



*Bald Head Association*

# 2020 Annual Report

Communication, Advocacy and Protection of BHI Property Values

## Annual Review

*"A gem cannot be polished without friction, nor a man perfected without trials."*

*~ Seneca*

To say that 2020 was a tough year for most everyone would be a colossal understatement. What started out as another regular season for property owners intending to vacation, rent their homes and welcome friends and family for a well-deserved respite became a complete lockdown of the Island in mid-March. Passenger ferry limits were reduced to 25, and renters were not allowed on the Island. BHI was not alone. NC Governor Roy Cooper shut down the state, allowing only essential businesses to operate, in an effort to prevent the spread of the coronavirus. Bald Head Association (BHA), much like many other on-Island businesses, moved its base of operations off the Island, and nearly all staff began working remotely from their homes. (Special thanks to BHA employee and BHI property owner Diane Mesaris for keeping the office open a few hours a day to provide vendors with keys to property owners' homes.)

It wasn't until May that BHA staff began returning to the office, and then, as it remained through the end of the year, staff worked on a staggered schedule in an effort to protect each other from contracting the coronavirus and potentially shutting down BHA's member services. BHA's staff, alongside employees from the Island's other businesses, waited in long lines to board the ferry each day — often bumped to the next ferry or the next — as the passenger limit remained at 75 until after Labor Day.

Property owners faced the same lines on their trips back and forth to BHI, only many of them wrestled children, baggage, dogs and provisions while stealing away to BHI to isolate themselves from the rest of the world. It was a difficult summer for everyone. As of this writing, two vaccines for COVID-19 are nearing federal approval for distribution, and a glimpse of normalcy seems to be in the not-too-distant future.

BHA's operations continued at full force in 2020 through the use of electronic meetings by the Board of Directors, several of the committees and the staff. Everyone took the change in stride, and the way BHA operates has changed for the better.

Communication with property owners remained a priority this year, with the Island Report published monthly and featuring articles that new and seasoned BHA members can use. Included with this year's Annual Report is a new resource called BHI Basics, which we believe will be a tool useful for property owners, their friends, family members and guests, and even those visiting the Island for the day. We hope you enjoy it!

This year, we welcomed Carol Collins as ARC Associate/Covenants Compliance Agent. Carol is a former math teacher embarking on a second career and brings a caring sense of fairness to her position. Long-time ARC Coordinator Karen Mosteller announced her retirement from full-time service toward the end of this year. Karen has made an extraordinary impact on the Island during her seven years on staff, and we are currently narrowing the search for her replacement. We are grateful that Karen has agreed to work with us part-time to help develop some new processes and to help manage the increasing activity in the office.

At the January 2020 Annual Meeting, BHA members elected Nana Smith (2020 Board liaison for the Socialization, Education and Recreation Committee) and Tiffany Williams (2020 Board liaison for the Architectural Review Committee) to the Board of Directors, and both jumped in feet first to help get their respective committees up and running for the year.

The statewide shutdown, along with indoor/outdoor group gathering limits, squashed the plans of many of BHA's committees. The SER Committee was fortunate that a group of property owner volunteers who brought a fresh, new perspective to the committee had begun planning varying activities for the year. Unfortunately, plans for those activities had to be shelved temporarily. Even long-time favorite activities such as yoga, Pilates and community potlucks were canceled for most of the year. We're looking forward to seeing those familiar faces returning to the Association Center in 2021!

The Strategic Planning and Long Range Projects

*Continued on page 3*

*Attend the  
online meeting!*

**BHA's 2021 Annual Meeting**  
Saturday, January 30, 2021 ~ 9:00am

**BHA has invited presenters from BHI organizations to join the online meeting.**



## Alan Briggs



**Profession:** I practiced law for 47 years as a trial lawyer. I served in the United States Navy JAGC as a trial lawyer from 1968-1970. Thereafter, I returned to Columbus, Ohio, and started practicing with a small, local law firm that in 1988 merged into a large, international law firm. I then transferred to our Miami office for three years and then our DC office for the last 20 years of

my practice. From 1970-2014, I tried lawsuits for individuals, small businesses and large national and international businesses. I tried almost every type of civil and criminal lawsuit there is to juries and judges all over the United States.

**Education:** Miami University, Oxford, Ohio-BA-1964; Ohio State University-Law Degree-1967; George Washington University-LLM-1998, Patent and Intellectual Property Law.

**Addresses:** 6 Dunedin Court, Bald Head Island, NC, and 306 Bolin Creek Drive, Carrboro, NC.

**Community Involvement:** I have served as a Director on the BHA Board for the last three years. Prior to that I served as President of the Bald Head Island Stage II Association for 2016 and 2017.

I was active in Bar Associations and served as the President of the Columbus, Ohio, Bar Association. I formed several homeowners associations over the years and have been a lawyer for them. I served on the Board of and legal adviser to the Community Child Care Association in Columbus and served on the Board of the Legal Aid Society of Columbus.

**Personal:** Born in 1942 in Dayton, Ohio. My wife, Christine, passed away in November 2014. I have four children and eight grandchildren. All four children and eight grandchildren love BHI and spend a significant portion of their summers here.

**Platform/Philosophy/Positions:** I love Bald Head Island and intend to live here the rest of my life. Christine and I built our home here in 2001-2 and have been a part of BHI since 2001. I retired in 2013, and Christine and I began to move to BHI when she became ill with Leukemia. Christine passed away in 2014. I then sold our home in McLean, VA, and bought a home in Carrboro, NC, near one daughter and her family. I divide my time now between Carrboro and BHI. All of my children and grandchildren love BHI and have been coming here since 2001.

**What interests you about being a member of the BHA Board of Directors?** The future of BHI is very important to me. I want to assist in making BHI continue to grow and prosper while still retaining the incredible uniqueness it has. It is a pearl in the ocean, and I want to help keep it that way. I have enjoyed my work on the BHA Board for the last three years and look forward to a second term.

Check out all things BHA, living on Bald Head Island and many other resources at [BaldHeadAssociation.com](https://BaldHeadAssociation.com).

BHA's 2019 full financial report is posted on the website at [BaldHeadAssociation.com/financial-report](https://BaldHeadAssociation.com/financial-report).

The 2020 Annual Meeting minutes will be posted on the website by mid-January 2021 at [BaldHeadAssociation.com/board-meeting-agendas](https://BaldHeadAssociation.com/board-meeting-agendas).



## Robert B. Drumheller



**Profession:** Over 37 years of experience in the international financial sector and a proven track record of successfully managing over \$15 billion of large-scale international project financings, particularly in emerging markets.

**Education:** I hold MBA degrees in Finance from the University of Chicago and the Katholieke Universiteit Te Leuven in

Belgium, as well as a BA in Economics from the University of Pennsylvania.

**Address:** 6 Eilean Way, Bald Head Island, NC.

**Community Involvement:** I formed the Drumheller Family Foundation in 2011, which endows scholarships for undergraduate and PhD students at various universities and supports medical research at various hospitals. I am currently on the Boards of five nonprofit organizations, including the BHA, where I am currently the Treasurer/Secretary.

**Spouse Name:** My wife, Debra, and I are both retired and first started visiting Bald Head Island in 1989. We have owned a home in Braemar since 2002. We are residents of North

Carolina, maintain a home in Washington, DC, and are on BHI at some point during most months of the year.

**Platform/Philosophy/Positions:** During the 31 years I have been on BHI, I have witnessed significant development on the island as well as the changes and issues that arise with the growth in the summer, weekend and full-time population. In 1989, controlled, thoughtful development and respect for the natural environment seemed easier to balance than it does today. Nevertheless, I believe that as residents, we should all support the ongoing efforts to balance love of our unique environment with managed growth. BHA is a significant part of this process and a leading voice of support to manage and maintain our special way of life here.

**What interests you about being a member of the BHA Board of Directors?** I would like to contribute to this process of balancing respect for the environment with managed growth via a position on the Board and, in addition, believe my background in finance would be helpful on various financial and business issues that may arise from time to time.

**What makes Bald Head Island special to you?** My wife and I were attracted to the island because of the pursuit of controlled, thoughtful development, taking into consideration respect for the natural environment.

---

### *Continued from page 1 — Annual Review*

Committee was also a victim of the COVID-19 pandemic. Though the committee had plans to continue work on examining the long-range impacts affecting BHA, the committee was unable to meet to move those plans forward this year. Issues related to the Island's build-out and the impact on BHA will surely be on the committee's agenda for the coming year.

The Resource Conservation and Beautification Committee was restricted from holding outdoor group activities this year. However, the committee — along with BHA Board Member John Kinney — was crucial in the success of this year's "Operation Re-Forest — We Forest" that was held in December. Nearly 100 trees were planted on BHA Common Area and other locations throughout the Island. Property owners also joined in the effort by planting trees on their own properties and also purchased "honor trees" in recognition of individuals. A new partnership with the Arbor Day Foundation and Verizon provided funding for the purchase of the trees and labor to plant them. Thanks, too, to the Village of BHI and BHI Limited for their continued financial support of the effort.

The Finance Committee's work this year focused on helping develop the 2021 budget and overseeing the annual audit. The committee met electronically throughout the year, and its interaction with staff has been invaluable in ensuring that the organization's financial position remains strong.

The ARC continued to meet regularly throughout the year, in spite of the challenges brought about by COVID-19. The com-

mittee reviewed 310 submittals during the year, not including hundreds of tree removal requests. The submittals ranged from major and minor renovations, landscaping, decorative items and paint applications. Of those submittals, 22 were new construction projects. This committee's dedication to helping retain BHI's special architectural charm is commendable.

BHA also serves as the agent for the Middle Island POA and reviewed one new construction project and nine other submittals.

We are grateful for the significant contribution of all of our committee volunteers and their dedication to making BHI a community that is desirable by current and potential property owners.

As we look to 2021, we are all, frankly, simply hoping for an uneventful year — no pandemic spikes, no significant hurricanes and no flooding. Focusing on organizational planning, tightening and streamlining internal processes, conducting a tree survey on Common Areas and completing the Wildlife Overlook on Stede Bonnet Wynd are all things the BHA Board and staff are looking forward to accomplishing in 2021.

With the apparent end of the COVID-19 pandemic almost in sight, we hope everyone will take the time to reflect on this past year. Our hope is to use what we've learned to create new, different and better ways to serve our members in the future. As always, please call on us if we can help in any way.

*Respectfully,*

*Carrie Moffett, Carol Collins, Denise Eidal, Pam Henson, Diane Mesaris, Karen Mosteller and Pam Rainey*



Bald Head Association  
**Balance Sheet**  
 December 31, 2019 (with comparative totals for 2018)

|   | 2019                |                            |                     | 2018                                     |
|---|---------------------|----------------------------|---------------------|--|
|   | Operating Fund      | Repairs & Replacement Fund | Total               | Total<br>(for comparative purposes only) |
| <b>Assets:</b>  |                     |                            |                     |  |
| Current assets:   |                     |                            |                     |  |
| Cash and cash equivalents   | \$ 327,807          | \$ 949,631                 | \$ 1,277,438        | \$ 1,084,467                             |
| Membership assessments & interest/penalties receivable<br>net of \$28,558 allowance | 9,502               | -                          | 9,502               | 27,972                                   |
| Accounts receivable net of \$7,025 allowance  | 9,535               | -                          | 9,535               | 7,039                                    |
| Prepaid expenses  | -                   | -                          | -                   | 2,074                                    |
| Total current assets  | 346,844             | 949,631                    | 1,296,475           | 1,121,552                                |
| Land - Battery 4 creek lot  | 651,801             | -                          | 651,801             | 651,801                                  |
| Property & equip., net of \$580,344 accumulated depreciation                        | 650,761             | -                          | 650,761             | 659,619                                  |
| Total property & equipment  | 1,302,562           | -                          | 1,302,562           | 1,311,420                                |
| <br>TOTAL ASSETS  | <u>\$ 1,649,406</u> | <u>\$ 949,631</u>          | <u>\$ 2,599,037</u> | <u>\$ 2,432,972</u>                      |
| <b>Liabilities and Fund Balance:</b>  |                     |                            |                     |  |
| Current liabilities:  |                     |                            |                     |  |
| Accounts payable  | \$ 40,903           | \$ -                       | \$ 40,903           | \$ 15,247                                |
| Accrued interest payable  | -                   | -                          | -                   | 6,373                                    |
| Deferred revenue  | 17,593              | -                          | 17,593              | 23,246                                   |
| Security bonds and deposits   | 215,200             | -                          | 215,200             | 202,500                                  |
| Total current liabilities   | 273,696             | -                          | 273,696             | 247,366                                  |
| Mortgage payable - Battery 4  | -                   | -                          | -                   | 200,000                                  |
| TOTAL LIABILITIES   | 273,696             | -                          | 273,696             | 447,366                                  |
| Fund Balance  |                     |                            |                     |  |
| Undesignated  | 73,148              | -                          | 73,148              | 89,350                                   |
| Investment in property & equip. net of related debt                                 | 1,302,562           | -                          | 1,302,562           | 1,111,420                                |
| Repairs & replacement fund balance  | -                   | 949,631                    | 949,631             | 784,836                                  |
| TOTAL FUND BALANCE  | 1,375,710           | 949,631                    | 2,325,341           | 1,985,606                                |
| <br>TOTAL LIABILITIES AND FUND BALANCE  | <u>\$ 1,649,406</u> | <u>\$ 949,631</u>          | <u>\$ 2,599,037</u> | <u>\$ 2,432,972</u>                      |



Bald Head Association  
**Statements of Revenues and Expenses and Changes in Fund Balance**  
for the Year Ended December 31, 2019 (with comparative totals for 2018)

|   | 2019           |                            |                  | 2018                                  |
|---|----------------|----------------------------|------------------|---------------------------------------|
|   | Operating Fund | Repairs & Replacement Fund | Total            | Total (for comparative purposes only) |
| <b>Revenues:</b>  |                |                            |                  |                                       |
| Member assessments and fees - ordinary                        | \$ 524,621     | \$ 293,804                 | \$ 818,425       | \$ 768,805                            |
| Special assessment  | 224,049        | -                          | 224,049          | -                                     |
| Association center fees                                       | 7,450          | -                          | 7,450            | 5,350                                 |
| Architectural review committee                                | 80,280         | -                          | 80,280           | 87,400                                |
| Penalties and interest  | 10,578         | -                          | 10,578           | 15,148                                |
| Interest income   | 150            | 1,425                      | 1,575            | 5,028                                 |
| Gain (loss) on disposal of assets                             | -              | -                          | -                | (2,422)                               |
| Island report advertising                                     | 50,515         | -                          | 50,515           | 32,695                                |
| Boat park annual leases                                       | 32,621         | -                          | 32,621           | 16,727                                |
| Garden plot annual leases                                     | 1,617          | -                          | 1,617            | 2,462                                 |
| Other income  | 844            | -                          | 844              | 1,454                                 |
| <b>TOTAL REVENUES</b>   | <b>932,725</b> | <b>295,229</b>             | <b>1,227,954</b> | <b>932,647</b>                        |
| <b>Expenses:</b>  |                |                            |                  |                                       |
| Operating and administrative expenses:                        |                |                            |                  |                                       |
| Wages   | 274,930        | -                          | 274,930          | 234,207                               |
| Health insurance expense                                      | 51,240         | -                          | 51,240           | 50,021                                |
| Payroll taxes   | 21,071         | -                          | 21,071           | 17,689                                |
| Pension plan  | 5,658          | -                          | 5,658            | 3,490                                 |
| Other employee benefits                                       | 5,167          | -                          | 5,167            | 4,282                                 |
| Transportation  | 28,570         | -                          | 28,570           | 19,182                                |
| Payroll processing fee  | 2,870          | -                          | 2,870            | 3,057                                 |
| Computer & software expense                                   | 19,556         | -                          | 19,556           | 16,197                                |
| Other administrative  | 7,959          | -                          | 7,959            | 7,502                                 |
| Management fees   | 1,380          | -                          | 1,380            | 8,280                                 |
| Bank charges  | 968            | -                          | 968              | 493                                   |
| Bad debt  | 10,751         | -                          | 10,751           | 30,878                                |
| Equipment lease & repairs                                     | 2,623          | -                          | 2,623            | 4,527                                 |
| Assessment expense  | 1,497          | -                          | 1,497            | 897                                   |
| Office supplies   | 2,705          | -                          | 2,705            | 3,515                                 |
| Office postage  | 1,461          | -                          | 1,461            | 2,271                                 |
| Communications media expense                                  | 5,657          | -                          | 5,657            | 3,992                                 |
| Consulting  | 2,105          | -                          | 2,105            | 2,663                                 |
| Miscellaneous   | 210            | -                          | 210              | 20                                    |
| Total operating and admin. exp.                               | 446,378        | -                          | 446,378          | 413,163                               |
| Depreciation  | 42,764         | -                          | 42,764           | 43,426                                |
| Association Center  |                |                            |                  |                                       |
| Repairs and maintenance                                       | 38,913         | -                          | 38,913           | 42,840                                |
| Utilities   | 12,699         | -                          | 12,699           | 13,655                                |
| Interest expense  | 2,755          | -                          | 2,755            | 8,595                                 |
| Taxes - property  | 16,686         | -                          | 16,686           | 15,758                                |
| Association Center building insurance                         | 14,331         | -                          | 14,331           | 9,399                                 |
| Member services   | 812            | -                          | 812              | -                                     |
| Total association center                                      | 86,196         | -                          | 86,196           | 90,247                                |
| Other service areas   |                |                            |                  |                                       |
| Common area & reserve expense                                 | 135,479        | 103,137                    | 238,616          | 141,185                               |
| Committees  | 7,976          | -                          | 7,976            | 2,095                                 |
| Island report   | 25,562         | -                          | 25,562           | 39,492                                |
| Boat park   | 6,029          | -                          | 6,029            | 4,037                                 |
| Battery Park - maintenance                                    | 2,589          | -                          | 2,589            | 2,911                                 |
| Insurance   | 8,556          | -                          | 8,556            | 13,057                                |
| Audit and accounting  | 4,000          | -                          | 4,000            | 6,000                                 |
| Legal   | 19,553         | -                          | 19,553           | 20,080                                |
|   | 209,744        | 103,137                    | 312,881          | 228,857                               |
| <b>TOTAL EXPENSES</b>   | <b>785,082</b> | <b>103,137</b>             | <b>888,219</b>   | <b>775,693</b>                        |
| <b>Revenues over expenses</b>                                 | <b>147,643</b> | <b>192,092</b>             | <b>339,735</b>   | <b>156,954</b>                        |
| Excess assets over liabilities in acquisition of BHI stage II | -              | -                          | -                | 669,989                               |
| <b>Fund Balances:</b>   |                |                            |                  |                                       |
| Beginning Fund Balance  | 1,200,770      | 784,836                    | 1,985,606        | 1,158,663                             |
| Transfer to/from Operating Fund                               | 27,297         | (27,297)                   | -                | -                                     |
| Ending Fund Balance   | \$ 1,375,710   | \$ 949,631                 | \$ 2,325,341     | \$ 1,985,606                          |



Bald Head Association  
**Statement of Cash Flows**  
 for the Year Ended December 31, 2019 (with comparative totals for 2018)

|  | 2019           |                            |              | 2018                                     |
|--|----------------|----------------------------|--------------|--|
|  | Operating Fund | Repairs & Replacement Fund | Total        | Total<br>(for comparative purposes only) |
| Cash flows from Operating Activities:  |                |                            |              |  |
| Revenues over (under) expenses   | \$ 147,643     | \$ 192,092                 | \$ 339,735   | \$ 156,954                               |
| Adjustments to reconcile revenues over(under) expenses to net cash provided (used) by operating activities |                |                            |              |  |
| Depreciation and amortization  | 42,764         | -                          | 42,764       | 43,426                                   |
| Loss on disposal of recorded assets  | -              | -                          | -            | 2,423                                    |
| (Increase) decrease in:  |                |                            |              |  |
| Assessments receivable   | 18,470         | -                          | 18,470       | (18,794)                                 |
| Accounts receivable  | (2,496)        | -                          | (2,496)      | (9,236)                                  |
| Prepays  | 2,074          | -                          | 2,074        | 2,646                                    |
| Increase (decrease) in:  |                |                            |              |  |
| Accounts payable   | 25,656         | -                          | 25,656       | (17,908)                                 |
| Accrued interest payable   | (6,373)        | -                          | (6,373)      | (6,610)                                  |
| Deferred revenue   | (5,653)        | -                          | (5,653)      | 19,306                                   |
| Security bonds and deposits  | 12,700         | -                          | 12,700       | 147,500                                  |
| Income taxes payable   | -              | -                          | -            | (300)                                    |
| Net Cash provided (used) by Operating Activities   | 234,785        | 192,092                    | 426,877      | 319,407                                  |
| Cash flows from Investing Activities:  |                |                            |              |  |
| Purchase of fixed assets   | (6,609)        | (27,297)                   | (33,906)     | (77,232)                                 |
| Excess assets over liabilities in acquisition of BHI stage II  | -              | -                          | -            | 669,989                                  |
| Net Cash provided (used) by Investing Activities   | (6,609)        | (27,297)                   | (33,906)     | 592,757                                  |
| Cash flows from Financing Activities   |                |                            |              |  |
| Mortgage principal payments - Battery 4  | (200,000)      | -                          | (200,000)    | (2,731)                                  |
| Net Cash provided (used) by Financing Activities   | (200,000)      | -                          | (200,000)    | (2,731)                                  |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS   | 28,176         | 164,795                    | 192,971      | 909,433                                  |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR  | 299,631        | 784,836                    | 1,084,467    | 175,034                                  |
| CASH AND CASH EQUIVALENTS - END OF YEAR  | \$ 327,807     | \$ 949,631                 | \$ 1,277,438 | \$ 1,084,467                             |

## Supplemental information:

Interest paid in 2019: \$9,129

Income taxes paid in 2019: \$0



**Bald Head Association**  
**UNAUDITED\* Statement of Revenues, Expenses and Changes in Fund Balance**  
**For the Year Ended December 31, 2019**

2019

| Operating Fund                             | Master            | Palmetto Cove    | The Grove        | Cedar Court     | Palm Court      | Braemar Highlands | Loggerhead Trail   | Cape Fear Station | Keeper's Landing  | Surfman's Walk   | Summer's Crescent | TOTAL               |
|--|-------------------|------------------|------------------|-----------------|-----------------|-------------------|--------------------|-------------------|-------------------|------------------|-------------------|---------------------|
|  |                   |                  |                  |                 |                 |                   |                    |                   |                   |                  |                   |                     |
| <b>Revenues</b>                            |                   |                  |                  |                 |                 |                   |                    |                   |                   |                  |                   |                     |
| Assessments                                | 738,373.00        | 1,301.00         | 786.00           | 93.00           | 90.00           | 160.00            | 332.00             | 10,339.00         | 57,101.00         | 28,556.68        | 18,955.00         | 856,086.68          |
| Fees & Other                               | 195,749.87        | -                | -                | -               | -               | -                 | -                  | -                 | 345.34            | 26.60            | 7.06              | 196,128.87          |
| Interest Income                            | 150.20            | -                | -                | -               | -               | -                 | -                  | -                 | -                 | -                | -                 | 150.20              |
| <b>Total Revenues</b>                      | <b>934,273.07</b> | <b>1,301.00</b>  | <b>786.00</b>    | <b>93.00</b>    | <b>90.00</b>    | <b>160.00</b>     | <b>332.00</b>      | <b>10,339.00</b>  | <b>57,446.34</b>  | <b>28,583.28</b> | <b>18,962.06</b>  | <b>1,052,365.75</b> |
| <b>Expenses</b>                            |                   |                  |                  |                 |                 |                   |                    |                   |                   |                  |                   |                     |
| Repairs & Maintenance                      | 76,219.52         | 333.53           | 285.00           | -               | -               | -                 | -                  | 7,003.50          | 54,936.09         | 26,956.92        | 15,118.81         | 180,853.37          |
| Utilities                                  | 18,757.51         | -                | -                | -               | -               | -                 | -                  | -                 | 6,200.82          | -                | 2,697.51          | 27,655.84           |
| Administrative                             | 511,602.87        | 170.00           | 38.00            | 93.00           | 88.00           | 201.00            | 82.00              | 1,644.00          | 4,224.00          | 2,560.00         | 2,049.13          | 522,752.00          |
| Professional Fees                          | 19,131.65         | -                | -                | -               | -               | -                 | -                  | -                 | -                 | -                | -                 | 19,131.65           |
| <b>Total Expenses</b>                      | <b>625,711.55</b> | <b>503.53</b>    | <b>323.00</b>    | <b>93.00</b>    | <b>88.00</b>    | <b>201.00</b>     | <b>82.00</b>       | <b>8,647.50</b>   | <b>65,360.91</b>  | <b>29,516.92</b> | <b>19,865.45</b>  | <b>750,392.86</b>   |
| <b>Net Operating Fund Surplus</b>          | <b>308,561.52</b> | <b>797.47</b>    | <b>463.00</b>    | <b>-</b>        | <b>2.00</b>     | <b>(41.00)</b>    | <b>250.00</b>      | <b>1,691.50</b>   | <b>(7,914.57)</b> | <b>(933.64)</b>  | <b>(903.39)</b>   | <b>301,972.89</b>   |
| <b>Fund Balance, Beginning - Operating</b> | <b>98,871.66</b>  | <b>387.70</b>    | <b>548.04</b>    | <b>333.96</b>   | <b>1,506.67</b> | <b>(25.51)</b>    | <b>1,000.88</b>    | <b>8,788.06</b>   | <b>24,597.64</b>  | <b>10,120.65</b> | <b>5,327.33</b>   | <b>151,457.08</b>   |
| <b>Fund Balance, Ending - Operating</b>    | <b>407,433.18</b> | <b>1,185.17</b>  | <b>1,011.04</b>  | <b>333.96</b>   | <b>1,508.67</b> | <b>(66.51)</b>    | <b>1,250.88</b>    | <b>10,479.56</b>  | <b>16,683.07</b>  | <b>9,187.01</b>  | <b>4,423.94</b>   | <b>453,429.97</b>   |
| <b>Reserve Fund</b>                        |                   |                  |                  |                 |                 |                   |                    |                   |                   |                  |                   |                     |
| <b>Revenues</b>                            |                   |                  |                  |                 |                 |                   |                    |                   |                   |                  |                   |                     |
| Assessments                                | 29,276.00         | 8,646.00         | 2,910.00         | -               | -               | -                 | 7,919.00           | 96,748.00         | 29,887.00         | 6,103.32         | 3,189.00          | 184,678.32          |
| Interest Income                            | 728.23            | 15.65            | 8.66             | 0.65            | 1.57            | 1.13              | -                  | 189.00            | 274.16            | 150.66           | 55.46             | 1,425.17            |
| Expenditures                               | (35,636.87)       | -                | -                | -               | -               | -                 | (44,550.00)        | (26,000.00)       | (15,919.79)       | -                | (160.13)          | (122,266.79)        |
| <b>Total Revenues</b>                      | <b>(5,632.64)</b> | <b>8,661.65</b>  | <b>2,918.66</b>  | <b>0.65</b>     | <b>1.57</b>     | <b>1.13</b>       | <b>(36,631.00)</b> | <b>70,937.00</b>  | <b>14,241.37</b>  | <b>6,253.98</b>  | <b>3,084.33</b>   | <b>63,836.70</b>    |
| <b>Net Reserve Fund Surplus</b>            | <b>(5,632.64)</b> | <b>8,661.65</b>  | <b>2,918.66</b>  | <b>0.65</b>     | <b>1.57</b>     | <b>1.13</b>       | <b>(36,631.00)</b> | <b>70,937.00</b>  | <b>14,241.37</b>  | <b>6,253.98</b>  | <b>3,084.33</b>   | <b>63,836.70</b>    |
| <b>Fund Balance, Beginning - Reserve</b>   | <b>255,006.60</b> | <b>27,049.10</b> | <b>16,843.62</b> | <b>1,509.25</b> | <b>3,584.77</b> | <b>2,569.02</b>   | <b>33,712.25</b>   | <b>360,013.38</b> | <b>118,115.88</b> | <b>60,979.93</b> | <b>25,199.30</b>  | <b>904,583.10</b>   |
| <b>Fund Balance, Ending - Reserve</b>      | <b>249,373.96</b> | <b>35,710.75</b> | <b>19,762.28</b> | <b>1,509.90</b> | <b>3,586.34</b> | <b>2,570.15</b>   | <b>(2,918.75)</b>  | <b>430,950.38</b> | <b>132,357.25</b> | <b>67,233.91</b> | <b>28,283.63</b>  | <b>968,419.80</b>   |
| <b>Total Fund Balance</b>                  | <b>656,807.14</b> | <b>36,895.92</b> | <b>20,773.32</b> | <b>1,843.86</b> | <b>5,095.01</b> | <b>2,503.64</b>   | <b>(1,667.87)</b>  | <b>441,429.94</b> | <b>149,040.32</b> | <b>76,420.92</b> | <b>32,707.57</b>  | <b>1,421,849.77</b> |

\*The 2019 report was created by BHA Staff and was not included as part of the audit of the 2019 financials. The 2020 Audit will include an audited version.



## BHA'S 2021 Annual Meeting, Online Voting and Smith Island Social

The 2021 Annual Meeting packet is slightly different this year. Missing from the packet of information are a paper proxy and the menu for the annual Smith Island Social. For expediency and convenience, only online voting will be utilized this year. Below are specific instructions about completing the online proxy and participating in the 2021 Annual Meeting, as well as the status of Smith Island Social. Contact BHA with any questions at 910-457-4676, ext. 21.

### Annual Meeting

For the first time ever, BHA will hold its 2021 Annual Meeting virtually, due to COVID-19 safety precautions. The Annual Meeting will be held on Saturday, January 30, 2021, at 9:00am. The live event is open to members, and it will be recorded and posted online for viewing on your own schedule.

### Online Voting

BHA is utilizing the software Vote HOA Now for online voting for the 2021 Annual Meeting. Within this Annual Report is a representative copy of the proxy that members will be voting. Members who cannot or prefer not to vote online can contact BHA ([Diane@BaldHeadAssociation.com](mailto:Diane@BaldHeadAssociation.com)), and a paper proxy will be sent to them. **To vote online, visit the web address listed below and enter your unique registration code. You'll be taken to a secure site specific to BHA's election and can vote at your convenience.** Online voting will begin at 8:00am on Wednesday, December 30, 2020, and end at 4:00pm on Wednesday, January 27, 2021, and all paper proxies must be received by then in order to be counted. There will be no voting on the day of the Annual Meeting, and no motions will be taken from the floor.

Questions? Contact Carrie Moffett, BHA Executive Director, at 910-457-4676, ext. 26 or [Carrie@BaldHeadAssociation.com](mailto:Carrie@BaldHeadAssociation.com).

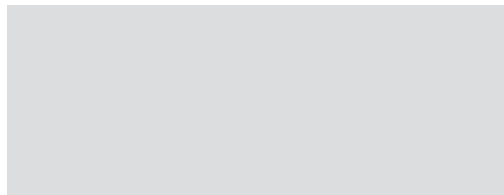
### Smith Island Social

Out of an abundance of caution, BHA has postponed the annual Smith Island Social, which is normally held the evening of the Annual Meeting, until it is safe for a large group of property owners to gather for socializing. The Board's intention is to hold the event later in the year after a viable vaccine has been distributed and public health officials deem large gatherings safe again.

Vote online:

**<https://baldhead.ivotehoa.com/register>**

December 30, 2020, 8:00am - January 27, 2021, 4:00pm







**Voting for Bald Head Association's 2021 Annual Meeting will be done through the third-party vendor *Vote HOA Now*. To vote online, visit <https://baldhead.ivotehoa.com/register>.**

**Your unique registration number can be found on a label on the back page of the 2020 Annual Report contained in this Annual Meeting information packet.**

## **APPOINTMENT OF PROXY**

I, \_\_\_\_\_, hereby appoint the 2020 BHA Board of Directors (or, if different from the BHA Board of Directors, the person identified below) proxy with full power of substitution to act and vote on my behalf at the Annual Meeting of members of the BHA to be electronically on January 30, 2021, at 9am, and at any adjournment or adjournments thereof, as fully as the undersigned member would be entitled to act and vote if personally present. The undersigned directs the BHA Board to vote as follows:

**SELECT EITHER OPTION A, OPTION B OR OPTION C.** *If you do not indicate option A, B or C but have signed your name below, BHA will presume this proxy to direct the BHA Board to vote as it deems appropriate.\**

- \_\_\_\_\_ A. I direct the BHA Board to cast all of my votes as it deems appropriate in its discretion.
- \_\_\_\_\_ B. I direct \_\_\_\_\_ to cast all of my votes as s/he deems appropriate or as I have directed.
- \_\_\_\_\_ C. I direct the BHA Board of Directors (the "BHA Board") or agent authorized by the BHA Board to cast my votes as follows:

### **I. FOR THE ELECTION OF DIRECTORS:**

\_\_\_\_\_ Alan Briggs                      \_\_\_\_\_ Robert Drumheller

*(Note: There are two vacancies on the BHA Board for 2021. Cumulative voting is permitted.)*

### **II. BALD HEAD ASSOCIATION BYLAWS**

#### **CURRENT LANGUAGE**

##### **ARTICLE VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

Section 2. Duties. It shall be the duty of the Board of Directors to: ... (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; ....

#### **PROPOSED LANGUAGE**

##### **ARTICLE VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

Section 2. Duties. It shall be the duty of the Board of Directors to: ... (f) maintain commercial crime coverage against the loss of or damage to money, securities and other property resulting directly from theft, forgery or alteration covering all directors, officers, trustees and employees; ....

#### **RATIONALE**

Bald Head Association's bylaws govern much of BHA's organizational structure, including the authority and varied responsibilities of the Board of Directors. Previous language in this section contained a



requirement to “bond” all officers and employees to protect the organization from the misdeeds of individuals. The tool used by today’s insurance industry is commercial crime coverage that provides more diverse protection from criminal activity such as theft, forgery, cyber threats, phishing, etc. The Board of Directors recommends that the membership approve the change to replace individual bonding with wider protection through a commercial crime package requirement.

\_\_\_\_\_ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

\_\_\_\_\_ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

*\*(Members are entitled to one vote per lot. Cumulative voting is permitted. Whole numbers only, please. Any proxy previously made by the undersigned for such meeting is hereby revoked. This proxy shall be effective only for the meeting and may be revoked at any time upon written notice to the Secretary or agent authorized to tabulate votes from the undersigned member.)*

**List below the BHA properties you own by Lot Number OR Street Address.**

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

Dated: \_\_\_\_\_, 20\_\_\_\_

Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

*(By signing above, I certify that I am authorized to execute this proxy on behalf of all owners of the above listed property(ies).)*

**THIS PROXY MUST BE RECEIVED BY THE BHA OFFICE BY 4PM  
ON WEDNESDAY, JANUARY 27, 2021, IN ORDER TO BE COUNTED.**

**MAIL TO:  
Bald Head Association  
P.O. Box 3030  
Bald Head Island, NC 28461**

**EMAIL TO:  
Carrie@BaldHeadAssociation.com**





## *Committee Descriptions*

Consider making a commitment of time and energy to an Association committee. The committees' general goals are defined below to help you identify areas of interest. Please be a part of these efforts. This is your Association and your Island!

### **Architectural Review Committee (ARC)**

The ARC has the crucial charge of reviewing home plans and administering the Design Guidelines, with numerous reviews handled each year for home plans, landscaping and renovation-related submittals.

### **Socialization, Education and Recreation Committee (SER)**

This committee discusses, devises, recommends and/or implements recreation and education programs for property owners, renters and visitors.

### **Finance Committee**

This committee assists with developing the annual budget and helps the Board monitor the Association's financial status. It also oversees the annual audit process and makes recommendations on financial policy to the Board.

### **Strategic Planning and Long Range Projects Committee (SPLRP)**

This committee reviews and evaluates past long-range plans and summarizes progress toward stated goals. They recommend actions that help fulfill Association purposes and responsibilities.

### **Resource Conservation and Beautification Committee (RCB)**

This committee makes recommendations for the maintenance and development of Common Areas and coordinates two Litter Sweeps each year.

### **Nominating Committee**

This committee has the crucial job of identifying qualified candidates to run for future BHA Board positions and continue the tradition of strong leadership for the BHA.

**Thank you for your interest in your Association!**





## *Committee Volunteer Form*

Bald Head Association  
P.O. Box 3030 / Bald Head Island, NC 28461  
Phone 910-457-4676 / Fax 910-457-4677  
Email: [Carrie@BaldHeadAssociation.com](mailto:Carrie@BaldHeadAssociation.com)

Name \_\_\_\_\_  
BHI Address \_\_\_\_\_  
Address \_\_\_\_\_  
City, State Zip \_\_\_\_\_  
BHI Phone \_\_\_\_\_  
Off Island Phone \_\_\_\_\_  
Cell Phone \_\_\_\_\_  
Email \_\_\_\_\_  
  
Profession \_\_\_\_\_

I am interested in the:

- |   |   |
|---|---|
| <input type="checkbox"/> Architectural Review Committee (ARC) | <input type="checkbox"/> Strategic Planning and Long Range Projects Committee (SPLRP) |
| <input type="checkbox"/> Finance Committee                    | <input type="checkbox"/> Socialization, Education and Recreation Committee (SER)      |
| <input type="checkbox"/> Nominating Committee                 | <input type="checkbox"/> Resource Conservation and Beautification Committee (RCB)     |

I want to serve as a committee member because: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I feel I could contribute the following skills or perspective: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If I am not chosen for this committee, I would be willing to serve on the (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Architectural Review Committee (ARC) | <input type="checkbox"/> Strategic Planning and Long Range Projects Committee (SPLRP) |
| <input type="checkbox"/> Finance Committee                    | <input type="checkbox"/> Socialization, Education and Recreation Committee (SER)      |
| <input type="checkbox"/> Nominating Committee                 | <input type="checkbox"/> Resource Conservation and Beautification Committee (RCB)     |

*Thank you!*

Feel free to attach additional pages if needed to answer the questions.  
Emailed or faxed submissions are welcome.