

R-Ranch in the Mountains

Board of Director's Meeting Minutes

January 17, 2015

- I. **CALL TO ORDER-** The meeting was called to order at 9:30 A.M. by Bill Poole, President. Board members Anita Curry, Karen Meadows, Roger Yonts, Rick Upton, Fawn Howell, Bryan Walker, Iris Koplen, were in attendance. Mike Carbonara participated via telephone.
- II. **OPENING PRAYER-** Delivered by Rick Upton
- III. **PLEDGE OF ALLEGIANCE-**
- IV. **REVIEW/APPROVE/AMEND/ACCEPT AGENDA** – Bill Poole asked to add two items and those items continue to be added for each meeting until his term as president expires; “Section g” (Treasurer’s report) & “Section h” (President’s report). Anita Curry made the **motion** to accept the agenda as amended; **seconded** by Fawn Howell; **vote** was unanimous in favor.
- V. **SUSPEND READING PREVIOUS MONTH’S MEETING MINUTES** – Fawn Howell made a **motion** to suspend reading the minutes; **seconded** by Karen Meadows; **vote** was unanimous in favor.
- VI. **APPROVE/AMEND/ACCEPT PREVIOUS MONTH’S MEETING MINUTES** – Karen Meadows made a **motion** to accept the November, 2014 meeting minutes as written; **seconded** by Fawn Howell; **vote** was unanimous in favor.
- VII. **REPORTS**
 - a. Financial Report- Judy Crofts- Report attached. Judy reviewed the financial information.
 - b. Executive Director’s Report- Michael Hoffer- Report attached. Michael reviewed his written report. He also introduced Jean Kelly who is the newest member of the office staff.
 - c. R-Ranch Grounds Report - Steve Corbin, Maintenance Manager - Report attached.
 - d. Stables Report - Josh Littlejohn - Report attached.-Josh reviewed his written report.
 - e. Sales Report-Sandy Stephenson - Report attached. During the report, Bill Poole mentioned that he had advised Sandy that he felt like we were selling ownerships without a legal contract. Sandy and Angel drafted a “Purchase and Sale Agreement” to add to the sales package. (agreement attached) Bill approved the Agreement.
 - f. Events Report – Denise Roberson – Denise said that she had budgeted for 20 weddings for 2015. She gave out a list of events that she hopes to have throughout the year (attached). She said that we have a professional artist coming in to teach us how to paint and draw. We will need to register for those types of classes. She also is planning

for some local restaurants to come in and provide food for specifically themed events.

- g. Treasurer's Report-Rick Upton-Rick reported that we have now converted from an accrual accounting process to a cash accounting. This will reflect exactly how much money is available at any time to operate with. Our normal operating expense is approximately \$120,000 per month. We have a total \$546,000 in the bank. We bill again on February 15, 2015 and there is enough cash to take care of expenses until then but it may be necessary to withdraw from the reserve accounts until assessments start coming in.
- h. President's Report-Bill Poole-no report

VIII. STANDING COMMITTEE REPORTS

1. Accommodations Committee- Co-Chairman- Valorie Lottes, Board Liaison- Fawn Howell- Valorie reviewed the Committee meeting minutes- Report attached.-She also reported that there will be a large lottery for all the RV sites coming open in April. She gave the Board a written report of the adoption information and process (attached). She said there will be a lottery class the night before the April lottery at 8:00pm. Valorie also said the Committee was recommending that there be two more monthly adoptions offered from January thru March in RV 5. A **motion** was made by Fawn Howell to accept the recommendation; **seconded** by Roger Yonts; **vote** was 7 in favor, 1 opposed.
2. Covenants/Bylaws/Policy & Guidelines Committee-Chairman-Brenda Harned, Board Liaison-Bill Poole- no report
3. Finance Committee - Chairman- Sue Burton, Board Liaison- Rick Upton- no report
4. Land Use Committee- Chairman- Hal Barrineau, Board Liaison-Bryan Walker-no report
5. Marketing Committee- Co-chairs-Barbara Poole, Beverly Upton, Board Liaison-Iris Koplen-The Committee discussed several upcoming events that would bring notoriety to the Ranch and show that we are involved in the community. Also, the Committee requested the following procedure change in new ownership assessment payment: "New owners with both new and transfer deeds will pay a prorated assessment from the day of purchase to the beginning of the next billing cycle, April 1 or October 1, and the assessment due for that next billing cycle." Bill Poole made a **motion** to accept this request; **seconded** by Rick Upton; **vote** was unanimous in favor.
6. Owner's Concerns Committee- Chairman-Brenda Harned-no concerns to report.
7. Nominating Committee – Chairman – Christy Griffin-no report
8. Strategic Planning Committee-Roger Yonts-Roger reported that one of the initial steps the Committee needs to take is defining the mission and

vision. He said that he is currently trying to locate a facilitator for Committee sessions.

IX. Old Business

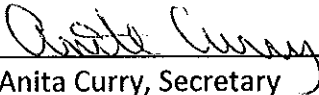
None

X. New Business


- a. Policy Regarding Use of Bows & Arrows on R-Ranch-Bill Poole- Bill said there may be a need to add the restriction of bows & arrows use on the Ranch. Since the recent goose killing issue occurred, he said that he had heard several comments that if guns weren't allowed, owners may just use bows and arrows.
- b. Night at the Races Fundraiser-Anita Curry-Anita reported that Night at the Races would be a big fundraising event to be earmarked for the electrical upgrade in the Chapel Hill Cabin area. This event will be on Saturday of the April Owners Meeting, April 25th.

XI. MOTION TO ADJOURN GENERAL MEETING-Anita Curry made a **motion** to adjourn the meeting; **seconded** by Karen Meadows; **vote** was unanimous in favor.

XII. ANNOUNCE DATE, TIME, AND LOCATION OF NEXT GENERAL MEETING-
The next meeting of the R-Ranch Board of Directors will be held on February 21, 2015 at 9:30am.



Anita Curry, Secretary



Date Approved

Board Copy

R-Ranch In The Mountains® - Accrual
Balance Sheet
December 31, 2014

ASSETS

Current Assets		
Petty Cash	\$	200.00
Register Cash		300.00
Operating Bank Account		150,886.97
Lodge/Event Bank Account		8,677.74
Cabin Project Bank Account		14,765.98
Stable Project Bank Account		5,604.61
Property Tax Escrow Bank Acct		8,525.36
Payroll Bank Account		613.13
Rodeo Project Bank Account		38,199.72
Rainbow Dam/Legal Bank Account		272,771.88
Infrastructure MM Bank Account		6,583.18
RV Bank Account		47,233.75
RV-6 Project Bank Account		18,320.43
Stable Petty Cash		27.43
Accounts Receivable		824,092.73
Allowance for Doubtful Account		(256,000.00)
Other Receivables		1,800.00
Chapel Hill Improvement Group		2,105.34
		<hr/>
Total Current Assets		1,144,708.25
Property and Equipment		
Furniture & Fixtures		85,393.64
Vehicles		53,018.00
Machinery & Equipment		218,179.38
Horses & Sports Equipment		66,305.58
Buildings and Improvements		772,398.06
Fixed Assets - Cabin		57,370.36
Fixed Assets - Inf		9,041.26
Fixed Assets - Lodge		52,027.81
Fixed Assets - RV		105,307.49
Fixed Assets - RV6		30,902.56
Fixed Assets - Stable		6,642.34
Fixed Assets - Rodeo		5,920.50
Accumulated Depreciation		(797,505.14)
		<hr/>
Total Property and Equipment		665,001.84
Other Assets		
Unsold Ranch Memberships		224,051.00
Dam Consulting in Progress		27,737.35
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Total Other Assets		251,788.35
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Total Assets	\$	<u>2,061,498.44</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	17,445.65
Sales Tax Payable		333.78
Accrued Property Tax		8,524.63
Prepaid Assessments		30,055.24
Rodeo Pre Paid Vendor Fee		100.00
		<hr/>
Total Current Liabilities		56,459.30

Unaudited - For Management Purposes Only

R-Ranch In The Mountains® - Accrual
Balance Sheet
December 31, 2014

Long-Term Liabilities

Total Long-Term Liabilities 0.00

Total Liabilities 56,459.30

Capital

Lodge Retained Earning 114,029.32

RV Retained Earnings 176,067.78

RV 6 Retained Earnings 93,672.97

Cabin Retained Earning 117,338.80

Stable Retained Earnings 16,177.37

Infrastructure Retained Earn 16,415.49

Legal Retained Earnings 23,995.81

Dam Retained Earnings 250,289.62

Undesignated Net Assets 1,130,097.78

Current Year Net Assets Change 66,954.20

Total Capital 2,005,039.14

Total Liabilities & Capital \$ 2,061,498.44

R-Ranch In The Mountains® - Accrual
 Operating Summary - Budget Comparison Report
 For the Twelve Months Ending December 31, 2014

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Operating Income						
Assessments	\$ (50.00)	\$ 1,900.00	(1,950.00)	\$ 1,269,752.2	\$ 1,234,900.0	34,852.24
Children's Rights	350.00	0.00	350.00	2,400.00	2,900.00	(500.00)
Electric Reimbursements	1,138.38	825.00	313.38	60,087.76	56,610.00	3,477.76
Interest Income	0.78	0.00	0.78	16.80	0.00	16.80
Fines & Fees	75.00	75.00	0.00	1,892.91	900.00	992.91
Late Fees & Finance Charges	8,967.85	4,558.00	4,409.85	132,621.94	85,163.00	47,458.94
Ownership Sales & Transfers	262.00	3,172.00	(2,910.00)	26,272.00	35,492.00	(9,220.00)
Reserve Funding Operating	2,689.31	2,235.44	453.87	69,684.31	69,222.30	462.01
RV Moves, Pet & Day Use F	100.00	205.00	(105.00)	5,225.00	5,630.00	(405.00)
Sales	895.83	1,324.00	(428.17)	21,754.04	17,177.00	4,577.04
Vending Income	2.50	80.00	(77.50)	622.05	590.00	32.05
Recovery of Bad Debt	54.84	10,000.00	(9,945.16)	270.84	120,000.00	(119,729.16)
Miscellaneous & Tax Refund	0.00	25.00	(25.00)	11,640.11	2,300.00	9,340.11
Total Operating Income	<u>14,486.49</u>	<u>24,399.44</u>	<u>(9,912.95)</u>	<u>1,602,240.0</u>	<u>1,630,884.3</u>	<u>(28,644.30)</u>
Operating Expenses						
Employee Expenses	56,940.96	49,709.50	(7,231.46)	616,009.24	618,956.24	2,947.00
Accrued Vacation Payout	0.00	0.00	0.00	8,176.21	0.00	(8,176.21)
Administrative Expenses	10,967.99	4,284.00	(6,683.99)	71,241.27	130,377.93	59,136.66
Cabin Expenses	(145.01)	150.00	295.01	3,730.10	3,300.00	(430.10)
Cleaning Expenses	295.97	150.00	(145.97)	6,959.90	7,100.00	140.10
Commission Expenses	708.33	0.00	(708.33)	22,803.07	0.00	(22,803.07)
General Property Maintenananc	2,279.63	2,679.00	399.37	124,762.91	136,413.00	11,650.09
Lodge Expenses	190.76	50.00	(140.76)	11,435.09	27,080.00	15,644.91
Owner Events	1,418.04	605.00	(813.04)	5,980.73	8,975.00	2,994.27
Ownership Sales & Transfers	227.52	553.21	325.69	4,586.84	6,327.33	1,740.49
RV Expenses	0.00	50.00	50.00	899.34	1,045.00	145.66
Sales & Marketing Expense	765.00	200.00	(565.00)	3,989.44	10,458.00	6,468.56
Sales Expense	410.49	764.00	353.51	13,254.98	11,466.00	(1,788.98)
Stables Expense	1,156.81	1,975.00	818.19	22,931.88	32,280.00	9,348.12
Utilities Expense	20,874.92	18,144.58	(2,730.34)	213,460.56	208,186.67	(5,273.89)
Rodeo Expense	0.00	0.00	0.00	0.00	0.00	0.00
Property Insurance Expense	0.00	0.00	0.00	41,330.59	44,694.00	3,363.41
Property Taxes Expense	7,500.00	7,500.00	0.00	90,000.00	90,000.00	0.00
Bad Debt Expense	5,375.98	300.00	(5,075.98)	304,434.42	260,200.00	(44,234.42)
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense	0.00	25.00	25.00	256.41	300.00	43.59
Total Operating Expenses	<u>109,117.39</u>	<u>87,139.29</u>	<u>(21,978.10)</u>	<u>1,569,075.1</u>	<u>1,602,859.1</u>	<u>33,784.05</u>
Net Operating Income	<u>\$ (94,630.90)</u>	<u>\$ (62,739.85)</u>	<u>(31,891.05)</u>	<u>\$ 33,164.88</u>	<u>\$ 28,025.13</u>	<u>5,139.75</u>

R-Ranch In The Mountains® - Accrual
 Budget Comparison Report - Reserve Accounts
 For the Twelve Months Ending December 31, 2014

	Monthly Actual	Monthly Budget	Monthly Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance
Cabin Reserve Income	\$ 3,523.86	\$ 3,607.00	(83.14)	\$ 84,033.00	\$ 69,519.00	14,514.00
Cabin Reserve Expenses	1,968.30	1,242.61	(725.69)	78,637.79	70,299.78	(8,338.01)
Net Cabin Reserve Income	1,555.56	2,364.39	(808.83)	5,395.21	(780.78)	6,175.99
RV Reserve Income	2,690.50	1,586.50	1,104.00	88,699.40	77,671.00	11,028.40
RV Reserve Expenses	1,067.13	546.55	(520.58)	66,933.98	74,009.46	7,075.48
Net RV Reserve Income	1,623.37	1,039.95	583.42	21,765.42	3,661.54	18,103.88
RV 6 Reserve Income	0.00	8.00	(8.00)	23.32	75.00	(51.68)
RV 6 Reserve Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Net RV6 Reserve Income	0.00	8.00	(8.00)	23.32	75.00	(51.68)
Lodge Reserve Income	2,750.00	2,250.00	500.00	58,393.86	76,376.00	(17,982.14)
Lodge Reserve Expenses	4,595.57	3,532.17	(1,063.40)	64,824.83	67,921.61	3,096.78
Net Lodge Reserve Income	(1,845.57)	(1,282.17)	(563.40)	(6,430.97)	8,454.39	(14,885.36)
Stables Reserve Income	205.00	310.00	(105.00)	10,710.55	8,165.00	2,545.55
Stables Reserve Expenses	12.30	18.45	6.15	6,076.59	5,785.07	(291.52)
Net Stables Reserve Income	192.70	291.55	(98.85)	4,633.96	2,379.93	2,254.03
Infrastructure Reserve Income	278.96	195.52	83.44	7,053.08	3,814.58	3,238.50
Infrastructure Reserve Expense	0.00	0.00	0.00	1,431.40	0.00	(1,431.40)
Net Infrastructure Reserve In	278.96	195.52	83.44	5,621.68	3,814.58	1,807.10
Dam/Legal Reserve Income	128.81	123.54	5.27	2,731.29	2,752.25	(20.96)
Dam/Legal Reserve Expense	(1.53)	0.00	1.53	(1.53)	2,500.00	2,501.53
Net Dam/Legal Reserve Inco	130.34	123.54	6.80	2,732.82	252.25	2,480.57
Total Net Reserve Income	\$ 1,935.36	\$ 2,740.78	(805.42)	\$ 33,741.44	\$ 17,856.91	15,884.53

R-Ranch In The Mountains® - Accrual
Rodeo Budget Comparison Report
For the Twelve Months Ending December 31, 2014

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Operating Income						
Rodeo Income - Pre-Sale Tic	\$ 0.00	\$ 0.00	0.00	\$ 9,560.65	\$ 7,000.00	2,560.65
Rodeo Income - Gate Tickets	0.00	0.00	0.00	6,572.70	29,400.00	(22,827.30)
Rodeo Income - T Shirts	5.00	0.00	5.00	1,867.50	1,700.00	167.50
Rodeo Income - Parking	0.00	0.00	0.00	3,832.95	4,500.00	(667.05)
Rodeo Income - Vendors	0.00	0.00	0.00	4,014.00	5,400.00	(1,386.00)
Rodeo Income - Sponsors	0.00	0.00	0.00	13,485.00	11,200.00	2,285.00
Rodeo Income - Program Ad	0.00	0.00	0.00	0.00	2,100.00	(2,100.00)
Rodeo Income - Pony Rides	0.00	0.00	0.00	0.00	150.00	(150.00)
Rodeo Income - Interest	0.00	0.00	0.00	10.89	0.00	10.89
Total Rodeo Income	5.00	0.00	5.00	39,343.69	61,450.00	(22,106.31)
Operating Expenses						
Rodeo Expense	0.00	0.00	0.00	0.00	14,700.00	14,700.00
Rodeo Expense - Stock Contr	0.00	0.00	0.00	4,500.00	4,500.00	0.00
Rodeo Expense - Prize Mone	0.00	0.00	0.00	4,000.00	4,000.00	0.00
Rodeo Expense - Advertising	0.00	0.00	0.00	7,829.00	6,000.00	(1,829.00)
Rodeo Expense - On Call Vet	0.00	0.00	0.00	0.00	400.00	400.00
Rodeo Expense - Security	0.00	0.00	0.00	660.00	750.00	90.00
Rodeo Expense - Seating	0.00	0.00	0.00	5,000.00	5,000.00	0.00
Rodeo Expense - Sanitation	0.00	0.00	0.00	1,525.00	1,500.00	(25.00)
Rodeo Expense - EMT	0.00	0.00	0.00	500.00	600.00	100.00
Rodeo Expense - T-Shirts	0.00	0.00	0.00	3,082.24	3,500.00	417.76
Rodeo Expense - Free Cabins	0.00	0.00	0.00	0.00	500.00	500.00
Rodeo Expense - ATM Fees	0.00	0.00	0.00	0.00	100.00	100.00
Rodeo Expense - Sponsors E	0.00	0.00	0.00	457.92	1,200.00	742.08
Rodeo Expense - In-House E	0.00	0.00	0.00	1,545.70	1,000.00	(545.70)
Rodeo Expense - Merchant F	0.00	0.00	0.00	98.98	150.00	51.02
Rodeo Expense - Upgrades	0.00	0.00	0.00	7,836.20	0.00	(7,836.20)
Rodeo Expense - Miscellane	0.00	0.00	0.00	1,905.52	2,500.00	594.48
Website Upgrade	0.00	0.00	0.00	260.25	750.00	489.75
Total Rodeo Expenses	0.00	0.00	0.00	39,200.81	47,150.00	7,949.19
Net Rodeo Income	\$ 5.00	\$ 0.00	5.00	\$ 142.88	\$ 14,300.00	(14,157.12)