

## FINANCIAL REPORT

Following is a summary of financial position at the end of the fiscal year, December 31, 2007, which is SUBJECT TO AUDIT.

### ASSETS

Current Assets	
Checking/Savings	
PETTY CASH	\$ 100.00
CHECKING ACCOUNTS	374,595.45
Money Market	34,414.07
American Bank C/D	242,155.54
Total Checking/Savings	651,265.06
Other Current Assets	
Inventory, Mail Boxes	9,184.00
Prepaid Maintenance Fees	-617,053.10
PEC Deposit	1,435.00
Total Other Current Assets	-606,434.10
Total Current Assets	44,830.96
Fixed Assets	
FIXED ASSETS	430,289.44
Total Fixed Assets	430,289.44

**TOTAL ASSETS \$475,120.40**

### LIABILITIES & EQUITY

Liabilities	
Current Liabilities	
Other Current Liabilities	
DEPOSIT FEES	(1,000.00)
ACCOUNTS PAYABLE	8,090.00
Total Other Current Liabilities	7,090.00
Total Current Liabilities	7,090.00
Total Liabilities	7,090.00
Equity	
Opening Balance Equity	428,147.46
Ret. Earn (Current Year)	42,130.49
Net Income	-2,247.55
Total Equity	468,030.40

**TOTAL LIABILITIES & EQUITY \$475,120.40**

### Horseshoe Bay Property Owners' Association, Inc.

P.O. Box 7773 • Horseshoe Bay, Texas 78657-7773  
 (830) 598-8795 • Fax (830) 598-8256  
 Email: hsbpoa@tstar.net • Website: www.hsbpoa.org  
 OFFICE LOCATION - QUAIL POINT LODGE  
 107 Twilight

Office Hours: 9:00 a.m. - 4:00 p.m. Monday - Friday  
**BOARD OF DIRECTORS**

PRESIDENT..... Phillip Lee  
 VICE PRESIDENT..... Claudia Haydon  
 SECRETARY..... Bob Glanville  
 TREASURER..... Bill Gaylord  
 DIRECTOR..... Jay Suter  
 DIRECTOR..... Fred Owen  
 DIRECTOR..... Paige Schweizer

#### P.O.A. MANAGER AND STAFF

GENERAL MANAGER ..... Tom Engler  
 ADMINISTRATIVE TREASURER..... Alyce Duncan  
 ADMINISTRATIVE SECRETARY..... Judi Lane

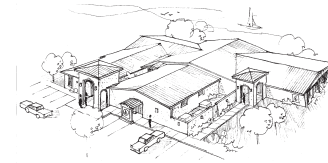
### Satellite Mailboxes for Horseshoe Bay Residents . . . . . Bill Gaylord

So far, over 1,000 satellite mailboxes have been installed in various neighborhoods throughout the central part of Horseshoe Bay. These mailboxes are available to Horseshoe Bay residents and offer both convenience and cost savings compared to the alternative boxes at the Post Office.

Later this year, several hundred additional satellite mailboxes will be installed and made available to the residents of Horseshoe Bay West.

Residents desiring additional information regarding the usage of these new mailboxes should contact the POA business office at 830-598-8795.

Thanks for your support of this community program.



Quail Point Lodge



**POA**  
 (PROPERTY OWNERS' ASSOCIATION)  
**NEWSLETTER**  
 FEBRUARY, 2008

### Notice of Annual Meeting of Members to be held on Saturday, March 15, 2008

The Annual Meeting of Horseshoe Bay Property Owners' Association, Inc. will be held on **Saturday the 15th day of March, 2008** beginning at **10:00 a.m. at Quail Point** (Twilight off Red Sail) in Horseshoe Bay, for the purpose of electing members to the Board of Directors and to transact other business as may come before the meeting.

To vote at this meeting you must be current in payment of the 2008 Horseshoe Bay Maintenance Fee.

**Three (3) Directors** are to be elected for three-year terms to replace three (3) Directors whose terms expire at the Annual Meeting. A ballot containing nominees' names is enclosed. Please vote by returning your ballot **prior to March 7, 2008**.

In the event you will not be attending the meeting, you may sign and return the PROXY along with your ballot in the enclosed self-addressed envelope.

### PRESIDENT'S MESSAGE ..... Phillip Lee

It has been my privilege to serve as your POA president this year. It has been quite a year with the proposed street improvement plan and the assessment vote. A strong majority of you made it very clear you want your streets improved. Unfortunately we were not able to achieve the required 67% approval. However, we must not give up because of this setback. It is in our collective best interests to upgrade our streets.

I want to thank Tom Engler, our General Manager, and our staff, Alyce Duncan and Judi Lane, for all their help during the Street Program and for their service, dedication and tireless efforts on all the POA projects and activities. Let me assure you they were very busy.

In June Paul Pearce resigned from the Board in anticipation of moving to Sun City. Paige Schweizer accepted the Board's request for her to serve out Paul's remaining term. She has been a great addition to the Board and has done an outstanding job.

Bill Gaylord made great progress with the satellite mailbox program this year installing 1024 new boxes. His committee anticipates starting construction in West within the next few months. The Deer Management program under Claudia Haydon only removed 73 deer last year due to poor weather conditions during the trapping period. We can remove an additional 240 with our current quota. Our deer population is still well above the level recommended by the Texas Department of Parks and Wildlife. Our Special Programs, Communications, and Outreach activities have drawn the community together. They have welcomed new residents and expedited the flow of information about community activities through email and the HSB POA website.

In Horseshoe Bay we have an abundance of residents with talent, imagination and a strong sense of community spirit and service. Examples of this are Craig Haydon who chaired the Earth Day annual clean-up drive, and all of the many volunteers who helped in the cleanup and enjoyed the picnic afterward. Tom and Jackie Schmersahl chaired the 4th of July activities that included a special recognition of our World War II veterans and honored their service. It was as memorable as it was outstanding. Billy Lapham and the members and Master Gardeners on the Quail Point Beautification Committee have done a superb job designing planting and maintaining the gardens around Quail Point. If you haven't seen the gardens, please do so. You will get some great ideas for your own yard.

As I leave the Board I want to thank all of the members of the Board for their service, commitment and support. Claudia Haydon, Bill Gaylord and I came on the board together. I want to give them a very special thanks for their counsel, dedication and service. They were clearly responsible for many of the accomplishments made during our term in office. Thanks, and best wishes to all.

### Message from General Manager ..... Tom Engler

The past year was another busy one for your POA. The flood in March which caused tremendous damage in Marble Falls also caused road and erosion damage in Horseshoe Bay. Only two of our low-water crossings were severely damaged, and our other road damage was minimal. This is a testament to the good quality that went into the original construction of our road network.

The erosion damage in Horseshoe Bay was substantial. The POA spent several months and a considerable portion of our road maintenance budget to repair this erosion damage. The damaged low-water crossings were repaired and re-opened within weeks after the storm. All of the damage repairs were performed to an improved standard, which should minimize future damage when the inevitable next deluge occurs.

All of the spring and summer rains, in addition to breaking the severe drought that this area had been under, also caused unprecedented growth of brush. In order to provide safety and minimize fire danger, the lot mowing program was expanded and lots were mowed twice instead of the normal annual mowing. Roadsides were mowed at least three times. The lot mowing program has been expanded from a little more than 100 lots seven years ago to over 1,200 today.

TxDOT completed the highway widening project through Horseshoe Bay last year. The POA and Horseshoe Bay Resort worked with TxDOT to insure that entrances and landscaping were completed in a first class manner. The new highway should provide for safe travel for many years to come. We are currently working on the main entrance on Horseshoe Bay Blvd. and should be finished with it shortly.

As our community continues to grow, the demands put on the POA to provide service grow also. The staff at the POA continues to be here to serve the requirements of our owners. Please visit our website, www.hsbpoa.org, to get more information about our various activities and responsibilities.

### HORSESHOE BAY PROPERTY OWNERS' ASSOCIATION

P.O. BOX 7773  
 HORSESHOE BAY, TX. 78657



BULK RATE  
 U.S. POSTAGE  
**PAID**  
 PERMIT NO. 64  
 Marble Falls, TX  
 78654

## TONY KOBY



Tony was raised in Houston. He received a Bachelor of Business Administration with Honors from the University of Texas where he also attended the Graduate School of Business and received the degree of Doctor of Jurisprudence from the School of Law. He practiced commercial and real estate law in Houston and eventually became involved in several businesses, including interest in mining, transportation and waste management.

Tony and Janis have owned a home in Horseshoe Bay since 1990 and moved here permanently in 2005. Prior to that, he was actively involved in their church in Houston, was a Boy Scout troop leader and served on the boards of neighborhood property owners associations. Janis and Tony continue to contribute their time and talents to their new church, Trinity Episcopal Church in Marble Falls. They have four children and two grandchildren.

“I believe that the HSB POA is presented with very important issues. The matter of the roads must be addressed and resolved. Even more significantly, the POA needs to determine its role in the future of Horseshoe Bay. The historical functions of the POA are going to change. The board should evaluate what the members of the POA want and need and act accordingly. I plan, if elected, to be a director concentrating on such long term goals.”

## WARREN NEWMAN

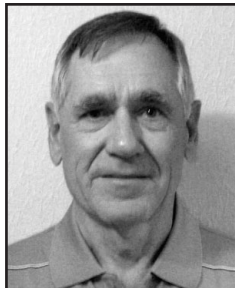


Warren Newman was born in 1936 in Cape Girardeau, MO. He graduated from Central High in 1954 and in 1958 from Wesleyan University, Middletown, CT with a BA in Economics. Warren worked for Sears in a management training program until 1965 and served in the Army for two years of that period. He joined The Northern Trust Company in Chicago in 1965 and was a vice-president in the Municipal Bond Dept. specializing in municipal bond underwriting countrywide. In 1977, Warren joined Woolsey & Co. in Oklahoma City as a principal of the firm. He became a Texan in 1981 by joining Republic Bank in Dallas.

Warren and Ruth were married in 1992 and moved to Horseshoe Bay in 1994. Ruth established her CPA practice and Warren worked as a Financial Advisor until retirement in 2001. Now he is a part-time property manager and enjoys golfing with friends. Warren is presently Treasurer of the Hill Country Men’s Golf

Association and a board member of the Highlands POA. Between them, they have four children and nine grandchildren - all of whom love to visit Horseshoe Bay. Warren and Ruth believe that they have found a little bit of heaven on earth in our community.

## DAVID POPE



David is a native Texas, born in Cameron in 1940. He received his BBA from the University of Texas in 1962. David and his wife of 47 years, Nelda, have three children and five grandchildren and have been residents of Horseshoe Bay since July 2002.

He was with Ernst & Young from 1962 until 2002 (Arthur Young pre 1989 merger), serving in Houston from 1962 - 1983 where he was Office Managing Partner from 1977 - 1983. David spent 1983 - 1986 as Managing Partner Southeast Asia (SEA) and Member of International Management Council residing in Singapore. In 1987 and 1988 he was Managing Partner SEA and Hong Kong office and Member of International Management Council residing in Hong Kong. David next served as Senior Audit Partner in Chicago 1989 - 2002.

He is a Founding Director and Deacon of The Bible Church of the Lakes, as well as Director and Treasurer of the Friendship Cemetery Association. David’s leisure activities include travel and golf.

## TOM SCHMERSAHL



Tom was born in Granite City, IL. and raised in and around St. Louis, MO. He received his BS degree from Southeast Missouri State following a stint in the U.S. Army including a 13-month combat tour in Vietnam with the 11th Armored Cav. He later received his MBA from The Olin School of Business at Washington University in St. Louis, MO.

During his 33+ year career, Tom worked in the telecommunications industry for Contel, later purchased by GTE and through merger for Verizon. Over twenty years of his career were spent as a registered lobbyist in Indiana, Missouri, Texas and Illinois. In 2003 Tom retired as Director of Government Affairs in Illinois for Verizon. Following a few years of contract lobbying, the Schmersahls retired to HSB in 2006.

In 2007 they were thankful to be asked to serve as Chairpersons for the HSB July 4th Celebration which identified and honored 46 World War II veterans living in our community as Grand Marshals. This gave them the opportunity to meet and work with many of the individuals that make Horseshoe Bay an exceptional place to live. Tom has served as president of two homeowners associations in the past.

Tom and his high school sweetheart, Jackie, have been married for over 40 years and are thankful to have the opportunity to live in Texas for the third time. They have two married daughters and three grandchildren.

## EVAN ROBERTS



Evan is a native of Gatesville, Texas, served in the U.S. Marine Corps in Korea and Japan, and graduated in 1968 from Cameron University (Oklahoma State). He and his wife Virginia have eight children and 14 grandchildren.

He was employed by the Federal Aviation Administration, retiring in 1978. Evan completed seven years of Federal Aviation Administration Academy academic and applied sciences training relating to airport systems design, lighting and navigational aids. He taught engineering math and applied science as it relates to airport design and development and performed extensive field evaluation of air traffic control systems and air navigational facilities.

Evan formed an airport-related construction firm and served as president and CEO from 1979 through 1984, then merged the construction business with a consulting engineering firm where he served as president and lead electrical designer 1984 through 1993. Following that, Evan worked as senior electrical engineer with HNTB Corp. through 2003; was consulting engineer with Louis Berger Inc., Incheon, Korea 2004; and consulting engineer with AECOM, Doha, Qatar 2006. Upon returning from the Middle East in December 2006, Evan and Virginia made an executive decision to retire to their home in Horseshoe Bay.

He has owned property in Horseshoe Bay since 1975 and has been a homeowner in Horseshoe Bay since 1995. Evan is a member of The Church at Horseshoe Bay and Men in Faith; member of the Highland Lakes Amateur Radio Club; member of the Marble Falls Chamber of Commerce; and a member of the International Club. He is an instrument-rated private pilot and builder of two experimental aircraft.

## HORSESHOE BAY CATS ..... **Adrian James**

You see them sunning on porches, hiding in the shadows of homes, office buildings and restaurants. They live on the fringes - - quickly scampering away if you come too close. We call them alley cats, feral cats, tomcats, or strays. Some were family pets that were abandoned by their uncaring owners. They colonize, making homes wherever they can find some food and a little shelter. They prowl for mates, pregnancy ensues, and the cycle of reproduction continues . . . but . . . what if there WERE no new kittens?

Hill Country Cat Control (HCCC) and Horseshoe Bay Cares About The Strays (HSBCATS) are working together to make that a reality. Trap, Neuter, and Return, or “TNR”, is an internationally proven program to reduce stray and feral cat populations. Cats already living outdoors are humanely trapped and taken to veterinarians, where they are evaluated, vaccinated, sterilized, and ear-tipped for identification. Kittens are collected, socialized, and adopted into loving homes. Wild, but otherwise

healthy adults, may be deemed unadoptable, and are returned to their outdoor homes, under the watchful eyes of caring volunteers. The unhealthy ones are humanely euthanized. Animals have longer, healthier lives, but they no longer reproduce. This is the proven alternative to their being trapped and killed. No more kittens are produced, and the stray cat population is reduced through attrition.

Contrast this to calling Animal Control, resulting in the capture and inevitable destruction of these cats. A population void is created, inviting new cats to wander in from outlying areas, and beginning the cycle anew.

You are invited to join our network of dedicated volunteers at HSBCATS and HCCC. For more information on TNR and how to manage cats in your community, please contact Alice Rudenstein in HSB (830-598-9883), Adrian James in HSB (830-613-1929), or Lisa Pheil in Llano (325-247-1370). Thank you for your caring support.

## FAREWELL! ..... **Claudia Haydon**

The past three years have been a very memorable experience. I was elected to serve on the POA Board in March 2005. Shortly after my election, the process began for Horseshoe Bay to incorporate and become a city. Our POA was 100% in favor of incorporation, and all of the directors worked diligently to make it a reality.

Following the successful vote for incorporation, I made the decision to run for city council. Thankfully, I was not elected! Why should I be thankful? Because I know that my additional experience on the POA Board has made me much better qualified to serve an alderman. The problems and concerns of the POA are very much the same as those of our city council.

There were many things accomplished by our POA during my tenure. Perhaps we should be most proud of the renovation of the grounds at Quail Point. Gone are the huge beds of pampas grass which ultimately opened up a clear and beautiful view to the lake. Many thanks to Barbara Nichols and Billy Lapham who led a beautification project to achieve these goals.

We continue to strive to initiate programs which will entertain members of our POA. Lourdes Langston introduced an International Club to bring together members of our community who have lived and/or traveled abroad. Meeting on the second Sunday of each month, folks come with a dish to share as they listen to programs featuring endless

topics of interest.

Louraine Roberts is running a weekly party bridge game on Monday afternoons which is open to all residents of Horseshoe Bay. There is a duplicate game on the second Thursday of each month which welcomes residents who enjoy duplicate bridge. Texas Hold’em is a feature held the evenings of the first and third Tuesday each month. This is just a sample of what Quail Point has to offer.

I would be remiss if I didn’t mention the disappointment that our road assessment project did not pass. It is my belief that we all want better roads and hopefully at some point in the future that will become a reality.

Thanks to all of the directors with whom I served. What a wonderful group of dedicated volunteers. I consider myself very lucky to have been associated with such good people.

Concluding: while we are now incorporated and a city, our POA continues to play a very viable role. There are so many citizens, both men and women, who are qualified to serve as directors of the POA. When asked to serve, please don’t hesitate to say YES. You will find it to be an extremely rewarding experience.

*(Claudia was elected to the HSB City Council on November, 2007. She will serve out her term on the POA in March 2008).*