diane conducted advertising seminars for students at Savannah State and writing classes at St. James’s School. She joined the Association in 1991.

**Carol A. Johnson, Personnel**

Carol Johnson majored in psychology and sociology at Washington State University. She served in various administrative positions at the University of Oregon and United Learning Corporation, an education research and development firm, from 1966 through 1974.

After coming to Savannah in 1976, she held the position of office manager for a local physician until joining The Landings Association in 1982. Carol has served in every area of Association work, including corporate secretary. Carol has two grown daughters and has lived at The Landings since 1976.

**Deborah F. Neal, Finance**


Before joining The Landings Association, Debbi held the position of controller and systems analyst for several non-profit service organizations in New Jersey. In addition, she worked as an independent consultant in the areas of design and implementation of office automation systems, custom designed database programs, and computerized accounting.

Debbi joined the Association in September, 1989. She and her husband, Rich, live in Savannah.
Management Staff

James H. Rieniets, Architecture


Prior to establishing his own practice in 1977, Mr. Rieniets’s career evolved through three firms from positions of apprentice architect to senior associate partner with Kenneth Bentsen Associates of Houston, Texas.

As a sole owner/practitioner for the past 15 years, he has been responsible for a full scope of services from conceptual design and documents production through construction supervision. Jim joined the Association in February.

Charles R. Scobee Jr., Security


Member of The American Society for Industrial Security, the Retired Officers Association and the board of the Savannah-Chatham Silent Witness Program.

A veteran with 24 years service as a commissioned officer in the United States Navy, Charles’s background includes a variety of senior command, management and staff positions with unique security responsibilities.

Charles joined the Association staff in March 1989. He and his wife, Rebecca, both natives of Kentucky, live in Savannah.

Joseph T. Vail, Maintenance & Development

Joseph T. Vail, Associate Degree in Civil Engineering, Trident Technical College, Charleston, South Carolina, 1975.

Joe began his career with the South Carolina Department of Highways and Transportation, then went on to gain additional experience with several architecture and engineering firms. He has extensive experience in project management, concentrating on surveying, construction, municipal utilities and private consulting for property development and mapping.

Joe joined The Landings Association in June 1988. He and his wife, Dolly, live in Savannah with their two daughters.
Department Summaries

Administration

The Association’s administration staff issues residential and frequent visitor decals, sells commercial decals, provides administrative support to the general manager, department managers, committee chairs and board members, provides free notary services, leases RV space, rents meeting rooms and ball fields, and distributes information to all Landings property owners and renters.

Tighter Operations & Procedures

The administration department underwent some major changes in 1992. In addition to renovating the building last summer for more efficient service to property owners and residents, the department concentrated on streamlining its operations and procedures. Department members upgraded their job skills by participating in outside and in-house training seminars in writing techniques, public relations, and computer skills. As part of its on-going program to reduce operating expenses, the department set out last year to cut the cost of sending The Landings Journal to property owners. On July 28 the Association’s application for second-class mail privileges was approved by the U.S. post office in Washington D.C. The approval capped a six-month application process that included extensive research of available mailing services, meetings with local and state postal officials, a board resolution, and finally, reprogramming the Association’s mailing list. The new rate will save TLA several thousand dollars a year in postage. The department also changed its procedures for buying supplies and printing for additional savings.

Library & Tax Center Open

The Association’s new library and tax resource center was completed in December and is open to all property owners Monday through Friday, 8 a.m. to 5 p.m. TLA communications are also produced by the administration staff. In addition to the Association’s monthly newsletter, last year the department produced an administration procedures manual, the 1992 Board of Directors election package, 1992 annual report, directors’ training manuals and the information published in The Landings Telephone Directory. The Administration Department represents 10.4% of the 1993 budget.

Architectural Review

"Quite unbelievable," was General Manager Paul Sousa’s assessment of last year’s operations in this department. Seven people transitioned through Architectural Review’s three paid positions in 1992. "If it were not for our paid architectural consultants and the volunteer members of the Architectural Committee, it would have been a total disaster," added Mr. Sousa.

Applications, Housing Starts Up

Seventy-two new applications for plan review had been projected but by year’s end more than double that estimate were processed--155 in all! Housing starts were also up 24% over 1991, and 8% more homes were completed in 1992 than the previous year. That meant many more periodic site inspections, and a lot more paperwork.

An inordinate amount of time was required for recruiting and training employees. Nevertheless, the 12 scheduled architectural review meetings were conducted as advertised and delays were hardly noticed by property owners and builders.

The new architectural team is just about assembled. Mr. James Rieniets, AIA has joined the Association as Architectural Administrator, Ed Blackwelder as Site Inspector, and interviews are underway for a secretary. "You don’t know how happy I am to have these folks aboard!” said Mr. Sousa.

This year will have the added challenge of operating under the new committee structure where the paid administrator also chairs the Architectural Control Committee and fewer volunteers will be involved in daily operations. The Architectural Review Department represents 4.5% of the 1993 budget.
Department Summaries

Finance

The Finance Department focused its attention last year on refining budget and audit controls and increasing performance and efficiency of the Association’s computer system.

Department Responsibilities Increased

Bill Hemphill will retire this year after four years as TLA’s treasurer and the department has assumed a greater share of his work. Part of the department’s increased responsibilities this year included fully coordinating the budget, calculating budgets for revenues and certain general expenses, acting as liaison with the auditors, working on provisions for the pension plan and income taxes, and preparing most of the audit workpapers and all financial statements.

Staffing and Benefit Study

The department also conducted a study of Association staffing patterns and trends for the last four years to determine average vacancies per department and the average healthcare claim experience. These experience factors were applied to reduce the financial plan for 1993 by $150,000.

Custom Designed Computer System

The Association currently has ten computer workstations equipped to perform database management accounting, spreadsheet, desktop publishing, word processing, and presentation graphics. Through the network accounting system, we have determined that the support staff spends 80% of their time using a computer. Because so many of our employees rely on their computers, a computer training program for all users was developed and implemented last year. Beyond enhancing individual computer skills, the classes have become a workshop for exchanging information and ideas across departments. Several new procedures and more efficient ways of doing things have come out of these sessions.

During the year the residential database program was completely rewritten. Several separate databases have been integrated to deliver faster, more accurate information while reducing duplication of records and effort. Some major service improvements are:

- A more efficient decal renewal and vehicle registration program. Residents can now register vehicles and receive new decals by mail when they pay their assessment.
- A computer at the Main Gate to allow our security officers to verify commercial decal numbers as well as owners’ addresses, telephone, lot, and decal numbers.
- Computerizing the budget accounting function.
- Multiple mailing list programs to support the Association’s mailings throughout the year, the most notable of which is the new list for mailing The Landings Journal at second class postage rates.

The Finance Department and general expenses represent 15.8% of the 1993 budget.

Maintenance & Development

By the end of 1993 maintaining the common properties of Marshwood (Phase I), Plantation (Phase II), Oakridge (Phase III), and Deer Creek (Phase IV), will be the responsibility of the Association. Much of 1992 was spent making preparations to ensure the high standards of maintenance already established by The Branigar Organization for The Landings will be continued.

1992 Expansion Program

The committee formulated plans early last year to expand the Association’s original maintenance facility to meet the increasing maintenance and landscape demands on the island. Landings property owners passed a special capital assessment of $100 late in 1991 to cover the cost of the expansion project, and construction began last March. The new building adds 5,600 sq. ft. to the original structure for a total of 9,000 sq. ft. of work area. An expanded mechanics bay allows three full-size vehicles to be serviced at one time. New key-operated fuel tanks replace the outdated tanks in the maintenance yard. New administrative offices, a spacious lunchroom, personal lockers, and wash area for the department’s outdoor crews complete the building. Also included in the expansion is a mailbox and sign repair shop, and a room for storing chemicals, fertilizer, grass seed and various lawn care materials. The original building has been converted to house a new parts department, tool storage shed, and storage for foul-weather and safety gear.

In 1992 the maintenance department also expanded and moved the RV storage area located behind the Association administration building to a site off McWhorter Road in the Deer Creek area. The new area has 104 spaces, some with electrical outlets. The old RV yard is now used to store maintenance vehicles, heavy equipment and landscape bedding materials such as plants, various ground
Department Summaries

Cover and straw. Finally, fifty spaces were added to the Association's parking lot to accommodate overflow parking created by committee and club meetings, vehicle registration, and voting, etc.

Daily Services Maintained During Expansion

By the beginning of the peak mowing season all maintenance equipment was in good condition and the department was fully staffed. Off-season planning and preparation helped ensure daily maintenance services, including mowing, edging, trimming, landscaping, road sweeping, sign and mailbox repairs, and equipment repairs were completed on schedule. Contracts for road, cart path and storm drain repairs were also negotiated at this time.

The department added two new pieces of equipment in 1992: a Steiner slope mower and a Steiner edger. These will help maintain lagoon banks and curb edges throughout the island more efficiently.

TLA to Maintain Lagoons

During 1992 the Association initiated a study to determine the feasibility of bringing lagoon maintenance in-house. Over the past several years The Branigar Organization and the Association have contracted an outside environmental company to spray lagoon shorelines and treat the water. By bringing this work in-house, the Association hopes to improve daily monitoring of the lagoons, reduce reaction time to lagoon problems, react in a timely manner to reschedule treatments in periods of bad weather, and address environmental concerns. The department will continue to use outside consulting services as needed. The Maintenance and Development Department represents 44.9% of the 1993 budget.

Personnel Administration

The changing American workplace is reflected in the personnel administration activities during 1992. New government legislation and socially imposed standards have joined organizational concerns as important components of TLA's human resources program.

Growing Workforce Presents Challenges

Our total workforce increased to 63 people during 1992 and in 1993 will grow again to 68 to accommodate increased responsibilities related to added property maintenance and lagoon management. Turnover in 1992 remained unchanged from the previous year's figure of 56%. More than 700 applications were reviewed to fill 40 staff vacancies, most of them low level positions.

Liability insurance coverage continues to be a challenge to obtain at an affordable cost. An area of increasing concern is whether we can retain current workers' compensation coverage. In 1992 just two employees lost work time because of injuries sustained in the workplace. Stepped-up safety training and a hazard communication standard to cover all employees was developed with the hope of lowering these numbers this year.

New Legislation Guidelines Implemented

On July 26, 1992 TLA was required to implement the guidelines of the Americans With Disabilities Act. To comply with ADA, recruiting, hiring, and other employment practices were evaluated with an eye to providing reasonable accommodations to qualified disabled applicants. Many of the guidelines and regulations of ADA are already undergoing legal interpretation, and it may be some time before we have a clear understanding of how the new law applies to our organization. We currently have two employees working in traditional occupations who qualify for ADA protection.

Compensation and benefits administration remains an important focus of TLA's human resource management as the Association strives to offer an attractive work environment to the area's labor market while maintaining cost efficiency and competitiveness.

Drugs Don't Work Here

This year the Association strengthened its commitment to provide a safe workplace and enhanced quality of life and health for its employees and their families by becoming a certified participant in Savannah's Chamber of Commerce drug-free workplace program. At an employee focus group in July, TLA employees agreed unanimously that substance abuse, including alcohol and drugs of any kind, should not be tolerated in their workplace. Five employees and two members of the Personnel Policy and Benefits Committee wrote an employee substance abuse policy for presentation to the Board. The proposed policy, which includes random testing of all employees was reviewed by our legal counsel and approved by the Board of Directors. Implementation begins in February, 1993.
Department Summaries

Security

This year was marked by growth, increased activity and change. The Security Department increased its staff to 29 officers, expanded the patrol fleet from four to five vehicles, and doubled the operating hours at the Marshwood Gatehouse.

A total of 3,314 incident reports were processed in 1992, up from 2,637 incidents reported in 1991. The increase is due to more people on The Landings and improved reporting. The categories of incidents showing increases include theft, vandalism, noise, animal calls, fire alarms and insecure property. Decreases were noted in the number of burglar alarms and EMS calls.

One patrol vehicle was added to the fleet and two aging vehicles were replaced. The department’s five assigned vehicles average a total of 14,000 miles a month.

Increased Security at Gates

The new gatehouse at the Marshwood entrance is now open full-time. The north entrance to Deer Creek is controlled by the officer at the Marshwood Gatehouse by using a closed circuit television and remote gate opening system. Automatic vehicle exit equipment was also installed at the Deer Creek Village Gate and Oakridge Gate this year. The automatic gate equipment at all locations was provided by The Branigar Organization.

Resident Support

Volunteer and community support in 1992 continued to be excellent. Our gatehouse volunteers handled nearly 31,000 phone calls in support of guest registration and general Main Gate operations. The Landings Landlovers made a generous contribution to the department for new summer uniforms and training materials.

The commercial vehicle registration program generated revenue of approximately $181,000 in 1992, up from $120,000 collected in 1991. The added revenue is due in part to a fee increase and an unexpected increase in the number of vehicles registered.

The Security Department represents approximately 24.5% percent of the 1993 budget.

1993 Budget

- Architecture 4.5% $109,200
- Finance & General 15.8% $383,300
- Security 24.5% $595,700
- Administration 10.4% $253,300
- Maintenance 44.9% $1,092,000
Committee Reports

Architectural Committee
Chair: Ken Johnson

Audit Committee
Chair: Howard Kauffmann
Members: Susan Barton, J. William Hemphill, Tom Potterfield

Cable TV Committee
Chair: Dick Roberts
Members: Don Miller, Jack O'Connor.

Covenant Compliance Committee
Chair: Sandra Smith
Members: Linda Sue Babcock, Walt Boaef, Bob Dale, Sally Jones, Dorothy Liles, Herman Powers, Paul Strickler, Herb Trumbore, Diane Coppage, ex officio.

Finance Committee
Chair: J. William Hemphill
Members: William Bell, Ken Biersack, Chuck Linsey, James McClure, Edward Prellwitz, Magnus Robinson, David Tauche, Del Thompson, John MacDonald, ex officio, Deborah Neal, ex officio.

Maintenance Committee
Chair: Jack Fisher
Members: Bob Baer, Sam Delaney, Serge Poyo, Dick Watters, Drake Wilson, Neel Ackerman, ex officio, Joe Vail, ex officio.

Personnel Policy and Benefits Committee
Chair: Joe Heimbach
Members: Donald Gardner, Jean Guinan, Jim Meadors, Win Sargeant, Helen Selesky, Bob Simonton, Carol Johnson, ex officio.

Security Committee
Chair: Martin Otto
Members: Kirk Barefoot, Bud Brock, Margaret Heimbach, Bob Jetses, Jack O'Connor, Tom Potterfield, Joan Ross, Clyde Smith, Paul Stuhldreyer, Charles R. Scobee, Jr., ex officio.

Tax Committee
Acting Chair: Dave Price
Members: George Coffenberg, Joost Gompels, Charles Haynsworth, James Redcay, Al Swanson.

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Architectural

"It has been a busy, if not a somewhat trying, year for the committee, particularly in view of several staff changes during the year. The committee is proud of its achievements and trusts they will improve the efficiency and effectiveness of the architectural review, inspection and operation processes.” Ken Johnson, Chair.

The Architectural Committee’s primary responsibility is to administer and enforce the Covenants and Restrictions and the Association’s architectural guidelines. It may also develop and propose routine modifications or updates of the guidelines for Board review.

As year-end construction statistics indicate, submissions for new construction and modifications were considerably higher in 1992 than in the previous two years.

In addition to its regular monthly meetings, committee members participated in the Association’s monthly architectural review process. Two consulting Savannah architects and the architectural administrator also sit on the review board.

When the architectural administrator resigned unexpectedly at the end of August, committee chair Ken Johnson helped handle the department’s routine office and procedural matters.

Perry Jacobson and Fred Smith co-chaired and organized the volunteer inspectors program, and during the year more than 20 Landings volunteers completed approximately 1,000 building inspections. The volunteer inspectors program ensures that construction follows approved plans, building sites are properly maintained, tangent properties are not infringed upon, and covenants and architectural guidelines are protected.

The committee helped formulate many new policies and building standards throughout the year. Chief among them:

- Established a selection of acceptable exterior paint and stain colors with samples for identification and comparison.
- Recommended and implemented swimming pool construction guidelines.
- Recommended a policy regarding modifications and alterations to existing patio dwellings.
- Wrote and implemented guidelines for construction site maintenance to encourage clean construction sites, including on-site signs and penalties to contractors for noncompliance.
- Created a checklist of key covenant and architectural guideline controls to be used when reviewing architectural applications.
- Revised the Architectural Review Application, Building Construction Agreement and Homeowner’s Agreement.
- Initiated display of on-site permits for remodeling construction.
- Produced a checklist of new construction tips for property owners to be included in new property owner Welcome Packets.

Under the Association’s new committee structure, the Architectural Committee will operate directly under the direction of the general manager.

Cable TV

"In 1992 we saw significant activity on the part of US Cable to upgrade their system. We have every confidence this upgrade program will continue in 1993. We will also be concentrating on contract renegotiation in 1993.” Dick Roberts, Chair.

The Cable Committee was appointed by the Board three years ago to monitor general operations of the cable system on the island and to prepare for contract negotiations to renew the cable contract for Marshwood (Phase I), which is scheduled to expire in 1994. Contracts with US Cable are in effect for Marshwood, Plantation (Phase II) and Oakridge (Phase III). Service is provided to Deer Creek (Phase IV) by way of an agreement between The Branigar Organization and US Cable. Board President Bill Rawson, along with directors Tom Potterfield and Marshall Edwards, worked with the committee during the negotiating process last year.

The primary tasks of the committee in 1992 were to monitor current operations of US Cable and prepare for renegotiations of the current Marshwood contract. Don Miller carried the major burden of monitoring current operations. In preparation for contract negotiations the following actions were undertaken:

- Three members of the Association Board were added to the committee on an ad hoc basis.
- A cable TV consultant and an attorney who specializes in cable TV were retained and consulted on a regular basis.
- A special town meeting was held in November to inform subscribers of the status of the negotiations and to update the detailed cable customer survey taken in 1991.

On December 2 a proposed contract covering all four phases of The Landings was submitted to US Cable for its review. As yet there has been no formal response from the company regarding the contract. Under the Association’s new committee structure, the activities of the ad hoc Cable Committee will be incorporated into the new Public Works Committee after negotiations with US Cable are finalized.

13
Covenant Compliance

"Owners and residents have chosen The Landings not only for its amenities, but because the covenants provide a structure for a neighborhood. The strength of the covenants lies in the willingness of all of us to abide by them, and the primary function of the Covenant Compliance Committee is to elicit this spirit of cooperation." Sandra Smith, Chair.

Members of the Covenant Compliance Committee enforce the covenants and restrictions set forth in the General Declaration of Covenants and Restrictions, and resolve covenant violations in the community. All violations and complaints of violations are fully investigated, including those reported by property owners to TLA staff.

The committee met monthly during the year to discuss compliance problems and exchange ideas about ways to gain the cooperation of Landings property owners in complying with the covenants.

Each committee member was assigned an area of The Landings and charged with monitoring it regularly for covenant violations. When violations were determined, a series of citations was sent to the property owners or their renters informing them of the covenant violation and requesting that it be resolved. Unresolved problems were referred to the general manager for follow-up with the homeowner.

Because solutions to many covenant violations often relate to the work being done in the Association's maintenance and architecture departments, the committee chair frequently consulted with these department managers and their corresponding committees to ensure a unified, coordinated solution to each problem.

A major achievement during the year was Herb Trumbore's work to compile the Covenant Information Manual, which brings together in one place all current information about the covenants. Having the covenants easy to find in one book has been invaluable to the committee and its work. The committee also took steps to ensure that all Realtors working on the island have copies of the covenants and restrictions and Living With the Covenants brochures to distribute to new property owners.

In 1992, 100 covenant violations were entered in the Covenant Compliance Log. At year's end, four remained unresolved.

Under the Association's new committee structure, the Covenant Compliance Committee will operate directly under the direction of the general manager as the primary enforcement agent of the Board.

Finance

"Compared to 1991, when the committee and Association staff were developing a new three-year plan upon which to establish property owners' assessment rates for 1992-1994, the committee's activities in 1992 were limited." J. William Hemphill, Treasurer and Chair.

The primary task of the committee this year was to develop a questionnaire to be used to gather financial, operational, and organizational data from comparable community associations to assist our Board and management personnel to evaluate our own operations.

A great deal of time was spent in preparing the survey questionnaire in order to obtain the most meaningful information without placing an undue burden on those asked to complete it. Selecting those associations likely to be comparable with ours also took considerable time. As a result, the questionnaire was not completed in time to assist us with our 1993 plan and budget. However, we are off and running for 1994. It is planned that the questionnaires will be used early this spring after 1992 actual operations are complete and 1993 planning is being used to measure 1993 actual operations. The questionnaire data should prove useful to us when planning for 1994 and beyond.

Members of the committee also reevaluated the Association's investment policies during the year in view of the continued depressed economy and lower interest rates. It was felt that the current economy did not bode well for increased risk-taking; thus, other than investing certain excess funds for longer periods, no change was recommended. At the time of this writing, each fund has one T-Bill of one year's duration, with interest rates ranging from 3% to 3.324%. The balance of the monies is invested in a treasury money market account where interest yields have ranged from 3.576% to the latest figure of 2.706%. Such numbers have consistently exceeded shorter-term treasury bills and longer-term bills frequently are fully insured, and can be drawn on instantly. As can be seen from the audited financial statements for 1992 included elsewhere in this report, our operating fund investment income amounted to $76,900 for the year for a yield of 3.67%.
Maintenance

"The maintenance staff and the committee have one objective in mind: To provide the residents an island they can be proud of with minimum out-of-pocket costs. We sincerely hope everyone feels these objectives are being met." Jack Fisher, Chair.

The policies and procedures established by the Maintenance Committee of the past couple of years were continued and enhanced during 1992. The standards of performance developed last year have on the whole proved successful and provided the Association's maintenance manager with guidelines on what is expected from the maintenance department. The committee could not be more pleased with Joe Vail and the maintenance staff in the performance of their duties and in carrying out Association policies.

Two new policies prepared by the committee were approved by the Board in 1992. The first was the Adopt an Island Program which provides guidelines to residents who would like to landscape islands on nearby side streets and thus enhance the appearance of their property. The second is an updated version on the Maintenance of Rights-of-Way, Owners' Responsibilities. The first Maintenance of Rights-of-Way policy was adopted in 1988; the new policy addresses new areas and conditions.

As it has in the past, the committee continues to work closely with the maintenance manager in several areas. These include:

- Assisting lagoon and property dedication teams.
- Surveying cart paths for the annual repair program.
- Helping to develop a long-range street rehabilitation program.
- Developing gasoline storage spill prevention control and countermeasure plan to meet federal requirements for storing gasoline for Association use.
- Working with staff on preventative maintenance programs for equipment.
- Helping to set up parts and inventory programs.

Under the Association's new committee structure, the activities of the Maintenance Committee have been incorporated into the new Public Works Committee.

Personnel Policy & Benefits

"It's been an exciting, interesting, and productive year, particularly with the completion and acceptance of the drug-free workplace program. We are very glad to be part of the effort in Savannah fostered by the Chamber of Commerce to have as many employers as possible adopt this program." Joe Heimbach, Chair.

The primary function of the Personnel Policy and Benefits Committee is to research personnel and benefits proposals and submit recommendations to the Board of Directors for action. Using the combined experiences of committee members and their contacts with former employers, clients and other residents, the committee also advises the general manager and personnel administrator on personnel and benefit issues.

One of the committee's major assignments in 1992 was to determine the need for a program to assure a drug-free workplace, what the program's guidelines would be, and how it should be introduced to TLA employees. After consulting with a resident expert and attending several meetings sponsored by the Savannah Chamber of Commerce and others in which area employers, attorneys, law enforcement personnel, and representatives from substance abuse treatment facilities met to share information on the issue of substance abuse in the workplace, the committee concluded that an aggressive program was indeed required. The decision was based on a number of reasons, the most important of which were concerns about the wide-spread drug culture in Savannah, the easy access to drugs throughout the city, and the potential risks to employees (and residents) while operating Association equipment under the influence of chemical substances.

The committee recommended to the general manager that the program would be accepted by employees more readily if its implementation procedures were developed by a sub-committee that included supervisory staff and employees from all TLA departments, as well as members of this committee. The Personnel Policy and Benefits Committee reviewed the implementation procedures proposed by the sub-committee and recommended their adoption to the Board of Directors. The Board approved the recommended Drug Free Workplace Program in November.
The committee also undertook a project last year to compare Association benefit plans with those of The Landings Club and considered the effect of staff growth on the plans. A number of supplemental benefits packages from various suppliers were analyzed, however, the committee concluded that the Association should continue with its present plans until the direction of health care legislation is made clear.

Also this year the Employee Handbook and Personnel Policy Manual were reviewed and the language revised for better understanding of their concepts. Additionally, a proposed Hazard Communication Standard required by federal law to cover all employees was prepared and submitted to the general manager.

Throughout the year the committee continued its efforts to keep pace with new legislation and judicial decisions affecting our organization, such as the Americans with Disabilities Act of 1989 whose guidelines went into effect in July.

Under the Association's new committee structure, the name of this committee will change to Personnel, Benefits and Compensation.

Security

"The Security Committee and the 29 officers of The Landings Association security staff are dedicated to promoting the safety and security of residents and their guests, as well as the personal and common property of the community." Martin Otto, Chair.

Recommending policy and undertaking special projects relating to safety and security are the main functions of the Security Committee. During 1992 the committee focused its attention on golf cart safety, committee restructuring and policy development.

Golf Cart Safety Awareness Program

The committee's main focus in 1992 was golf cart safety. Although the Board approved a list of Rules of the Road for operating golf carts on common property in March, 1991, it became clear early last year that many residents were not operating their carts in compliance with the rules. The committee, therefore, developed an awareness campaign to draw attention to the rules and improve golf cart safety.

Landings residents Morey Scherzer and Ruth Greenwald worked with the committee to create a safe-driving campaign to publicize the rules and urge compliance with them. The campaign's safety message "Cart Sense ... makes Good Sense," was interpreted through a visually strong logo and a series of ads published throughout the fall in The Landings Journal and TWAJL. Mark Streeter, a well-known illustrator with the Savannah News Press, produced a series of illustrations that were used in posters and displayed throughout The Landings as part of the program.

Policy Development

Policy studies were made in the areas of fishing, parking and possible police powers for Association security staff. Lagoon fishing guidelines were drafted by the committee and approved by the Board of Directors at its meeting on March 10, 1992, as the Association's official policy regarding fishing in the lagoons at The Landings.

Throughout the year, 176 volunteers at the Main Gate handled 31,000 telephone calls; their work saved the Association approximately $31,000.

Working closely with members of the Board of Directors, the committee helped develop a speed limit enforcement program in an effort to encourage driving within the speed limits of The Landings. The program, which included a radar operated speed controlling device, was adopted by the Board at its meeting on November 12, 1991. This increased emphasis to control excessive speeding on the roads at The Landings has resulted in a reduced number of vehicles observed travelling in excess of 40 m.p.h. During the last half of 1992, less than one percent of vehicles clocked with the security department's radar were travelling above the speed of 40 m.p.h.

Committee Restructure

During the summer of 1992, the Board announced its plan to restructure the volunteer committees of the Association and this committee spent a great deal of its time developing the new concept. Under the new structure, the Security Committee will be known as the Safety and Environment Committee.
"We had a productive year, not only assisting Association members with current questions, but building relationships with assessors and commissioners which will enhance our efforts in the future." Dave Price, Acting Chair.

The Tax Committee was created in November, 1989. It’s primary function is to a) monitor the local government processes that influence or result in property taxes; b) inform the Association Board of significant developments and recommend action that may be needed to protect Association members; and c) be responsible for maintaining an up-to-date tax reference room for use by members. The committee also disseminates information to Landings property owners in a timely manner.

Two major service categories marked the activities of the Tax Committee in 1992: Support for the Association Tax Resource Center which provides tax information and service to Landings property owners, and investigation and assistance to county personnel on tax matters. Specific activities during the year include —

Assistance to Property Owners
- Assisted resident and non-resident property owners.
- Maintained up-to-date Tax Resource Center in Association library.
- At the request of The Branigar Organization the committee investigated the problem of county tax notices that were being sent to incorrect addresses, thus resulting in delinquent tax payments. The committee discovered the cause and made appropriate recommendations to solve the problem.
- Conducted an independent sales analysis of 1991 Midpoint sales which supported Chatham County’s higher appraised values. Reviewed results with the Midpoint property owners’ group.
- Attended several meetings with county personnel on general tax matters, including a meeting with Bill Rawson, president of the association, and Leslie Smith, the new chief tax assessor.

Assisted County Personnel
- Members of the committee attended the majority of county commissioner meetings regularly.
- Established positive working relationships with county manager, finance director and several commissioners.
- Reviewed several concerns with commissioners regarding improper budgeting and expenditures.
- Studied effect of proposed 2.0 mil county tax for fire protection at The Landings.
- Prepared report which Bill Rawson sent to County Commission Chairman Robert L. McCorkle showing Special Services District is paying $1.3 million too much for county administrative services and $0.5 million too much for the jail and detention center. The information was forwarded by the commission to County Manager Russell E. Abolt for action.
- Reported to commissioners that as it was being applied, the three percent tax on mixed drinks violated the county code. The tax was subsequently rescinded.
- The Tax Committee also prepared a document questioning many other items in the Special Services District budget. This document is currently being reviewed by the Association’s Board of Directors.
- Tax Committee Chair Ed Garrison, who has chaired the committee since its inception, has resigned. Former Vice-Chair Dave Price is acting chair. Under the Association’s new committee structure, the activities of the Tax Committee have been incorporated into the new Legal and Public Affairs Committee.
Financial Statements

1992 Treasurer's Report
J. William Hemphill, Treasurer

The audited financial statements of the Association, together with the unqualified opinion of DeLoach & Company, Certified Public Accountants, are presented in the following pages of this report.

Your Association experienced a very successful year in 1992. Cash and Treasury Bills at year-end exceeded liabilities by approximately $1,150,000, approximately $235,000 better than projected. This may be explained by the fact that we realized $97,000 more in non-assessment income than budgeted and $136,000 less in health insurance, employer payroll taxes, and workers' compensation expenses due to favorable experience ratings. Other than these specific items, all other revenues and expenses were basically within budget.

Assessments receivable at year-end amounted to about one percent of total assessments and losses due to foreclosures, and personal bankruptcies represent about one-half of one percent ... a very good statistic.

Approximately $420,000 net of disposals was invested in property and equipment in 1992, representing the expanded maintenance facility on Landings Way ($230,000), the expanded parking lot ($20,000), the new and expanded RV storage lot in Deer Creek ($60,000), and additional or replacement vehicles, mowers, edgers, etc. ($110,000). It is expected that the Deer Creek maintenance facility will be completed in 1993, thus accounting for the special capital assessment of 1992.

In accordance with the Association's budget and financial plan, a transfer at year-end of $225,000 was made to the Repair and Replacement Funds. A review will be made in 1993 of the adequacy of these funds and a determination of any necessary adjustments that may be required to meet expected maintenance requirements.

I repeat a statement I made in last year's report ... the Association members are very fortunate to have a staff of highly qualified personnel presently performing the accounting and reporting functions. No major system modifications were made in 1992, but many minor changes were incorporated into the present systems to improve controls and efficiency. We enter 1993 well staffed.

Audit Committee Report

During 1992 the client service executive on our account from our auditors, Tindol & Smith, informed us that he was leaving the firm and joining a larger regional firm, DeLoach & Company. The Audit Committee reviewed Tindol & Smith's proposed 1992 personnel staffing and qualifications for our assignment and also requested DeLoach & Company to make a proposal for services and costs utilizing the same client service executive who had worked with us the prior year. Based upon experience, qualifications and costs, and the familiarity of the executive with our account, the Committee selected DeLoach & Company as our auditors for 1992.

The Committee also met with the auditors in the fall to review the scope and timing of their examination.

At its most recent meeting, the Committee accepted the report of the auditors following their examination of the Association's financial statements. Their report, which appears on page 19 of this annual report, expresses an unqualified opinion on the statements. They further reported they discovered no significant internal control deficiencies requiring disclosure to the Committee.
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
The Landings Association, Inc.
600 Landings Way South
Savannah, GA 31411

We have audited the balance sheet of The Landings Association, Inc. as of December 31, 1992, and the related statements of revenues and expenses and changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Landings Association, Inc. as of December 31, 1991, were audited by other auditors whose report dated January 24, 1992, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1992 financial statements referred to above present fairly, in all material respects, the financial position of The Landings Association, Inc. as of December 31, 1992, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 of the financial statements, the Association has changed its method of recognizing collections from capital assessments.

January 27, 1993
### Balance Sheets

#### December 31, 1992

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Operating</th>
<th>Capital Improvements</th>
<th>Road Resurfacing</th>
<th>Storm Drain &amp; Lagoon Maintenance</th>
<th>Total All Funds</th>
<th>Dec 31 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and U.S. Treasury Bills</td>
<td>$1,429,199</td>
<td>$108,781</td>
<td>$281,498</td>
<td>$306,042</td>
<td>$2,125,520</td>
<td>$1,371,768</td>
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<tr>
<td>Assessments Receivable</td>
<td>24,539</td>
<td>28,725</td>
<td></td>
<td></td>
<td>53,264</td>
<td>24,602</td>
</tr>
<tr>
<td>Less: Allowance for Uncollectible Accounts</td>
<td>(11,800)</td>
<td>(1,400)</td>
<td>(13,200)</td>
<td></td>
<td>(9,900)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12,739</td>
<td>27,325</td>
<td></td>
<td></td>
<td>40,064</td>
<td>14,702</td>
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<tr>
<td>Interest Receivable</td>
<td>2,054</td>
<td>1,600</td>
<td>2,541</td>
<td>6,195</td>
<td>20,211</td>
<td></td>
</tr>
<tr>
<td>Other Accounts Receivable</td>
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<td>675</td>
<td>35,397</td>
<td>48,661</td>
<td>37,512</td>
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<tr>
<td>Prepaid Expenses</td>
<td>45,067</td>
<td></td>
<td>45,067</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>3,864</td>
<td></td>
<td>3,864</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,527,645</td>
<td>136,106</td>
<td>283,098</td>
<td>309,258</td>
<td>2,256,107</td>
<td>1,492,854</td>
</tr>
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<td>Due To (From) Other Funds</td>
<td>62,631</td>
<td>(62,631)</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
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</table>

#### Property, Plant and Equipment
- on the basis of cost

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>Accounts Payable and Accrued Expenses</th>
<th>$164,240</th>
<th>$5,175</th>
<th>$169,415</th>
<th>$70,836</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accrued Wages and Taxes Payable</td>
<td>52,815</td>
<td>52,815</td>
<td>79,198</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income Taxes Payable</td>
<td>47,514</td>
<td>47,514</td>
<td>44,887</td>
<td></td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>264,569</td>
<td>$5,175</td>
<td>269,744</td>
<td>194,921</td>
<td></td>
</tr>
<tr>
<td>Members' Equity</td>
<td>$2,499,160</td>
<td>$73,475</td>
<td>$283,098</td>
<td>304,083</td>
<td>3,159,816</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$2,763,729</td>
<td>$73,475</td>
<td>$283,098</td>
<td>309,258</td>
<td>3,429,560</td>
</tr>
</tbody>
</table>

NOTE - The accompanying Notes to Financial Statements are an integral part of these financial statements.
# Statements of Revenues and Expenses and Changes in Members' Equity

## Year Ended December 31, 1992

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Capital Improvements</th>
<th>Road Resurfacing</th>
<th>Storm Drain &amp; Lagoon Maintenance</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$2,424,025</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Registration</td>
<td>185,937</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architectural Review Fees</td>
<td>76,120</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earned</td>
<td>76,924</td>
<td>$4,647</td>
<td>$8,014</td>
<td>$7,393</td>
<td></td>
</tr>
<tr>
<td>Cable Contract Fees</td>
<td>24,724</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directory Advertising</td>
<td>11,882</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>8,803</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>2,808,415</td>
<td>4,647</td>
<td>8,014</td>
<td>7,393</td>
<td>2,828,469</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Capital Improvements</th>
<th>Road Resurfacing</th>
<th>Storm Drain &amp; Lagoon Maintenance</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>569,547</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance of Common Property</td>
<td>882,586</td>
<td>143,452</td>
<td>4,500</td>
<td>1,030,538</td>
<td></td>
</tr>
<tr>
<td>Architectural Review</td>
<td>82,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and General</td>
<td>499,614</td>
<td>1,679</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Taxes</td>
<td>29,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>2,063,547</td>
<td>1,679</td>
<td>143,452</td>
<td>4,500</td>
<td>2,213,178</td>
</tr>
</tbody>
</table>

| **REVENUES OVER EXPENSES** |           |                      |                  |                                  |                 |
| 744,868               | 2,968     | (135,438)            | 2,893            | 615,291                          | 18,896          |

| **MEMBERS' EQUITY, January 1** |           |                      |                  |                                  |                 |
| 1,638,228             | (1,619)   | 268,536              | 226,190          | 2,131,335                        | 2,086,094       |

| **MEMBERS' EQUITY, December 31** |           |                      |                  |                                  |                 |
| 406,646               | 6,544     | (334,520)            | 0                |                                  | 20,800          |

**Transfer of Capital Projects** | 334,520   | 0                    |                  |                                  | 5,545           |

**Transfer to Repair and Replacement Funds** | (225,000) | 150,000              | 75,000           | 0                                | 0               |

**MEMBERS' EQUITY, December 31**

|                      | $2,499,160| $73,475              | $283,098         | $304,083                        | $3,159,816      |

|                      |           |                      |                  |                                  |                 |
|                      | $2,499,160| $73,475              | $283,098         | $304,083                        | $3,159,816      |

**NOTE** - The accompanying Notes to Financial Statements are an integral part of these financial statements.
# Statements of Cash Flows

<table>
<thead>
<tr>
<th>Operating</th>
<th>Capital Improvements</th>
<th>Road Resurfacing</th>
<th>Storm Drain &amp; Lagoon Maintenance</th>
<th>Total All Funds</th>
<th>Year Ended Dec 31, 1991</th>
<th>Year Ended Dec 31, 1992</th>
<th>Total All Funds Restated - Note 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments Received from Members</td>
<td>$ 2,404,918</td>
<td>$ 2,404,918</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 1,654,311</td>
</tr>
<tr>
<td>Cash Paid to Suppliers and Employees</td>
<td>(1,792,972)</td>
<td>(1,936,422)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1,849,666)</td>
</tr>
<tr>
<td>Commercial Vehicle Registration Received</td>
<td>185,937</td>
<td>185,937</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>123,225</td>
</tr>
<tr>
<td>Interest Received</td>
<td>91,557</td>
<td>8,091</td>
<td>6,696</td>
<td>110,990</td>
<td></td>
<td></td>
<td>98,018</td>
</tr>
<tr>
<td>Architectural Review Fees Received</td>
<td>76,120</td>
<td>76,120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>52,150</td>
</tr>
<tr>
<td>Cable Contract Fees Received</td>
<td>23,524</td>
<td>23,524</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,475</td>
</tr>
<tr>
<td>Restricted Contributions Received from members</td>
<td>6,544</td>
<td>6,544</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,545</td>
</tr>
<tr>
<td>Other Miscellaneous Fees Collected</td>
<td>20,685</td>
<td>20,685</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,526</td>
</tr>
<tr>
<td>Income Taxes Paid</td>
<td>(26,373)</td>
<td>(26,373)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(35,792)</td>
</tr>
<tr>
<td>Payments Received (Paid) on Interfund Balances</td>
<td>(54,187)</td>
<td>55,812</td>
<td>(1,625)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Transfers made to Repair Funds</td>
<td>(225,000)</td>
<td>150,000</td>
<td>75,000</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>710,753</td>
<td>60,459</td>
<td>13,016</td>
<td>81,696</td>
<td>865,923</td>
<td></td>
<td>77,792</td>
</tr>
</tbody>
</table>

## CASH FLOWS USED IN INVESTING ACTIVITY:

| Capital Expenditures | 156,629 | 334,520 | 491,149 | 36,404 |
| Other Assets | 3,864 | | 3,864 | |
| **Net Cash Used in Investing Activity** | 160,493 | 334,520 | 495,013 | 36,404 |

## CASH FLOWS PROVIDED BY FINANCING ACTIVITY:

| Proceeds of Assessment for Capital Improvements from Members | 382,842 | | | |
| **Net Cash Provided by Financing Activity** | 0 | 382,842 | 382,842 | 19,228 |

## Increase in Cash and Cash Equivalents

| Cash and Cash Equivalents Beginning of Year | 878,939 | 0 | 268,482 | 224,346 | 1,371,768 | | 1,311,152 |
| **Cash and Cash Equivalents End of year** | $1,429,199 | $108,781 | $281,498 | $306,042 | $2,125,520 | | $1,371,768 |
### Statements of Cash Flows (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 1992</th>
<th>Year Ended Dec 31 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Capital Improvements</td>
</tr>
<tr>
<td>Excess of Revenues over Expenses (Expenses over Revenues)</td>
<td>$744,868</td>
<td>$2,968</td>
</tr>
<tr>
<td>Adjustments not Requiring Cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>143,902</td>
<td></td>
</tr>
<tr>
<td>Loss on Asset Retirement</td>
<td>6,195</td>
<td></td>
</tr>
<tr>
<td>Provision for Doubtful Accounts</td>
<td>15,870</td>
<td>1,679</td>
</tr>
<tr>
<td>(Increase) Decrease in Assessments Receivable</td>
<td>(19,107)</td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Other Receivables</td>
<td>28,575</td>
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<tr>
<td>(Increase) Decrease in Prepaid Expenses</td>
<td>(6,555)</td>
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</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable and Accrued Expenses</td>
<td>93,404</td>
<td></td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Wages and Payroll Taxes</td>
<td>(26,383)</td>
<td></td>
</tr>
<tr>
<td>Changes in Interfund Balances</td>
<td>(54,187)</td>
<td>55,812</td>
</tr>
<tr>
<td>Increase (Decrease) in Income Taxes Payable</td>
<td>2,627</td>
<td></td>
</tr>
<tr>
<td>Amount received in Restricted Members' Contribution</td>
<td>6,544</td>
<td></td>
</tr>
<tr>
<td>Cash Transfer to Repair Funds</td>
<td>(225,000)</td>
<td>150,000</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>$710,753</td>
<td>$60,459</td>
</tr>
</tbody>
</table>

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash and Cash Equivalents include operating cash, money market accounts and U.S. Treasury Bills.

There were no non-cash investing and financing activities for 1992 and 1991.

The accompanying Notes to Financial Statements are an integral part of these financial statements.
Notes to Financial Statements
December 31, 1992 and 1991

Note 1 - Organization

The Landings Association, Inc. is a non-profit corporation whose members consist of property owners of The Landings on Skidaway Island, a private residential community comprising a total of 4,450 acres. The Association owns, operates and maintains the common properties and facilities, and provides security services within the community.

Note 2 - Significant Accounting Policies

Accounting Method - The Association uses fund accounting which requires that funds designated for future significant repairs and replacements (Road Resurfacing Fund and Storm Drain and Lagoon Repair Fund) and funds received from members for designated purposes other than operating (Capital Improvements Fund) be classified separately for accounting and reporting purposes. Members' assessments for operating purposes are required to be approved by a vote of the members no more frequently than every three years. The rates for 1992 were $625 for all lots whereas the rates for 1991 were $475 for an improved lot and $380 for an unimproved lot. A special capital assessment of $100 was also approved by the members in 1991 which was billed in 1992 to cover certain capital additions to the Association's properties. Disbursements from the Operating Fund are generally at the discretion of the General Manager within the Board's approved budget. Disbursements from the repair and replacement funds may be made only for their designated purposes. Disbursements from the Capital Improvements Fund are controlled by agreements approved by a vote of the members and related agreements with the Developer.

Recognition of Assets and Depreciation Policy - The Association owns significant amounts of real property and improvements as follows:

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common areas and rights of way</td>
<td>945 acres</td>
<td>848 acres</td>
</tr>
<tr>
<td>Roadways</td>
<td>82 miles</td>
<td>79 miles</td>
</tr>
<tr>
<td>Cart paths</td>
<td>24 miles</td>
<td>21 miles</td>
</tr>
<tr>
<td>Lagoons</td>
<td>88</td>
<td>26</td>
</tr>
</tbody>
</table>

These properties are being conveyed periodically to the Association for the consideration of $1 under an agreement with the Developer. These common properties are real property directly associated with the individual ownership of member properties and are dedicated for the use of the entire community, cannot be sold separately, and thus have no fair market value other than that related to their intended use. Such assets are not recognized in the financial statements of the Association. The Association capitalizes assets acquired with Association funds. Assets donated to the Association by members are recorded at fair market value. Depreciation is computed using the straight-line method at rates which are sufficient to amortize the cost of the assets over their estimated useful lives. The Articles of Incorporation and the Covenants permit the Association to participate in mergers and consolidations with other non-profit corporations organized for the same purposes mortgage the properties; and dedicate or transfer all or any part of the common properties to any public agency, authority or utility. Upon dissolution of the Corporation, the assets, both real and personal, shall be dedicated to an appropriate public agency or activity. All such actions require approval of two-thirds of the membership.

Note 3 - Change in Accounting

In 1986 the members approved a capital assessment of $200 per member to build an administration building and a maintenance facility as the initial permanent assets of the Association. These funds had been recorded as assessment income in the Capital Improvement Fund. A similar assessment of $100 was approved for 1992. A recently issued Accounting Guide for Common Interest Realty Associations published by the American Institute of Certified Public Accountants (recommendations of the Accounting Standards Executive Committee of financial accounting and reporting principles and practices) does
not respond to this treatment directly. It does comment, however, that assessments from owners upon start-up of an association to provide initial working capital to begin operations should be recorded as capital contributions to Members’ Equity. Since such special capital assessments of 1986 and 1992 were restricted to such capital additions and are identical to an initial capital contribution, the Association in 1992 has charged its accounting to conform to the accounting guide. The effect of this change was to decrease Revenues over Expenses of the Capital Improvements Fund for 1992 by $406,646. The financial statements for 1991 have been restated for the change which reduced Revenues over Expenses by $20,800 Members’ Equity at December 31, 1991 required no adjustment.

Note 4 - Future Major Repairs and Replacements

The Association’s governing documents provide for the levying of annual general purpose assessments which, in addition to providing funds for general operations of the Association, also provide for the repair and maintenance of streets, roadways and drainage facilities (storm drain and lagoons). It is the practice of the Association to include normal, recurring repair and maintenance of common properties in annual operating budgets and to set aside in separate repair and replacement funds amounts estimated to be required to meet the future major repair and replacement cost of certain components of common properties. Actual expenditures may vary from the estimated future expenditures and the variations may be material. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Road Resurfacing Fund - An engineering study conducted in November, 1989 and updated in September, 1992, estimated the long-range (1988 through 2007) costs of maintaining the Association’s streets and roadways (including those currently in place but not yet dedicated) on an annual basis. Such estimates in 1992 dollars range from $86,500 to $265,250. Funds are currently being accumulated in the Fund at the rate of $150,000 per year with increased deposits expected in the future as the number of residences grows and as inflation requires.

During the years ended December 31, 1992 and 1991, amounts expended from the Fund were $143,500 and $176,000, respectively.

Storm Drain and Lagoon Repair Fund - The Association is planning a study of the physical and operating condition and estimated future costs of major repair and replacements of the drainage system dedicated and to be dedicated by the Developer. Funds in the amount of $75,000 each year, beginning in 1991 ($50,000 in prior years), are being accumulated in the Fund for such purposes. When the study is completed, annual accumulations will be revised, if necessary, to meet the estimated required expenditures.

Note 5 - Assessments Receivable

The Association’s policy is to retain legal counsel and place liens on the properties of owners whose assessments are two months in arrears. As of December 31, 1992, $23,100, including interest, fees and legal costs, of Assessments Receivable of the Operating Fund were in arrears and under lien. Because of foreclosures against certain property owners and the filing of personal bankruptcies which cast a doubt on the collectability of certain assessments, an allowance for doubtful accounts of $11,800 has been established for their uncertainty.

Note 6 - Pension Plan

The Association maintains a defined contribution pension plan for all eligible employees. Employees are eligible to participate in the plan upon attaining the age of 20 ½ and the completion of six months active service. Vesting begins with the third year of service and participants become fully vested after seven years. Association contributions, based on established percentages of eligible paid compensation (but not to exceed 5 percent of total eligible compensation in one year), amounted to $32,000 in 1992 and $20,200 in 1991.
NOTE 7 - FEDERAL AND STATE INCOME TAXES

The Association has elected to file its income tax returns as a homeowners' association in accordance with Internal Revenue Code, Section 528. Under that section, the Association excludes from taxation exempt function income which generally consists of revenue from uniform assessments to owners. In the years 1992 and 1991, the Association's investment income, commercial registration income, and certain other non-exempt income were subject to tax.

NOTE 8 - LEGAL MATTERS

The Association is currently a defendant, along with others, in two lawsuits, both of which are seeking injunctive relief in favor of the plaintiffs and unstated damages. The Association intends to vigorously contest both cases. It is not expected that either or both cases together will result in any significant financial loss to the Association.

NOTE 9 - RELATED PARTY TRANSACTIONS

In accordance with the Bylaws of the Association, the President of the Corporation appoints one member to the Board of Directors of the Association for one year who must be an employee of The Branigar Organization, the Developer. In addition to the duties of a Director, the appointed member also serves as the liaison member of the Board to the Developer. During 1992 and 1991, the Association provided security services to the Developer under annual contracts. Such services accounted to $136,200 in 1992 and $80,300 in 1991, based upon the cost of providing those services. A further 1986 agreement calls for the payment of special capital assessments of $200 for each lot sold to be added to the Capital Improvements Fund. As part of the 1991 Special Capital Assessment, billed and collected in 1992, the Developer paid $100 for each available lot as of January 1, 1992, amounting to $29,900. At December 31, 1992, accounts receivable of the Association included $11,400 due from Branigar in the normal course of business. The Association entered into separate agreements with The Landings Club, Inc., a separate equity membership entity (all the members of which are members of the Association) which owns and operates the golf, tennis, swimming, and physical fitness activities, to provide lagoon maintenance and security services. Such services amounted to $50,400 in 1992 and $34,800 in 1991, also based upon the cost of providing those services. The Association's accounts receivable included $11,400 due from the Club for such services at December 31, 1992.
# Summary of 1993 Budget

## REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Assessments</td>
<td>$2,490,100</td>
</tr>
<tr>
<td>Vehicle Registration</td>
<td>153,500</td>
</tr>
<tr>
<td>Architectural Review Fees</td>
<td>69,000</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>70,000</td>
</tr>
<tr>
<td>Cable Contract Fees</td>
<td>23,500</td>
</tr>
<tr>
<td>Directory Advertising Contract</td>
<td>11,000</td>
</tr>
<tr>
<td>Other</td>
<td>10,600</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,827,700</strong></td>
</tr>
</tbody>
</table>

## EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>253,300</td>
</tr>
<tr>
<td>Accounting</td>
<td>80,000</td>
</tr>
<tr>
<td>Architectural Review</td>
<td>109,200</td>
</tr>
<tr>
<td>Security</td>
<td>595,700</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,092,000</td>
</tr>
<tr>
<td>General</td>
<td>303,300</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,468,500</strong></td>
</tr>
</tbody>
</table>

## EXCESS REVENUES OVER EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>359,200</strong></td>
</tr>
</tbody>
</table>

## TRANSFERS FROM (TO) RESERVE FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Resurfacing</td>
<td>(150,000)</td>
</tr>
<tr>
<td>Storm Drain &amp; Lagoon</td>
<td>(75,000)</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>(165,000)</td>
</tr>
</tbody>
</table>

## EXCESS REVENUES OVER EXPENSES AND TRANSFERS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$194,200</strong></td>
</tr>
</tbody>
</table>

## DEPRECIATION INCLUDED ABOVE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$176,100</strong></td>
</tr>
</tbody>
</table>

## Capital Improvements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>200</td>
</tr>
<tr>
<td>Accounting</td>
<td>500</td>
</tr>
<tr>
<td>Architectural Review</td>
<td>0</td>
</tr>
<tr>
<td>Security</td>
<td>11,400</td>
</tr>
<tr>
<td>Maintenance</td>
<td>114,300</td>
</tr>
<tr>
<td>General</td>
<td>6,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$132,900</strong></td>
</tr>
</tbody>
</table>
Association Directory

1993 Officers
President
William R. Rawson 598-0764
9 Delegal Road
4 Sandsfield Way

Co-Vice-Presidents
John Morrill 0931
9 Delegal Road
46 Cotton Crossing W

Chuck Canter 0887
15 Hemingway Dr.

Acting Treasurer
J. William Hemphill 1720
5 Planters Lane

Secretary
Deborah Neely 0551

1993 Directors
Susan Barton 0222
4 Chatuachee Crossing

Jim Buck 8445
2 Pettigrew Drive

Chuck Canter 0887
46 Cotton Crossing W

Simon Col 1425
3 Margrave Lane

Drew Ernst 089
7 Pensyre Retreat

Bill Lattimore, Jr. 1500
Branigar Liaison

John Morrill 0931
9 Delegal Road

Tom Potterfield 1451
6 Prestbury Lane

Bill Rawson 0764
4 Sandsfield Way

Sandra Smith 8313
17 Marsh Tower Lane

General Counsel
Thomas J. Mahoney, Jr. 0932
5 Noble Jones Lane

Office 354-1132
PO Box 13711, Savannah, GA 31416

Association Staff
General Manager
Paul E. Sousa 598-2520
Association Office

FAX -2516
600 Landings Way South

Administration Manager
Diane Coppel

G.M. Assistant Office
Communications

Decal Purchases & Vehicle Registration

Meeting Room & RV Reservations

Architectural Administrator
James H. Rieniets

Plans Review

Site Management

Controller
Deborah F. Neal

Accounting Administration

Statement Preparation

Investment Management

Systems Analysis

Maintenance & Development Manager
Joseph T. Vail

Common Property Maintenance

Cart Path Repair & Street Maintenance

Signage & Street Sweeping

Tree Removal & Trimming

Lagoon & Storm Drainage

Personnel Administrator
Carol Johnson

Salary & Benefits

Personnel Records

Drug Testing Program

Chief of Security & Safety
Charles R. Scobee, Jr.

Emergency Services Support

Gate Operations

Premise Checks & Patrols

Public & Workplace Safety