

**COAKLEY BAY ASSOCIATION**  
***2013 Annual Owners' Meeting***

**NOTICE**

**The Coakley Bay Association  
Annual Owners' Meeting**

*will be held*

**Saturday, January 26, 2013**

**9:00 AM, AST**

*at*

**Cultured Pelican Restaurant  
Coakley Bay Condominiums**

5000 Coakley Bay  
Christiansted, VI 00820  
Phone: 340.773.9600 • Fax: 340.773.1772  
Email: [officemanager@coakleybay.org](mailto:officemanager@coakleybay.org)

# GENERAL MANAGER'S REPORT

## 2013 ANNUAL MEETING

### JANUARY 26, 2013

***LOOKING BACK ON 2012*** the maintenance and landscaping staff of Coakley Bay were able to start or accomplish the projects that were assigned to them. Some of these projects, like installation of the windows were designed to be completed in two (2) years.

The largest approved project for 2012 has been slowed down and will now require more than a single year. The burial of the electrical lines on the east side of the property was funded at \$100,000 and we had started getting the quotes needed to get the project rolling. At this time I would like to thank Ken Mapp for his help with this project. Ken, with his insight into WAPA and the Virgin Islands Government was able to get WAPA to agree to assist us in two ways. First, to assist us by providing some of the material we need. We don't know just what yet but any help will be appreciated. Second, WAPA agreed to allow us to modify our installation requirements which will provide CBA with considerable savings. As of November 1<sup>st</sup> our site drawings and riser plans were approved by the Director of Transmission and Distribution and forwarded to the Manager of Design and Construction for formal approval.

The new pool furniture is due to be assembled and placed around the pool in December.

All 5 sets of new sliding glass doors were installed as projected and J Building was fumigated for termites in the June/ July time frame.

Our Landscaping crew has continued to add new plants through out the complex. One of the best methods of insuring the growth of our new beds is to terrace the rock gardens that we have, as we did in front of C Building leading to, the pool and restaurant.

***LOOKING FORWARD TO 2013*** the Board of Directors and I have outlined a reasonable but demanding group of projects that will be completed this year.

- The largest is the repaving of the main roads on the east and west side of the complex. The parking lots will not be repaved. On the east side the area to be paved will be from the entrance up to then speed bump in front of F building with the speed bump being straightened out instead of at an angle as it is currently. The speed bump by A building will be repaired and extended across the entire road and an additional speed bump will be installed across from E building. On the west side speed bump by H building will remain. On the west side of the complex

## Message from outgoing President John Mason

December 15<sup>th</sup>, 2012

Dear Fellow Coakley Bay Owners,

As 2012 draws to a close, and I wanted to give you an update of where Coakley Bay Association stands at this time.

I'll open by thanking our General Manager for another successful year. Early in the year, we hired a new office manager, Cintoine Francis to replace Pamela Leach, who left the island. At the same time, we outsourced most of the accounting function to an independent contractor; the goal was that this contractor would train Cintoine to do many of the daily tasks, and the overall result would be well-kept books, and at a savings to the Association.

I'd also like to thank your maintenance and landscaping crews for a job well done. There was no shortage of plumbing issues that needed to be dealt with, and they worked tirelessly to deal with these issues for us.

Our big project for the year was supposed to be the burial of the electrical lines on the eastern side of the complex. It didn't happen (yet). Although the Association had agreed to do this and budgeted the money for the project, early in the year Director Mapp pointed out that VIWAPA might give us financial assistance with the project; always wanting to look out for your bottom line, we explored this option, have meet with VIWAPA and proposed contractors, and are currently awaiting VIWAPA's final answer.

Another major accomplishment was the re-negotiation of our insurance package. While we shopped with a local brokers, we ended up staying with Marshall & Sterling, as they came up with a very creative solution for us. Not only was Marshall & Sterling able to get us a lower premium, but they gave us an alternative proposal with a 3% windstorm deductible as opposed to the 5% we had been carrying. With the total insured value of our property at around \$15,000,000 this reduced what would need for a deductible in the event of a total loss from approximately \$750,000 to approximately \$450,000. Treasurer Baker will address this in greater detail in his report. At some point in the next year or two, our five year plan calls for

another replacement value appraisal, so we might to look at this again, but with a 3% deductible, it shouldn't be too painful.

The window project is nearing completion. The termites in the J-Building were exterminated. The board decided to push painting back for a year. The new pool furniture and shades were finally installed in early December.

Looking forward, we have included a ballot seeking your vote on whether or not you would like to pave the driveways. This would be only the driveways, and not the parking areas. I suggested to our General Manager recently that if you approve the paving, perhaps we could seal the parking areas, so that everything looks better simultaneously.

Lastly, after all of that, there will even be a slight reduction in the HOA's next year, but I don't want to "spill the beans" before you read Treasurer Baker's report.

You have a Board of Directors and management team who have worked very well together this year for the betterment of our community, and the prudent management of our finances. I would like to personally thank each and every one of them for their dedication to Coakley Bay Association, and for the unique skills each of the brings to the Board.

Respectfully submitted,

John N. Mason  
President

## 2012 TREASURER'S REPORT FOR JANUARY 2013 ANNUAL MEETING

The Board of Directors receives five reports each month from the Treasurer: Profit & Loss Budget vs. Actual for the month, and for the year to date, the Balance Sheet, and the Aging Summary. This year the Treasurer provided the Profit & Loss Budget vs. Actual in both the Accrual and Cash accounting methods. Treasurer also provides BOD with monthly reports on Cash Income and Checks over \$2500. CPA Francisco Depusoir's firm completed the Annual Audit which found no accounting irregularities. Unrelated to his duties as Coakley Bay's Auditor, CPA Depusoir was charged with criminal wrongdoing in the management of his firm and has been relieved of his license. The BOD is reviewing resumes for a new CPA. The Board also retained the services of a certified bookkeeper, Theresa M. Frorup-Alie, MBA, who has provided oversight of the monthly financial transactions and conducted the quarterly reviews of the financials. Highlights of CBA's 2012 financial year follow.

February. Adjustments are made to the monthly HOAs to reflect a direct pass-through for the Wi-Fi charges rather than assess them on the percentage of ownership basis.

March. The Insurance Committee negotiated new Insurance Premium rates with Marshall & Sterling after soliciting bids from three insurers and comparing coverages and premiums. A significant negotiated rate this year included a reduction in the Deductible from 5% to 3%, without an increase in premiums, reducing the amount of cash necessary to fully fund the Insurance Reserve Fund in the event of a catastrophic event, from \$750,000 to \$450,000. At the end of this calendar year the Insurance Reserve Fund balance will stand at \$400,000.

April. Taxes filed for 2011. 2012 Cash Flow Analysis and Projects Timeline created by GM & approved by BOD. Five Year and Long Term Capital Improvements Plan prepared by the GM, approved by BOD, and sent to CPA for inclusion in the annual audit.

May. Property Insurance was paid ½ in April and ½ in May. The 2011 Audit Report received from our CPA, with \$80,667 identified as excess insurance payments. No deficiencies in our accounting practices were noted in the Audit Report and no recommendations were made by the CPA. Cash position remains solid due to the delays in the East End Electrical project.

June. CBA expends \$22,000 for termite eradication in J Building. The \$80,667 in excess insurance premiums has been transferred into the Insurance Reserve Fund, bringing the total to \$376,000.

July. The month of July reflected an unusual number of late HOA payments which caused a temporary dip in revenues, however, most were caught up in August and revenues were back on track. At the suggestion of our bookkeeper we changed the format of the Aging Report to only reflect those units whose payments are in arrears to present a clearer picture of potential revenue problems.

August. The General Manager was asked to update the 5 year plan for Capital Improvements in preparation for the Budget build for 2013.

Sept/Oct. The General Manager began the building of the Expense side of the 2013 Budget and the Treasurer began building the Revenue side and the Budget Committee was formed (GM, Treasurer and Eric Joyce). An initial draft Budget was completed in October.

November. BOD reviews the draft 2013 Budget and after making some adjustments to both the Expense side and the Revenue side, approves the Budget which will be presented to the Association for approval at the Annual Owner's meeting. Liens were placed against five units which have funds 90 days in arrears on HOA payments. Two units are in jeopardy of foreclosure and both owners have offered their mortgage holders the deed in lieu of foreclosure, which requires the Board to remove the liens, accept the HOA arrears as bad debt but allow the mortgage holders to avoid the lengthy foreclosure process and accept responsibility for future HOA payments. The Board approved the removal of the lien for Unit F-7 which will cause a write-off of approximately \$3,700 in bad debt but will prevent the accumulation of additional unpaid HOAs in 2013. The Board budgeted \$18,000 in doubtful collections in 2012 so the funds are available to absorb this write-off.

All in all the financial condition of Coakley Bay was solid throughout the year despite dealing with occasional revenue shortfalls due to a few owners in financial stress. The General Manager and Office Manager did a great job of keeping on top of HOA collections which helped tremendously. Our cash position was strong all year long and remains strong at year end. We will end the year with approximately \$18,000 in retained earnings (we will have come in under budget by \$18,000) and will roll those funds into the Reserve Maintenance Fund to help offset the costs of paving in 2013.

2013 Budget Proposal. The 2013 Budget which will be presented at the January Owner's Meeting is based on several factors: 1) an average HOA reduction of \$15 per month (\$14-\$17); capping the Insurance Reserve Fund at \$400,000; and, redirecting the excess insurance funds into the Maintenance Reserve Fund to help cover the cost of paving. Capping the Insurance Reserve Fund at \$400,000 rather than at the fully funded level of \$450,000 means that in the event of a catastrophic event that required the Association to put up the entire deductible (\$450,000) would require a special assessment of \$500 per unit. The Board, at the recommendation of the Treasurer, agreed that the risk of a Hugo-like event requiring the full deductible is low and even if such an event occurred, a \$500 special assessment is a reasonable alternative to that risk. This option is made possible due to the Insurance Committee negotiating a 3 percent deductible in place of the previous 5 percent deductible at the same insurance premium costs, a net savings in the deductible of \$300,000. The Board believes that the condition of the pavement at Coakley is a more critical need than maxing out the Insurance Reserve Fund at this time.

Respectfully submitted,

/s/

Paul H. Baker, Treasurer

FRANCISCO E. DEPUISOIR  
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Coakley Bay Association  
St. Croix, USVI

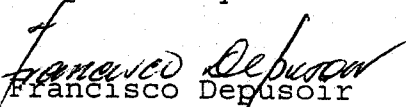
I have audited the accompanying balance sheets of Coakley Bay Association (a Virgin Islands condominium association) as of December 31, 2011 and 2010, and the related statements of revenues and expenses, changes in fund balances, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that the audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coakley Bay Association as of December 31, 2011 and 2010 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note G, the Association has not estimated the remaining lives and replacement cost of the common property and therefore, has not presented information about the estimates of future cost of major repairs and replacement that will be required in the future that accounting principles generally accepted in the United States of America has determined is required to supplement, although not required to be a part of the basic financial statements.

Respectfully submitted,

  
Francisco Depusoir  
Certified Public Accountant  
St. Croix, U.S. Virgin Islands  
May 09, 2012

# Owner Information Update

## 1. Updated Customer Information

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Unit: # \_\_\_\_\_

### Mailing Address:

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

### Alternate Mailing Address:

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

### Email:

\_\_\_\_\_

Unit Phone Number: \_\_\_\_\_ Cell Number: \_\_\_\_\_

Stateside Number: \_\_\_\_\_ Work Number: \_\_\_\_\_

Additional Contact Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

## 2. Authorization to Update Customer Information

By signing my signature below, I am certifying that the above information is true and accurate to the best of my knowledge. Kindly mail, fax, or email to CBA office upon completion.

\_\_\_\_\_ Date

Authorized Signature

\_\_\_\_\_ Print Name



COAKLEY BAY ASSOCIATION  
*2013 Annual Owners' Meeting*  
January 26, 2013

## Proxy

**As per Article II, Number 6 of the Coakley Bay Bylaws:**

- All proxies shall be in writing, signed and dated by the Condominium Unit Owner(s) and delivered to the Secretary of the Association, or his/her designee, prior to the commencement of the meeting at which ballots are to be cast.
- A proxy may either be a blanket proxy entitling the holder to vote as the holder sees fit on any matter, or specific in which the holder's vote is determined in the proxy.

UNIT NO: *L-02*

I, \_\_\_\_\_, am the owner of the above condominium unit located in the Coakley Bay Townhouse Apartment Condominium and am entitled to vote in accordance with the percentage of interest that I (we) own in the Common Area and Facilities. I do hereby appoint

\_\_\_\_\_  
**(Insert name of the person who will vote your shares)**

Of \_\_\_\_\_

**(Insert the unit number of your proxy)**

to be my substitute and proxy and to act for me in my name and on my behalf, and to vote my share of interest in the Common Area and Facilities at any meeting of Condominium Unit Owners as though I were in fact present at said meeting. Unless I have indicated otherwise, this proxy shall be valid only at the first meeting of Condominium Unit Owners that is held after the date shown below and in the event that said meeting is adjourned, then on the date to which it is adjourned.

**Date:** \_\_\_\_\_

**(Sign your name here)**

If you wish to appoint your proxy for a period that extends beyond the next meeting of Condominium Unit Owners, please place the date here indicating the last date that you wish this proxy to be valid. Please do not extend that date beyond two years.

I wish to extend the date for which this proxy appointment shall be valid until

\_\_\_\_\_

**NOTE: If you own more than one unit, please use separate proxy forms for each unit.**

*1.08 %*

# Cynthia Taylor

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5000 Coakley Bay G 13, Christiansted, USVI 00820  
Home: 340 713 1416 - Cell: 340 513 3268

## Summary

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### BOARD OF DIRECTORS

## Highlights

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- REAL ESTATE Licensed as Broker since 1970's
- Director of Sales and Marketing for large hotel/time share company in Caribbean 14 yrs
- Knowledge of real estate trends
- Knowledge of local human resources

## Accomplishments

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Currently on Board of Directors at St. Croix Yacht Club  
Previously served on Board of Directors at Coakley Bay  
4 years including President of BOD

Past experience with resort operations in the Caribbean, including maintenance and personnel gives me a clear picture on how to manage employees.

## Experience

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### Director of Sales and Marketing

#### Divi Resorts – NC

Working in the Caribbean on several Islands gave me a vast experience in dealing with different cultures as well as knowledge of resort management and maintenance.

**I feel the most important job of the BOD is to keep Coakley Bay Condominiums competitive in the market place with other comparable properties by staying up to date on improvements and updating and maintaining the property, as well as following the guidelines of the Rules and Regulations. All this should be balanced with maintaining fiscal responsibility to the owners.**

These are difficult and changing times on St. Croix and the BOD needs to work hard to achieve the goals and attend to the needs of our community.

### Broker

January 2003 to January 2012

#### Teague Bay Properties – Christiansted, USVI

Knowing the current trends in real estate is a tremendous asset in helping our community to stay competitive in the current real estate market.

**Aina Bergengren**  
**Brd. Of Directors Resume**  
**December 12, 2012**

Originally from Sweden, I was based in Massachusetts during my 40-yr career as a US Airways flight attendant/service director on their international flights. I have been an owner here at Coakley Bay E-bldg since 1979, living here year round since 2005. My interests include volunteering as a docent at the St. George Botanical Garden, and helping with animal welfare projects.

During the mid-90's, I served a two-year term on the Coakley Bay Board of Directors, and have also served on the Owners' Committee. Currently I am a member of the Pools & Grounds committee, and the Spirit committee, and am a regular observer of the Board of Directors monthly meetings. I was also one the the three originating owners of the CB Annual Yard Sale, which helps fund special projects for our community.

My priorities as a Director are to continue efforts to up-date and improve the appearance of our complex, as well as to protect the infrastructure of the physical, mechanical systems, with an eye toward modernization and efficiency. I also feel it is important that we continually work to improve the communication between owners, tenants and property managers to ensure that rules and responsibilities are understood and adhered to, so that our condominiums are consistent with feeling like our homes. I think it is important that owners share in the responsibility of managing our community, and therefore ask for your vote as a candidate for the Board of Directors.

*Aina Bergengren*

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**COAKLEY BAY ASSOCIATION**

**2013 ANNUAL OWNERS' MEETING & COCKTAIL PARTY**

Yes, I plan to attend the: Unit # \_\_\_\_\_

Owners' Cocktail Party \_\_\_\_\_

Friday, January 25, 2013, 6:00pm at the pool (Names of Owners Attending)

Annual Owners' Meeting \_\_\_\_\_

Saturday, January 26, 2013, 9:00am at The Cultured Pelican (Names of Owners Attending)

Owners provide hors d'oeuvres for the Owners' Cocktail Party and  
Coakley Bay Association provides (alcoholic and non-alcoholic) beverages

**RSVP before January 14, 2013**