The Landings Association
1993 Annual Report
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

The year 1993 passed swiftly by, at least it did for the president of your homeowners’ association. You will read elsewhere of the many actions taken by your Board of Directors, the professional staff, and our very active volunteers. However, two actions taken during my second tour of duty as your president stand out in my mind.

First, the culmination of the recommendations by the Board’s committee to restructure committees made in 1992 were effective for 1993. I am pleased to report that the new restructured committees performed excellently, and the relationship between staff and volunteer committee members was greatly improved. Paperwork was reduced, the number of meetings held was left to a workable minimum, and things generally reflected the shift we had sought in operating an Association with now more than six thousand resident members. My thanks go to Simon Cols, chair of the Restructuring Committee, and his committee members, Susan Barton, Chuck Canter, and Tom Potterfield.

The second major event of this past year’s tenure was the execution of the Cooperative Service Agreement by your Association, the Georgia Department of Natural Resources and the Animal Control Division of the United States Department of Agriculture, to establish a long range wildlife program to control the growth of the deer herd on The Landings. Your board recognized the traffic hazards caused by the growth of the deer population as well as the damage to the plant life on the island and the threat to health caused by an oversized herd. While this program, when implemented, will cost approximately $200,000 over a three-year period, it will, in my view, and I firmly believe in the view of the vast majority of our residents, be money well spent.

As the year officially ends at our annual meeting on February 8, I would like to express my thanks to retiring Board members, Drew Ernst, John Morrill, and Tom Potterfield for their support and untiring efforts on behalf of the Association. I also congratulate Thomas Hunter, Debi Neely, and Martin Otto on their election to the Board, and look forward to working with them. TLA

1993 Officers
Bill Rawson, President
Chuck Canter, Vice President
John Morrill, Vice President
Deborah Neely, Secretary

Board of Directors
Susan Barton
Jim Buck
Chuck Canter
Simon Cols
Drew Ernst
Bill Lattimore, Jr.
John Morrill
Tom Potterfield
Bill Rawson
Sandra Smith
General Manager's Message

Unbelievable! is how one of our department managers summed up 1993. On reflection, he was right.

For the first time in our 21-year history, the Association president served a second consecutive year in office. We reveled in the continuity it provided. Alas, a third year is not to be as Bill and Liz Rawson plan some deferred traveling about the globe. Fortunately, his experience won't be lost as Bill will continue to serve as a director in 1994 where he will complete his three-year term.

March roared in like an angry lion with the "storm of the century" on the 13th. The Landings was walloped with hurricane-force winds, leaving us with debris to pick up for the next six to eight weeks. There was so much dry trash to collect that we had to supplement county crews so the job could be finished before summer. Some of our cleanup costs were eventually recovered through a Federal Emergency Management Agency grant to the county.

Much of the year was spent defending two separate lawsuits from property owners. Buford Jones vs. TLA, et al. was finally resolved in our favor by a summary judgement in Superior Court. In Robinson, Wyrick vs. TLA, et al. the Superior Court found for the Association, but the case was appealed to the state Supreme Court. Arguments were heard in September and we await the court's ruling.

Soon after completing the annual review and update of our Emergency Preparedness Plan, Hurricane Emily drove toward the southeast coast. Luckily, she turned northward and we avoided another major cleanup!

The synergy from the committees and staff working together resulted in some pretty impressive achievements. You will get the details inside this report. From cable TV contract negotiations to major public works, the members of our Association are the fortunate recipients of this cooperative effort.

Our bylaws require me to present annually to the Board of Directors a three-year financial plan. We chose a three-year period because our covenants limit increases in general purpose assessments to once every three years. The coming year, 1994, is the last year in the current three-year assessment cycle; therefore, rates could be increased in 1995. The good news is that our recently updated three-year plan suggests we will likely be able to continue our current assessment for another year or two before inflation forces a slight increase. The Finance Committee will study our cash reserve requirement and their recommendation to the board will certainly influence the size of future assessments.

The real test of our financial plan will come in 1995 after we have maintained all the common property on The Landings, including the five entry gates, for at least a year.

Our objectives remain the same —

• preserve property values through a well-managed program of architectural control, covenant enforcement, and property maintenance;
• provide a reasonably secure living environment; and
• meet the needs of a dynamic and growing community. TLA
Service, support, and communications define the work of the administration department.

As the population of The Landings grows, the activity at the administration building increases. Last year's growth challenged us to become more efficient and more productive than ever. We answered on the average of 500 phone calls every week, issued 6,730 residential decals, sold 3,666 commercial decals, leased 91 RV spaces, booked 434 meetings, and made more than 1,000 changes to the 1993 telephone directory.

To help us meet our goals, the Board approved the purchase of a state-of-the-art copier and duplexer in June. Work that once took an hour to complete can now be produced in 15 minutes.

Last year was the first year of operation under the new committee structure, and many committee charters were expanded to include new responsibilities. The administration staff is pleased to have been part of their accomplishments. We hope our work helped them to meet their goals.

The association library, which opened in late 1992, proved to be popular with Landings residents, and we continued throughout 1993 to expand our resources. In addition to the property tax information provided by the Tax Subcommittee and a brand new microfiche reader, compliments of the Landlovers, the library stocks committee and board meeting minutes, community publications such as TWATL and The Landings Journal, and Chatham County resources material. We spent a good part of the year cataloging and indexing the Association's historical documents and studies to make them easy to find and read. The library is open to all property owners Monday through Friday, 8 a.m. to 5 p.m.

Corporate communications are also an important function of the administration department. In the area of training, the department conducts in-house business writing classes, produces training manuals for new directors and committee chairs, and maintains policy and procedure manuals for the administration, security, and personnel departments. The department also produces The Landings Journal (TLA's monthly newsletter), the Board of Directors election package, the annual report, and The Landings Telephone Directory.

The administration department represents 9.7 percent of the 1994 budget.

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 multi-image 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. Diane joined the Association in 1991.
James H. Rieniets, A.I.A.
Architectural Administrator

James H. Rieniets, Bachelor of Science 1960, Bachelor of Architecture 1961, College of Architecture, University of Houston, Houston, Texas. Jim has been licensed in Arkansas, Florida, Iowa, Louisiana, Tennessee and Texas, and is certified by the National Council of Architectural Registration Boards. He is a member of the American Institute of Architects and the National Trust for Historic Preservation. Jim is a recipient of the Alpha-Rho-Chi Architectural Honorary Medal and in 1976 chaired the Iowa A.I.A. Honor Awards Jury.

As the sole owner and practitioner of his own practice from 1977 through 1992, Jim was responsible for a full scope of services from conceptual design and documents production through construction supervision. Jim joined the Association in February of 1993.

One hundred and seventy six new applications for plan reviews were processed in 1993, an increase of 10% over the previous year. The department also reviewed plans for 46 additions. Housing starts increased 33% over 1992 to 141, and 94 home completions represented a 17% increase over 1992.

Early in the year, the department’s professional staff began implementing the reorganization plan conceived by the Architectural Committee in 1992. The plan called for minimizing the involvement of outside architect consultants in the review process, streamlining department and review procedures and expanding the number and scope of site inspections. The addition of a full-time site inspector made it possible for the department to assume all site inspection duties formerly performed by the committee.

The architectural review department represents 4.1 percent of the 1994 budget.
The year began with the successful introduction of the redesigned assessment bill. The new three-part form proved to be easy for property owners to understand and for the administration staff to work with when issuing residents' decals. Along with the bill's redesign, we made a small programming change to the residential database that made keying in the decal data and other parts of the system easier to use.

Another project we started to tackle last year was updating the financial policies and procedures of the Association. Many of the policies were written when much of the operation of the Association was volunteer based and certainly not at the levels of spending or activity we are currently experiencing. This is an ongoing project that we hope will culminate in 1994 with a presentation to the Board for its approval.

For the finance department, 1993 represented its solo flight through daily operations without the guidance of a treasurer. For the first time, the department was solely responsible for presenting the financial condition of the Association to the Board, coordinating and presenting much of the three-year financial plan and current year's budget, and preparing the work papers and statements for the year-end audit and annual report.

Throughout the year the department continued to provide computer support to the staff through computer training and troubleshooting. An E-Mail system was installed to enhance organizational communications.

Our main projects for 1994 will be to complete the financial policies handbook, coordinate a major computer upgrade to enhance the Association's databases, and support the finance committee as it determines the best level of funding for TLA's repair funds.

The finance department, together with general expenses, represents 13.5 percent of the 1994 budget.
Last year proved to be a busy year for the maintenance department. In addition to several special projects, mother nature pitched us a few unexpected and challenging curveballs.

The March 13, 1993 windstorm blew down 83 trees and filled the streets with curb-to-curb debris. Once TLA completed cleanup of the common properties, crews helped the county collect debris from residents’ property. TLA funds used to assist residents were reimbursed by the Federal Emergency Management Agency (FEMA). A second storm in early fall took down 12 trees and required another special cleanup.

Lagoon management was successfully brought in-house last year with the establishment of an agreement between the Club and Association to share costs and hire a biologist. Excessive heat and drought conditions caused rampant aquatic plant growth and water levels in the lagoons dropped dangerously low. When chemical treatments failed to control the growth, the department used a mechanical harvesting method. Because of its success, TLA plans to use this method again whenever hard-to-control aquatic plant growth makes it necessary.

The mild winter and spring resulted in an early mowing season, but despite the long, hot months, TLA’s mowing crews kept the island in tip-top shape.

In addition to the department’s annual projects of tree removal, curb/cart-path/street repair, paving, and storm drain repair, the following special projects were completed in 1993:

- The north maintenance facility was built in preparation for the acceptance of the Deer Creek (Phase IV) transfer from Branigar to the Association.
- Isolation gates were installed in the Oakridge (Phase III) lagoons so that golf course irrigation and aquatic plant control can be performed at the same time.
- The first lagoon bottom cleaning project was completed and approved by the EPD.
- A new program for annual tree replacement was established and 41 trees replaced.
- A temporary lagoon crisis committee was formed to study the effects of the drought on the lagoons.
- Common property in the Romerly Road area that was being used by residents as a private driveway was reconditioned.
- The fleet maintenance staff reconditioned the large street sweeper and saved the Association $6,000. The savings were used to repair equipment used during the storm cleanup.

This year, the Association will become responsible for maintaining Deer Creek. In 1995, we will accept transfer of the gates, the causeway, and McWhorter Road.

The maintenance and development department represents 46.8 percent of the 1994 budget. TLA
A commitment to recognize the importance of the family, and balance the needs of families with the demands of workplaces in America marked one of President Clinton's first achievements when he signed into law the Family and Medical Leave Act. The enactment of the law requires TLA to allow eligible employees to take leave from employment to care for a new child in the household, to care for seriously ill family members, or to take time off for a serious illness of their own.

Our workforce increased to 69 employees in 1993, and will grow to 75 in 1994 to accommodate responsibilities related to increased property maintenance and lagoon management responsibilities.

TLA employees mirrored a national trend this past year. In large part, as a reflection of an unsure economy and a tight area labor market, employees weren't making as many career/job changes, and our employee turnover for 1993 was reduced from 56% in the previous year to 39%. More than 250 applications were reviewed to fill 27 staff vacancies and newly created positions.

In a continuing effort to better motivate, recognize, and retain employees in our organization, an Employee of the Quarter/Employee of the Year program was developed for implementation in 1994. Programs to recognize and award employees with perfect attendance, as well as employees or groups of employees who make outstanding contributions to the organization will be implemented this year as well.

TLA strengthened its commitment to provide a safe and healthy workplace for employees through the implementation of a drug-free workplace policy. To underscore this commitment, employee and supervisory training will continue to be conducted to educate all employees about substance abuse in the workplace.

Compensation and benefits administration continued to receive careful consideration last year. Area wage and salary surveys are conducted annually to ensure that our workplace remains competitive. A formal wage structure for non-exempt compensation was completed for implementation in January, 1994. The Association's benefit package remains under regular review. The developing Clinton national health care program is an area of concern for our organization, and will continue to receive careful study for impact on The Landings Association. TLA
Charles R. Scobee, Jr.
Chief, Security and Safety


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.

This year was marked with increased activity. A total of 4,226 incident or complaint reports were processed in 1993. This is an increase over the 3,314 reports processed in 1992. The categories of incidents reflecting large increases are:

- Insecure Property — 757 vs. 693
- Vehicle Speeding — 247 vs. 151
- Assistance Requests — 554 vs. 384
- Animal Calls — 214 vs. 164
- Vandalism — 219 vs. 156
- and Emergency Service Runs — 150 vs. 116.

We have experienced some difficulties with the unattended automatic exit gates as we become more familiar with the equipment and the way it operates.

The number of positions in the department remained at 29 in 1993, and no increases are expected for the coming year. Employee turnover during the year, especially in December, slowed the response to some calls and added to our training burden. Several long-term employees graduated from college and, along with some advanced students, left to take positions in their professional fields.

The commercial vehicle registration program generated approximately $191,000 for the year, which partially offsets the road repair and resurfacing work done last summer.

Resident support continues to aid our operations. Nearly 151 neighbors volunteered their time last year to help answer more than 29,000 phone calls in at the Main Gate.

Workplace safety became part of the Security Department for the first time last year. The department's main activity consisted of obtaining the assistance of Georgia Tech to provide a workplace consultation that aided the development of the Association's own Occupational Safety and Health Program Manual. An employee Safety Advisory Committee was established to review accident and injury reports and to assist in training and retraining employees as we seek to comply with various government mandates.

The security department represents 23.2 percent of the 1994 budget.
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Architectural

In 1993 we found the opportunity for positive and productive activity since we had an entirely new organizational structure and staff. I am happy to report that this positive spirit has carried forward through the year and is reflected in the relationships we have with our homeowners, builders and design professionals.

James H. Rieniets, A.I.A., Co-Chair

The Architectural Review Committee, acting through the Association’s professional Architectural Department, administers and enforces the Architectural Guidelines and Review Procedures and General Declaration of Covenants and Restrictions. The committee may also develop and propose additions or modifications to the Guidelines for board approval.

As a result of the Association’s new committee structure, the Architectural Administrator was appointed co-chair of the Architectural Committee early in 1993. The review board was reorganized to include one outside architect consultant, instead of two, and two resident committee members. The consultant and committee members attend architectural review meetings on a rotating basis, thereby maintaining the continuity and integrity of the review and approval process.

Daily operations of maintaining and trafficking documents, inspecting building sites, and consulting with owners, builders, and design professionals are carried out by the department’s three-person staff, all of whom are trained and experienced in the areas of architecture, design, and construction.

Under the guidance of the Architectural Committee, the Architectural Department undertook the following projects in 1993—

* Implemented a building inspection program, monitored by an in-house tracking system.

* Produced a study/survey of building height differentials resulting from VE zone requirements and their impact on street-scape design for review purposes.

* Implemented an in-house review process to expedite the approval of remodeling projects and review board re-submittals.

* Developed preliminary plans and specifications for future TLA projects, including designing community information signs and renovations for the Main Gate house. TLA

Committee Members

Jim Rieniets, Co-Chair
Hazel Brown, Co-Chair
Joseph Farrell
Jean Meeker
Bert Neighbour
Chris Persons
Lee Tutskey
Jim Buck, Board Contact
Discussions with US Cable concerning the new contract were ongoing throughout 1993. Negotiations were interrupted by the immediacy of implementing re-regulation requirements. The goals of the Association in negotiating this contract are rather straightforward:

1. To have a contract that covers all phases of The Landings.
2. To assure continued levels of quality service within the system.
3. To find a balance in system technology that will keep the system current without technology overkill that will result in capacities the subscriber base would not use, but will mean significantly higher costs to subscribers.
4. To keep our options open during the contract to explore and utilize system options other than US Cable.

Some residents have suggested we bring in competitors. Another wire-in-ground competitor is not a realistic alternative. The telephone companies are moving toward delivery of cable programming faster than was thought possible even two years ago. Direct satellite delivery is a reality and will become available in the next year or two in some parts of the country. Direct satellite service probably will not have the interactive capacity of wire-based service.

The committee has retained competent consultants to lend guidance during the negotiation process and is making every effort to negotiate a new contract that will ensure high levels of service now and the latest interactive technology when we need it.
The members of this committee have worked very hard on some frustrating issues. They are to be commended for their efforts. Herb Trumbore, Chair

The "rules" under which the Covenant Compliance Committee operates are contained in the General Declaration of Covenants and Restrictions and in various regulations and policies promulgated by the Board of Directors. In the final analysis, these "rules" are simply an agreement between and among people of goodwill to do nothing which will violate the rules and offend their neighbors.

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 violations and requesting that it be resolved. Unresolved problems were referred to the general manager for follow-up with the homeowner.

During 1993, the committee handled more than 150 complaints — either reported to the Association office or initiated by committee members. Dry trash, unkempt property, deer fences, and animal complaints accounted for most of the activity.

Because of a growing concern about the appearance of properties on the island, the Covenant Compliance Committee is working to establish a "Landings Standard on Property Appearance," which can be used as a benchmark for both property owners and committee members in evaluating property appearance. The "standard" will be submitted to the Board for its approval early this year.

Another area of consistent concern and discussion has been deer fences — both those which grossly exceed the guidelines and covenants on construction of deer fences or are obviously inoperative, but have not been removed by property owners. The committee is in the process of conducting an inventory of all deer fences on the island and will shortly submit recommendations to the Board for appropriate action to correct the problem.

A major project for 1994 will be the development of a computer generated tracking system for all covenant complaints. TLA.
Committee Members

Win Firman, Chair
Lindsay Crump
David Muschamp
Sid Nutting
Dave Price
Frank Stanton
Drew Ernst, Board Contact

Tax Subcommittee
David Price, Chair
George Coffenberg
Joost Gompels
Gene Hinson
Jim Redcay

The Legal & Public Affairs Committee has established sound working relationships with Joe Mahany, Frank Murray, and the other county commissioners, as well as Russ Abolt, county manager; Dave Persaud, finance director; and Gary Udinsky, chief appraiser. Win Firman, Chair

The Legal and Public Affairs Committee was created early in 1993, and the Tax Committee, in line with the Association's new committee structure, made a subcommittee.

The ongoing studies by the tax subcommittee on the inequities of the Local Option Sales Tax (LOST) were brought to a head after several presentations to committee members and discussions with county officials, Georgia House Representative Eric Johnson, and TLA Executive Committee. It became evident that competent legal advice would be necessary to understand the complexities of the issues. TLA director Drew Ernst agreed that his law firm would provide a summer intern for a reasonable fee to do the substantial amount of research on the history of the LOST in the legislature and in the courts.

The report by Hunter, Maclean, Exley and Dunn was presented to the committee in September and indicated a legislative solution to the problem probably had a better chance of success than a legal challenge. The committee is now pursuing, with help from the county commissioners, county staff, and Mr. Johnson, a way to win some degree of legislative relief.

The committee successfully challenged the administrative charge-back to the unincorporated areas leading to the elimination of some $600,000 from the Special Service District (SSD) budget for a savings of .4 mills in property taxes.

From September to December, the committee conducted a vigorous campaign to contain the public transit tax increases proposed by the Chatham Area Transit (CAT). Petitions, letters, and presentations to the commissioners as well as studies made by an ad hoc Transit Study Committee under the direction of Drake Wilson, and a later study by Joost Gompels and Gene Hinson of the Tax Subcommittee, helped reduce the proposed tax rate in the unincorporated area from 1.5 mills to 0.9. This will save the SSD about $1.8 million in subsidies to CAT. The CAT tax district was extended despite no CAT study proving it is needed, wanted, or will be used. The new property tax will be effective the first of 1994, while service will not begin until 1995.

Special thanks go to Dave Price, committee member and chair of the Tax Subcommittee, for the excellent work he and other members of his tax group did in maintaining at the Association office complete assessments and property taxes on all Landings properties and for helping so many residents prepare information for tax appeals. Also, Mr. Gompels should be mentioned for the many meetings he had with public officials in addition to the scores of meetings he attended at the Association. TLA
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Personnel, Benefits & Compensation

1993 was a year of mounting anxiety as the new administration in Washington began its revelation of proposals for changes in employment laws and regulations, especially in the health care areas all with mixed and confusing signals. 1994 will be a challenge as these plans develop further. Jim Meadors, Chair

The Personnel, Benefits and Compensation Committee researches, evaluates, advises and makes recommendations to the Board of Directors with respect to proposals affecting TLA’s personnel, benefits, and compensation policies, and other human resources issues. Such proposals can be initiated by the Board, TLA management, or the committee. All projects, however initiated, are approved by the Board for consideration by the committee. The committee draws on the combined experiences of committee members and their contracts with former employers, clients, and other residents in these endeavors.

The committee’s major efforts during the year included the development of motivational programs for improving performance at all levels of the organization, improving attendance, reducing turnover, and recognizing outstanding individual and group contributions to TLA’s overall effectiveness. These programs were approved by the Board and are scheduled to begin in 1994.

Last year the committee also revised pay progressions to correct anomalies within certain job classifications; simplify and ease pay administration within the groups affected; and encourage employee advancement within the organization.

Provisions to comply with family leave legislation were communicated to employees and incorporated into the Personnel Policy Manual and Employee Handbook.

Implementation of the Drug-Free Workplace Program, initiated in 1992, continued throughout the year with positive results, including reductions in Workers’ Compensation costs for the year.

The committee carefully followed the precarious and worrisome development of the Clinton health care program with an eye to its future impact on TLA’s health care plans and costs. The committee continues in its belief that no adjustments to current programs should be made until government planning in this regard is fully understood.

The committee also investigated two proposals from employees to the Cost Reduction Incentive Program (CRIP) last year. The proposals were subsequently approved by the general manager for awards to the employees submitting them.

Late in the year, the committee provided assistance in the development of a structure for identifying and cataloging all employee training activity conducted throughout the organization. The information will be helpful with the identification of training needs; training administration and follow-up; and documentation for third-party (e.g., governmental) and internal review. TLA

Committee Members

Jim Meadors, Chair
Don J. Gardner
Jean Guinan
Joe Heimbach
Win Sargeant
Helen Selesky
Robert Simonton
Susan Barton, Board Contact
Carol Johnson, ex officio
Committee Members

Jack Fisher, Chair
Bob Baer
Al Cywin
Serge Poyo
Dick Watters
Drake Wilson
Simon Cole, Board Contact
Joseph Vail, ex officio
Neel Ackerman, ex officio
Jack Sweers, ex officio

Lagoon Management Subcommittee
Warren Baxter, Chair
Neel Ackerman, Braniger
Brian Grant, TLA
Ralph Hinz, TLC
Joseph Vail, TLA
Bob Baer
Bob Shreve
Jack Sweers
Rex Thorne
Bill Walker

Public Works

The residents of The Landings can be proud of their Association’s maintenance staff. The management, personnel, buildings, and equipment give us a smooth running, effective and efficient operation. It has been a pleasure to be associated with this group for the past three years. Jack Fisher, Chair

As a result of the Association’s new committee structure instituted by the Board, the Public Works Committee acquired several new areas of responsibility in 1993. Added to roads, cart paths, common areas, landscaping and drainage systems were lagoons, utilities and recycling.

As part of working with the utility companies, committee members met with representatives of SEPCO to discuss problems and look for ways to improve service to The Landings. The meetings have already resulted in improved communications between the Association and SEPCO. The utility has made a commitment to replace outdated cable to improve service and established a database to track outages at The Landings and permit analysis of failure patterns.

A formal recycling program for the island continues to elude us—everyone agrees recycling is a good thing, but economic and logistic problems defy our making much progress in this area. For example, one of the trash collection services discontinued pickup of recyclable material because the market for resale was so small. Nevertheless, the committee and Association staff are committed to promote recycling of the island’s natural resources. The debris from last year’s spring windstorm was ground into wood chip mulch and used for ground cover in common areas. Not only was landfill space saved, the debris made an excellent mulch and reduced considerably the amount of pine straw the Association had to buy last year. The committee will continue to look for new ways to develop and promote recycling programs.

The committee commends the maintenance staff for maintaining the island in accordance with the performance standards developed two years ago. In keeping with Braniger’s vision when developing the island, the standards state that the overall appearance of the island shall have a natural, not manicured, look. Like many Landings residents, the Association has experienced severe damage to plants from browsing deer, especially in the azalea beds. To counteract the problem, the committee initiated a program to replant some of the beds with “deer resistant” plants. This program will be ongoing and take two to three years to complete.

The committee continues to work closely with the Association’s maintenance and development manager in many areas. Last year the committee participated in these projects:

- Developing a long range street rehabilitation program.
- Assisting lagoon and property dedication teams.
- Surveying the streets in Deer Creek (Phase IV). (Street surveys in all areas of the island are now complete.)
- Working with staff to help solve some of the many problems associated with managing our 142 lagoons.

After serving as committee chair for three years, Jack Fisher will step down and a new chair will be appointed for 1994. Jack will continue to be involved with the committee.
Issues of traffic control, community health, and environmental protection continue to be the priorities of this committee. Our members are committed to maintaining a safe and healthy community for Landings residents. Martin Otto, Chair

As part of the Association's new committee structure instituted by the Board in early 1993, this committee was reorganized under a new charter with advisory and liaison responsibilities for security, fire protection, health, environmental issues, gate volunteers and other community services. It was formerly known as the Security Committee.

During 1993, the committee dedicated itself primarily to the following issues—

Post-Disaster Reconstruction

An effort was made to permit The Landings Association staff to use its equipment to assist residents in a disaster or post-disaster situation where the safety of residents or their property is in jeopardy. It was envisioned that such assistance would be rendered equivalent to what a good neighbor could provide. Unfortunately, a study by the committee revealed that such a policy would result in a potentially steep increase in insurance costs, as well as opening the door for possible litigation against the Association. As a result of these findings, it was determined the policy should not be adopted.

Automated Entry Systems versus Officer Control at Gates

The committee was asked to examine the feasibility and desirability of installing automated control systems at The Landings gates. This was a major study involving identifying and interviewing suppliers who could provide automated systems to screen entry to The Landings. Five firms responded last year—and the committee expects detailed proposals from two additional firms early this year. Cost savings are definitely possible when automated gates are used. However, automated gates are subject to mechanical failure and do not provide the same level of security as a uniformed officer stationed at the gate. This study is ongoing and should be completed early this year.

Security Building at the Main Gate

The committee was asked to study the feasibility of a separate facility at the Main Gate for security purposes. It concluded that a separate facility was needed to provide (a) locker, eating, and toilet facilities for security personnel, (b) office space for security supervision adjacent to their center of activity, and (c) a place to issue decals for commercial vehicles prior to their entry into The Landings. This subject will receive continued study.

Unsafe Traffic Situations

The committee examined several areas where unsafe situations existed with respect to signs, pavement markings, etc. In each case recommendations were made to correct the problem.

Tick-borne Diseases

During the latter part of 1993, it came to the attention of the committee that the number of residents afflicted with tick-borne diseases appeared to be on the rise. A medical expert in the field of infectious diseases was consulted and a health bulletin prepared and distributed in the December issue of The Landings Journal.
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How We are Growing

Common Area Acres

Number of Lagoons

Completed Houses
Controller's Report

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

The financial position of the Association remained very strong for 1993. Revenues exceeded budget by $116,900, while expenses were under budget by $81,570. The leading contributors to the revenue favorable variance were prorated assessments, commercial decal fees, and architectural review fees. Our healthy workforce is the prime contributor to the expense favorable variance. Under our current health insurance plan we pay only for actual health claims, plus fixed costs up to a certain amount. Because the Association's claims were so low, well under the national average, we experienced a $131,370 favorable variance in this one line item alone.

Unforeseen events, such as the cleanup project after the storm of last March 13 and the near drought conditions last spring and summer had a negative impact on the budget and reduced the final favorable expense to $81,570. All other expenses were very close to budgeted amounts.

Assessments receivable at year-end amounted to one percent of the total assessments due. Losses incurred this year as a result of foreclosures and personal bankruptcies amounted to well under one percent ... once again a very enviable statistic.

The end of 1993 saw the completion of the maintenance facility expansion, which was funded by the 1992 capital assessment. The facility and other small projects were completed at a cost of $79,960.

As directed by the budget, a $225,000 transfer was made at the end of the year from the operating fund to the road resurfacing and storm drain and lagoon funds. In 1994, the primary project of the financial committee will be to review the current fund structure and determine the appropriate levels of funding in each.

At the beginning of 1993, J. William Hemphill was asked to continue as treasurer until a new treasurer could be appointed. In May, Chandler Mahnken was named treasurer. Mr. Mahnken continued as treasurer until October when he resigned for personal reasons. The board decided to leave the position vacant until the new year.

I would like to thank Mr. Hemphill whose dedication to the Association has made a significant impact on me, the finance department and association as a whole.

Audit Committee

The Audit Committee met and selected DeLoach, Stewart & Company as our auditors for 1993. Their retention was based upon experience, qualifications, fees, and familiarity with our account.

In June, the committee met with the auditors to discuss the timing and review the scope of their examination.

Following their examination of the Association's financial statements, the auditors presented their report to the committee. The committee accepted the report, which expresses an unqualified opinion on the statements. They further reported no significant internal control deficiencies requiring disclosure to the committee. The report appears on page 19 of this annual report.

Committee Members

Susan Barton, Chair
Jim Buck
Tom Potterfield
Treasurer, ex officio
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, 1993 and 1992, and the related statements of revenues and expenses and changes in members’ equity, and cash flows for the years 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.

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 financial statements referred to above present fairly, in all material respects, the financial position of The Landings Association, Inc. as of December 31, 1993 and 1992 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

January 14, 1994

DeLoach Stewart & Company
## Balance Sheets

### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>December 31, 1993</th>
<th>Dec 31 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and U.S. Treasury Bills</td>
<td>$ 1,818,197</td>
<td>$ 2,477,139</td>
</tr>
<tr>
<td>Assessments Receivable</td>
<td>30,398</td>
<td>58,152</td>
</tr>
<tr>
<td>Less: Allowance for Uncollectible Accounts</td>
<td>(17,102)</td>
<td>(17,954)</td>
</tr>
<tr>
<td></td>
<td>13,298</td>
<td>40,198</td>
</tr>
<tr>
<td><strong>Capital Improvements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>25,673</td>
<td>27,365</td>
</tr>
<tr>
<td>Other Accounts Receivable</td>
<td>54,020</td>
<td>62,459</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>57,438</td>
<td>57,438</td>
</tr>
<tr>
<td>Other Assets</td>
<td>3,864</td>
<td>3,864</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,972,470</td>
<td>2,668,463</td>
</tr>
<tr>
<td>Due From (To) Other Funds</td>
<td>5,213</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Property, Plant and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on the basis of cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Improvements</td>
<td>133,122</td>
<td>132,868</td>
</tr>
<tr>
<td>Buildings</td>
<td>989,542</td>
<td>909,837</td>
</tr>
<tr>
<td>Equipment</td>
<td>465,920</td>
<td>584,634</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>87,880</td>
<td>86,346</td>
</tr>
<tr>
<td>Vehicles</td>
<td>156,813</td>
<td>126,461</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>0</td>
<td>3,439</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(622,266)</td>
<td>(470,132)</td>
</tr>
<tr>
<td></td>
<td>1,211,011</td>
<td>1,173,453</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>$ 3,188,694</td>
<td>$ 3,879,474</td>
</tr>
</tbody>
</table>

### LIABILITIES AND MEMBERS' EQUITY

<table>
<thead>
<tr>
<th>Category</th>
<th>December 31, 1993</th>
<th>Dec 31 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$ 141,073</td>
<td>$ 169,416</td>
</tr>
<tr>
<td>Accrued Wages and Taxes Payable</td>
<td>86,608</td>
<td>52,815</td>
</tr>
<tr>
<td>Income Taxes Payable</td>
<td>47,736</td>
<td>47,514</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>275,417</td>
<td>269,743</td>
</tr>
<tr>
<td>Members' Equity</td>
<td>2,913,257</td>
<td>3,604,037</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>$ 3,188,694</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 & Expenses & Changes in Members’ Equity

### Year Ended December 31, 1993

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Capital Improvements</th>
<th>Road Resurfacing</th>
<th>Storm Drain &amp; Lagoon</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$2,533,252</td>
<td></td>
<td></td>
<td>Total All Funds</td>
</tr>
<tr>
<td>Vehicle Registration</td>
<td>195,341</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architectural Review Fees</td>
<td>87,150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earned</td>
<td>77,328</td>
<td>$2,222</td>
<td>$7,410</td>
<td></td>
</tr>
<tr>
<td>Cable Contract Fees</td>
<td>26,119</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directory Advertising</td>
<td>12,622</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>12,776</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>2,944,618</strong></td>
<td><strong>2,222</strong></td>
<td><strong>7,410</strong></td>
<td><strong>7,798</strong></td>
</tr>
</tbody>
</table>

### EXPENSES

| Security | $591,349 |
| Maintenance of Common Property | 1,109,703 |
| Architectural Review | 107,013 |
| Administration and General | 538,378 |
| Income Taxes | 42,737 |
| **TOTALS** | **2,389,180** |

### REVENUES OVER EXPENSES

| 555,438 | 2,222 | (123,840) | (23,898) | 409,922 | 615,291 |

### MEMBERS’ EQUITY, January 1

| Capital Assessments | 2,499,159 |
| Members' Restricted Contribution | 30,600 |
| Transfer of Capital Projects | 79,960 |
| **TOTALS** | $2,913,257 |

### MEMBERS' EQUITY, December 31

| Capital Assessments | $26,337 |
| Members' Restricted Contribution | 30,600 |
| Transfer of Capital Projects | 79,960 |
| **TOTALS** | $309,258 |

### MEMBERS’ EQUITY

| Capital Assessments | $355,185 |
| Members' Restricted Contribution | $3,604,037 |

### MEMBERS’ EQUITY, December 31

| Capital Assessments | $3,159,815 |

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

**1993 Annual Report**

### CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year Ended December 31, 1993</th>
<th>Year Ended December 31, 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments Received from Members</td>
<td>$2,526,072</td>
<td>$2,526,072</td>
</tr>
<tr>
<td>Cash Paid to Suppliers and Employees</td>
<td>(2,184,331)</td>
<td>($131,250)</td>
</tr>
<tr>
<td>Commercial Vehicle Registration Received</td>
<td>195,341</td>
<td>195,341</td>
</tr>
<tr>
<td>Interest Received</td>
<td>53,739</td>
<td>$2,222</td>
</tr>
<tr>
<td>Architectural Review Fees Received</td>
<td>87,150</td>
<td>87,150</td>
</tr>
<tr>
<td>Cable Contract Fees Received</td>
<td>42,495</td>
<td>25,938</td>
</tr>
<tr>
<td>Restricted Contributions Received from Members</td>
<td>3,700</td>
<td>3,700</td>
</tr>
<tr>
<td>Other Miscellaneous Fees Collected</td>
<td>25,398</td>
<td>25,398</td>
</tr>
<tr>
<td>Income Taxes Paid</td>
<td>(42,495)</td>
<td>(42,495)</td>
</tr>
<tr>
<td>Payments Received (Paid) on Interfund Balances</td>
<td>57,418</td>
<td>(58,569)</td>
</tr>
<tr>
<td>Cash Transfers made to Repair Funds</td>
<td>(225,000)</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>521,641</td>
<td>(56,347)</td>
</tr>
</tbody>
</table>

### CASH FLOWS USED IN INVESTING ACTIVITY:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year Ended December 31, 1993</th>
<th>Year Ended December 31, 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>132,643</td>
<td>79,960</td>
</tr>
<tr>
<td>Other Assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activity</strong></td>
<td>132,643</td>
<td>79,960</td>
</tr>
</tbody>
</table>

### CASH FLOWS PROVIDED BY FINANCING ACTIVITY:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year Ended December 31, 1993</th>
<th>Year Ended December 31, 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of Assessment for Capital Improvements from Members</td>
<td>31,025</td>
<td>31,025</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Financing Activity</strong></td>
<td>0</td>
<td>31,025</td>
</tr>
<tr>
<td>Increase in Cash and Cash Equivalents</td>
<td>388,998</td>
<td>(105,282)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Beginning of Year</td>
<td>1,429,199</td>
<td>108,781</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>$1,818,197</td>
<td>$3,499</td>
</tr>
<tr>
<td><strong>End of year</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Operating</th>
<th>Capital Improvements</th>
<th>Road Resurfacing</th>
<th>Storm Drain &amp; Lagoon</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of Revenues over Expenses (Expenses over Revenues)</td>
<td>$555,438</td>
<td>$2,222</td>
<td>($123,840)</td>
<td>($23,989)</td>
<td>$409,922</td>
</tr>
<tr>
<td>Adjustments not Requiring Cash:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>172,558</td>
<td></td>
<td></td>
<td>172,558</td>
<td>143,902</td>
</tr>
<tr>
<td>Loss on Asset Retirement</td>
<td>2,483</td>
<td></td>
<td></td>
<td>2,483</td>
<td>6,195</td>
</tr>
<tr>
<td>Provision for Doubtful Accounts</td>
<td>6,624</td>
<td></td>
<td></td>
<td>6,624</td>
<td>17,549</td>
</tr>
<tr>
<td>(Increase) Decrease in Assessments Receivable</td>
<td>(7,183)</td>
<td></td>
<td></td>
<td>(7,183)</td>
<td>(19,107)</td>
</tr>
<tr>
<td>(Increase) Decrease in Other Receivables</td>
<td>(42,897)</td>
<td>1,515</td>
<td>(6,850)</td>
<td>(48,232)</td>
<td>27,282</td>
</tr>
<tr>
<td>(Increase) Decrease in Prepaid Expenses</td>
<td>(12,371)</td>
<td></td>
<td></td>
<td>(12,371)</td>
<td>(6,555)</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable and Accrued Expenses</td>
<td>(23,167)</td>
<td></td>
<td></td>
<td>(5,175)</td>
<td>(28,342)</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Wages and Payroll Taxes</td>
<td>33,796</td>
<td></td>
<td></td>
<td>33,796</td>
<td>98,579</td>
</tr>
<tr>
<td>Changes in Interfund Balances</td>
<td>57,418</td>
<td>(58,569)</td>
<td>11,306</td>
<td>(10,155)</td>
<td>0</td>
</tr>
<tr>
<td>Increase (Decrease) in Income Taxes Payable</td>
<td>242</td>
<td></td>
<td></td>
<td>242</td>
<td>2,627</td>
</tr>
<tr>
<td>Amount Received in Restricted Members' Contribution</td>
<td>3,700</td>
<td></td>
<td></td>
<td>3,700</td>
<td>6,544</td>
</tr>
<tr>
<td>Cash Transfer to Repair Funds</td>
<td>(225,000)</td>
<td>150,000</td>
<td>75,000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Net Cash Provided by Operating Activities:**

- **$521,641**
- **$56,347**
- **$38,981**
- **$28,922**
- **$533,197**
- **$865,923**

**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 1993 and 1992.

**Cash receipts and payments for: 1993 1992**

- Interest Income: 73,615 110,990
- Income Taxes Paid: 42,495 26,373

**NOTE:** The accompanying Notes to Financial Statements are an integral part of these financial statements.
Notes to Financial Statements
December 31, 1993 and 1992

NOTE 1 - ORGANIZATION

The Landings Association, Inc. is a non-profit corporation whose members are 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 assessment rates for 1992 and 1993 respectively were $625 for all lots. A special capital assessment of $200 was billed in 1986 to build the administration building and maintenance facility for the Association. A similar assessment of $100 was approved for 1992 to fund certain capital additions to the Association’s properties. The capital assessments of 1986 and 1992 are restricted to capital additions. In 1992, the Association changed its method of accounting for these capital assessments as capital contributions rather than income. The effect of the change in 1992 was to decrease revenues over expenses of the Capital Improvements Fund by $406,646. 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>Property</th>
<th>1993</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common areas and rights-of-way</td>
<td>962 acres</td>
<td>945 acres</td>
</tr>
<tr>
<td>Roadways</td>
<td>84 miles</td>
<td>82 miles</td>
</tr>
<tr>
<td>Cart paths</td>
<td>26 miles</td>
<td>24 miles</td>
</tr>
<tr>
<td>Lagoons</td>
<td>123</td>
<td>88</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 dedicated for the use of the entire community. They 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 - 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 drains 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, 1993 and 1992, amounts expended from the Fund were $131,250 and $143,452, 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.

During the years ended December 31, 1993 and 1992, amounts expended from the Fund were $31,696 and $4,500, respectively.

**Note 4 - 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, 1993, $30,032, 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 $17,100 has been established for their uncertainty.

**Note 5 - 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 1/2 and completing 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 $44,658 in 1993 and $32,000 in 1992.

**Note 6 - 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 1993 and 1992, the Association's investment income, commercial registration income, and certain other non-exempt income were subject to tax.
The Association is currently a defendant in three lawsuits. Presently pending and awaiting decision by the Georgia Supreme Court is a matter filed on September 11, 1992, by Landings property owners naming The Landings Association, Inc., The Landings Club, Inc., The Branigar Organization, Inc., and the Georgia Department of Natural Resources as defendants. The proceeding sought a permanent injunction against all defendants from removing, killing, or destroying any deer within the confines of The Landings. Injunctive relief was denied by the Trial Court, and plaintiffs filed an appeal to the Georgia Supreme Court. No monetary damages were sought in the proceeding.

On November 23, 1993, The Landings Association filed a Motion in the second lawsuit seeking recovery of fees and expenses. The Association authorized the Motion to recover expenses because a summary judgment in the suit was granted in its favor. The case remains pending, however The Landings Association is no longer a defendant in this action.

Subsequent to year-end, the Association was named in a third lawsuit involving an employee in a traffic incident. It is expected that insurance coverage will be sufficient to cover any possible damages and expenses.

It is not expected that any or all cases will result in a material financial loss to the Association. All litigation expenses incurred to-date have been expensed by the Association.

In accordance with the bylaws of the Association, the President of the Corporation, Inc. 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. In 1993 and 1992, the Association provided security services and lagoon maintenance to the Developer under annual contracts. Such contracts totalled $194,962 in 1993, and $136,200 in 1992. A further 1986 agreement calls for payment of a $200 special capital assessment on each lot sold by Branigar to be added to the Capital Improvements Fund. On December 31, 1993 and 1992, accounts receivable of the Association included $24,129 and $11,400, respectively. These amounts were 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 (the members of which also belong to the Association) which owns and operates the golf, tennis, swimming, and physical fitness facilities, to provide lagoon maintenance and security services. Such services amounted to $113,925 in 1993, and $50,400 in 1992. The Association's accounts receivable due from The Landings Club for such services were $21,408 on December 31, 1993, and $11,400 on December 31, 1992.
1993 Annual Report

Summary of 1994 Budget

Operating Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>2,598,130</td>
</tr>
<tr>
<td>Vehicle Registration</td>
<td>190,000</td>
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<tr>
<td>Architectural Review Fees</td>
<td>80,000</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>70,000</td>
</tr>
<tr>
<td>Cable Contract Fees</td>
<td>24,100</td>
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<tr>
<td>Directory Advertising</td>
<td>12,000</td>
</tr>
<tr>
<td>Other</td>
<td>11,560</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td><strong>2,985,790</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>269,720</td>
</tr>
<tr>
<td>Finance</td>
<td>85,040</td>
</tr>
<tr>
<td>Security</td>
<td>648,760</td>
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<tr>
<td>Maintenance of Common Property</td>
<td>1,308,360</td>
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<tr>
<td>Architectural Review</td>
<td>113,330</td>
</tr>
<tr>
<td>General</td>
<td>293,990</td>
</tr>
<tr>
<td>DNR Deer Program</td>
<td>75,000</td>
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<tr>
<td>Income Taxes</td>
<td>23,200</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>2,817,400</strong></td>
</tr>
</tbody>
</table>

REVENUES OVER EXPENSES: 168,390

MEMBERS' EQUITY, January 1: 2,913,257

Transfer of Capital Projects: 1,000
Transfer to Repair and Replacement Funds: (225,000)

MEMBERS' EQUITY, December 31: 2,857,647
1993 Annual Report

Association Directory

1994 Directors
Susan K. Barton
James E. Buck
Charles S. Canter
Simon E. Colis
Jane DelMastro
Thomas M. Hunter
Deborah C. Neely
Martin R. Otto
William R. Rawson
Sandra C. Smith

1994 Board Meetings
March 8
April 12
May 10
June 14
July 12
August 9
September 13
October 11
November 8
December 13

Association Staff

General Manager
Paul E. Sousa
598-2520
FAX
598-2516

Administration Manager
Diane Coppage
G.M. Assistant
Communications
Decal Purchases & Vehicle Registration
Meeting Room & RV Reservations

Controller
Deborah F. Neal
Accounting Administration
Statement Preparation
Investment Management
Systems Analysis

Maintenance & Development Manager
Joseph T. Vail
Common Property Maint.
Cart Path Repair & Street Maint.
Signage & Street Sweeping
Tree Removal & Trimming
Lagoon & Storm Drainage

Personnel Administrator
Carol A. Johnson
Salary & Benefits
Personnel Records
Drug Testing Program

Chief of Security and Safety
Charles R. Scobee, Jr.
Emergency Services Support
Gate Operations
Premise Checks & Patrols
Public & Workplace Safety

1994 Board Meetings

All meetings are held at the administration building at 7:30 p.m.
There is no board meeting in February.

General Counsel
Thomas J. Mahoney, Jr.
Office
598-0932
5 Noble Jones Lane
233-7961
PO Box 786
Savannah 31402

Public & Workplace Safety