

R-Ranch

Board of Director's Meeting

July 21, 2018

Meeting Minutes

- I. **CALL TO ORDER- 9:30 A.M.-** President, Holly Sell
- II. **OPENING PRAYER-** Carolyn Ponte
- III. **PPEDGE OF ALLEGIANCE-** Jim Kaminsky
- IV. **Review/APPROVE/AMEND/ACCEPT AGENDA-** Motion made to approve the agenda as it is written by Alex Griffin, Seconded by Jim Kaminsky
- V. **SUSPEND READING JUNE 2018 BOD Meeting Minutes –** Motion to suspend the reading by Sue Burton, Seconded by Eudora LaLonde. Motion to suspend the reading of the May minutes by Ron Cagle, Seconded by Alex Griffin
- VI. **APPROVE/AMEND/ACCEPT JUNE 2018 BOD MEETING MINUTES –** Motion made by Sue Burton, Seconded by Carolyn Ponte.
- VII. **REPORTS – Attached where submitted**
 - a. Financial Report- Blaine Griffith – 840 current owners.
 - b. Executive Director's Report – Blaine Griffith
 - c. R-Ranch Grounds Report – Steve/Blaine Griffith
 - d. Stables report – Herb Kirkover
 - e. Sales Report – Deborah Butter/Blaine Griffith
 - f. Events Report - Denise Roberson - We will be doing follow up calls to ascertain why R-Ranch was not chosen for an event. Additional details in attached report.
 - g. Treasurer's Report – Eudora LaLonde
 - h. President's Report – Holly Sell

STANDING COMMITTEE REPORTS – Attached where submitted

1. Accommodations Committee – Becky Mooney
2. Covenants/Bylaws/Policy & Guidelines Committee – Alex Griffin/Bill Poole
3. Finance Committee – Eudora LaLonde – Budget meetings begin August 1st. Numbers from committee members due September 1st, with quotes submitted.
4. Land Use/Fire Wise Committee – Ron Cagle/Hal Barrineau – Need more focus on signing Fire Wise log as we receive Grant money and are not claiming all of our activity.
5. Marketing Committee - Christy Griffin – September at Galleria Cumberland Mall Area for RV show.
6. Owner's Concerns Committee – Sue Burton
7. Nominating Committee – Iris Koplen/Carolyn Ponte
8. Strategic Planning committee – Asset management update – Ron Cagle

BOARD APPOINTED COMMITTEE

- a) Rodeo Committee – Valorie Lottes – Online ticket sales were very positive. Preliminary findings are that we made more profit than 2017. Roughly 10K-12K, TBD.
- b) Rainbow Dam Committee – Blaine Griffith – In a holding pattern from the State. All paperwork/activity submitted from our end. Next steps are constructing the island, reshape the shore line, followed by adding water. This will be a 4-6 week project once signed off on by the State.

VIII. OLD BUSINESS – No old business

IX. NEW BUSINESS

- a. Rob Mundy, CPA – Ranch Accounting Update – Report attached. Excellent audit, very positive for the R-Ranch. Consistent positive cash flow. Recommendations: 1) Deed Clean Up – Already in place and moving forward, 2) Collection Policy – Much progress since Wendy assumed these duties, 3) More of an emergency fund is recommended (3-6 month of operating costs) and 4) Fixed Asset Management – More detailed listing is recommended. Ron Cagle heading up this effort, in progress.

X. ADJOURN GENERAL MEETING

Time: ____11:42am_____

The next meeting of the R-ranch board of Directors will be held on August 18th at 9:30 A.M. in the R-Ranch board room.

XI. EXECUTIVE SESSION- Yes – Immediately following the close of Board Meeting.

**R-Ranch in the Mountains
Board of Director's Meeting**

July 21st 2018

SIGN IN SHEET

OWNER'S NAME:

OWNER #

CHRISTY GRIFFIN	1800
Richard Rachleau	0035
Carole Hutchison	0160
Michael England	0596
Becky Mooney	0391
Eric P. Perry	1359
RICHARD LALONDE	0434
Christine Deos	0442
Jennete Mallett	0771
Sandy Adams	1005
Alex & BARBARA BOBBELY	0279

		PEACHTREE CUSTOMER ACCOUNT STATUS/ UNIT STATUS																											
Active	755	791	808	825	795	839	735	769	814	828	817	837	665	727	765														
Suspended	265	229	208	191	224	174	270	246	202	188	202	186	355	296	252														
Litigation	81	81	86	88	86	94	94	93	102	102	102	101	111	109	109														
Howe	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11														
R-Ranch/Invent	190	188	191	187	185	188	198	191	184	185	183	180	178	177	183														
BD W/O	90	90	88	88	88	83	82	82	77	77	77	77	77	71	71														
Hardship	8	9	7	7	8	6	5	4	6	6	5	5	5	6	6														
Bankruptcy	10	11	11	12	12	13	13	13	13	13	12	12	12	12	12														
Closed	168	168	168	169	169	170	170	169	169	169	169	169	169	169	169														
Research/Problem	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22														
TOTAL UNITS	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600														
Status as of:	10/23/15	11/20/15	12/18/15	1/16/16	2/19/16	3/18/16	4/22/16	5/20/16	6/24/16	7/15/16	8/19/16	9/16/16	10/21/16	11/18/16	12/16/16														

		PEACHTREE CUSTOMER ACCOUNT STATUS/ UNIT STATUS																											
Active	782	786	815	703	775	800	810	802	828	700	685	735	792	783	831														
Suspended	245	213	198	308	240	218	211	225	201	331	347	304	259	313	252														
Litigation	108	132	130	129	128	126	123	122	121	120	115	110	108	45	43														
R-Ranch/Invent	174	178	166	164	161	159	159	155	157	156	0	0	0	0	0														
BD W/O	71	71	71	71	71	71	69	69	69	69	70	69	70	71	70														
Hardship	6	6	6	12	11	13	14	14	10	10	5	5	3	7	6														
Bankruptcy	11	11	11	11	11	10	10	9	9	9	14	14	12	9	7														
Closed	169	169	169	169	169	169	170	170	171	171	14	14	12	9	7														
Research/Problem	22	22	22	22	22	22	22	22	22	22	22	22	21	21	21														
TOTAL UNITS	1600	1600	1600	1601	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600														
Status as of:	1/20/17	2/17/17	3/17/17	4/21/17	5/19/17	6/19/17	7/14/17	8/18/17	9/22/17	10/20/17	11/17/17	12/21/17	1/19/18	2/16/18	3/16/18														

Goal is 1200 units

Active	773	802	830	840																									
Suspended	283	258	221	203																									
TOTAL UNITS	1056	1060	1051	1043	0	0	0	0	0	0	0	0	0	0	0														
Status as of:	4/27/18	5/18/18	6/22/18	7/21/18																									

Goal is 1200 units

R-Ranch

Board of Director's Meeting

July 21, 2018

Agenda

- I. CALL TO ORDER- 9:30 A.M.- President, Holly Sell**
- II. OPENING PRAYER- Carolyn Ponte**
- III. PPEDGE OF ALLEGIANCE- Jim Kaminsky**
- IV. Review/APPROVE/AMEND/ACCEPT AGENDA-**
- V. SUSPEND READING JUNE 2018 BOD Meeting Minutes**
- VI. APPROVE/AMEND/ACCEPT JUNE 2018 BOD MEETING MINUTES**
- VII. REPORTS – Attached where submitted**
 - a. Financial Report- Judy Crofts/Blaine Griffith
 - b. Executive Director's Report
 - c. R-Ranch Grounds Report
 - d. Stables report
 - e. Sales Report
 - f. Events Report
 - g. Treasurer's Report
 - h. President's Report

STANDING COMMITTEE REPORTS – Attached where submitted

- 1. Accommodations Committee
- 2. Covenants/Bylaws/Policy & Guidelines Committee
- 3. Finance Committee
- 4. Land Use/Fire Wise Committee
- 5. Marketing Committee
- 6. Owner's Concerns Committee
- 7. Nominating Committee
- 8. Strategic Planning committee – Asset management update

BOARD APPOINTED COMMITTEE

- a) Rodeo Committee
- b) Rainbow Dam Committee

- VIII. OLD BUSINESS – No old business**

- IX. **NEW BUSINESS**
 - a. **Rob Mundy, CPA – Ranch Accounting Update**

- X. **ADJOURN GENERAL MEETING**

Time: _____

The next meeting of the R-ranch board of Directors will be held on August 18th at 9:30 A.M. in the R-Ranch board room.

- XI. **EXECUTIVE SESSION- Yes – Immediately following the close of Board Meeting.**

R-Ranch In The Mountains®
Balance Sheet
June 30, 2018

ASSETS

Current Assets		
Petty Cash	\$	200.00
Register Cash		300.00
Operating Bank Account		131,221.48
Lodge Bank Account		22,056.91
Cabin Project Bank Account		72,106.22
Property Tax Escrow Bank Acct		69,206.25
Payroll Bank Account		1,533.74
Rodeo Project Bank Account		26,322.66
Rainbow Dam Bank Account		151,643.30
Cap Imp/Legal Account		50,068.20
RV Bank Account		175,347.20
RV-6 Project Bank Account		11,743.01
Accounts Receivable		644,262.20
		<hr/>
Total Current Assets		1,356,011.17
Property and Equipment		
Furniture & Fixtures		112,068.44
Vehicles		33,182.00
Machinery & Equipment		381,233.07
Horses & Sports Equipment		61,007.14
Buildings and Improvements		1,440,692.16
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		(1,171,111.03)
		<hr/>
Total Property and Equipment		1,124,284.10
Other Assets		
Unsold Ranch Memberships		608,465.00
		<hr/>
Total Other Assets		608,465.00
		<hr/>
Total Assets	\$	<u><u>3,088,760.27</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Sales Tax Payable	\$	319.13
Accrued Property Tax		59,774.96
Prepaid Assessments		45,168.81
RV5 Playground		764.84
Cabin - Storm Damage		3,523.25
Other Payables		3,132.00
		<hr/>
Total Current Liabilities		112,682.99
Long-Term Liabilities		
		<hr/>
Total Long-Term Liabilities		<u>0.00</u>

Unaudited - For Management Purposes Only

R-Ranch In The Mountains©
Balance Sheet
June 30, 2018

Total Liabilities		112,682.99
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	2,371,933.44	
Current Year Net Assets Change	<u>(203,727.61)</u>	
Total Capital		<u>2,976,192.99</u>
Total Liabilities & Capital	\$	<u><u>3,088,875.98</u></u>

R-Ranch In The Mountains®
Income Statement
Compared with Budget
For the Six Months Ending June 30, 2018

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Assessments	\$ 17,660.23	\$ 15,340.00	2,320.23	\$ 594,288.03	\$ 530,608.00	63,680.03
Assessment - Special Dam A	729.32	729.32	0.00	9,889.80	9,889.80	0.00
Childrens Rights	400.00	0.00	400.00	400.00	1,142.00	(742.00)
Electric - Usage Fees - RV	5,541.50	6,151.00	(609.50)	23,436.19	23,763.00	(326.81)
Electric - Usage Fees - Cabin	2,534.50	3,271.00	(736.50)	9,405.60	10,956.00	(1,550.40)
Electric - RV Reimbursement	1,112.08	936.00	176.08	16,200.57	13,950.00	2,250.57
Electric - Cabin Reimburse	300.00	267.00	33.00	4,390.14	3,732.00	658.14
Interest Income	9.59	21.00	(11.41)	32.31	36.00	(3.69)
Owner Fines & Fees	263.68	13.00	250.68	1,186.66	340.00	846.66
Late Fees & Finance Charges	2,120.22	1,610.00	510.22	15,971.11	8,579.00	7,392.11
Ownership Sales	1,795.00	3,990.00	(2,195.00)	9,775.00	23,940.00	(14,165.00)
Ownership Transfers	3,134.00	2,714.00	420.00	21,862.00	9,353.00	12,509.00
RV Moves	1,239.12	742.00	497.12	3,599.12	2,034.00	1,565.12
Pet Fees	270.00	167.00	103.00	1,050.00	738.00	312.00
Day Use Income	230.00	100.00	130.00	230.00	547.00	(317.00)
Linen Kit Income	0.00	250.00	(250.00)	390.00	849.00	(459.00)
Sales - Ice	621.50	740.00	(118.50)	1,426.18	1,663.00	(236.82)
Sales - Propane	211.77	409.00	(197.23)	5,481.29	3,735.00	1,746.29
Sales - Souvenirs	160.75	210.00	(49.25)	914.82	1,169.00	(254.18)
Sales - Firewood	115.00	175.00	(60.00)	585.00	703.00	(118.00)
Sales - Gate Cards	50.00	60.00	(10.00)	75.00	233.00	(158.00)
Sales - Store	1,197.17	1,221.00	(23.83)	4,297.57	4,058.00	239.57
Vending Income	30.00	121.00	(91.00)	1,899.50	682.00	1,217.50
RV RI - Monthly Adoption F	0.00	270.00	(270.00)	5,077.90	1,656.00	3,421.90
RV RI - Yearly Adoption Fee	2,500.69	3,472.00	(971.31)	34,826.38	37,476.00	(2,649.62)
RV RI - Guest & Group Fees	1,525.00	1,846.00	(321.00)	5,482.70	5,708.00	(225.30)
RV-6 Interest	1.77	2.00	(0.23)	11.11	12.00	(0.89)
Cabin RI - Adoption Fees	780.00	1,073.00	(293.00)	9,626.50	11,703.00	(2,076.50)
Cabin RI - Guest & Group Fe	2,548.75	3,798.00	(1,249.25)	11,603.19	15,667.00	(4,063.81)
Cabin RI - Cottage Fees	4,264.00	3,334.00	930.00	14,743.92	15,198.00	(454.08)
Cabin - Special Projects (DD	0.00	0.00	0.00	35.00	0.00	35.00
Lodge RI - Wedding Fees	2,864.00	4,120.00	(1,256.00)	27,668.40	26,187.00	1,481.40
Lodge RI - Group Fees	150.00	1,500.00	(1,350.00)	15,972.00	8,025.00	7,947.00
Lodge RI - Miscellaneous Fe	120.00	25.00	95.00	120.00	160.00	(40.00)
RV Adopt - Infra/Cap Imp	2,500.00	3,472.00	(972.00)	34,825.70	37,476.00	(2,650.30)
Cabin Adopt - Infra/Cap Imp	780.00	1,073.00	(293.00)	10,418.50	11,703.00	(1,284.50)
Dam - Interest	29.42	0.00	29.42	191.23	0.00	191.23
Stables RI - Riding Pass Fees	895.00	1,610.00	(715.00)	3,190.00	5,894.00	(2,704.00)
Stables RI - Stall Fees	30.00	58.00	(28.00)	30.00	110.00	(80.00)
Stables RI - Fundraiser Inco	40.00	0.00	40.00	782.00	0.00	782.00
Recovery of Bad Debt	100.00	0.00	100.00	2,949.68	1,526.25	1,423.43
Rodeo Income - Ticket Sales	29,082.60	21,751.00	7,331.60	29,224.95	21,774.00	7,450.95
Rodeo Income - Parking	3,390.97	3,153.00	237.97	3,405.94	3,153.00	252.94
Rodeo Income - Vendors	2,457.00	2,738.00	(281.00)	3,057.00	3,572.00	(515.00)
Rodeo Income - Sponsors	6,750.00	6,260.00	490.00	11,700.00	10,960.00	740.00
Rodeo Income - T Shirts	120.00	1,808.00	(1,688.00)	159.00	1,872.00	(1,713.00)
Miscellaneous Income	0.00	0.00	0.00	0.77	1,170.00	(1,169.23)
Total Revenues	100,654.63	100,600.32	54.31	951,887.76	873,702.05	78,185.71
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	100,654.63	100,600.32	54.31	951,887.76	873,702.05	78,185.71

For Management Purposes Only

R-Ranch In The Mountains®
Income Statement
Compared with Budget
For the Six Months Ending June 30, 2018

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Expenses						
Employee - Payroll/Salary Ex	36,874.52	46,553.00	(9,678.48)	263,726.21	302,594.00	(38,867.79)
Employee - Payroll Tax Expe	3,228.00	4,432.00	(1,204.00)	24,490.63	28,808.00	(4,317.37)
Employee - Payroll Fees & E	768.74	511.00	257.74	3,411.01	3,606.00	(194.99)
Employee - Health Insurance	4,062.50	6,900.00	(2,837.50)	24,873.43	41,400.00	(16,526.57)
Employee - Workers Comp I	2,773.90	2,210.00	563.90	18,345.13	13,260.00	5,085.13
Commission Expenses	900.00	3,267.00	(2,367.00)	6,065.37	13,541.00	(7,475.63)
Admin - Accounting Fees	0.00	1,605.00	(1,605.00)	3,993.20	4,521.00	(527.80)
Admin - Bank Fees	66.40	45.00	21.40	479.65	477.00	2.65
Admin - Business Fees	30.00	397.00	(367.00)	1,454.00	1,345.00	109.00
Admin - Collection Expense	(530.00)	626.00	(1,156.00)	(530.00)	1,120.00	(1,650.00)
Admin - Computer Expense	353.45	324.00	29.45	3,402.81	3,000.00	402.81
Admin - Dues & Subscriptio	113.60	141.00	(27.40)	225.30	830.00	(604.70)
Admin - Emp Develop & Tra	0.00	100.00	(100.00)	1,055.50	600.00	455.50
Admin - Gifts	122.39	0.00	122.39	322.92	200.00	122.92
Admin - Legal Fees	0.00	100.00	(100.00)	0.00	600.00	(600.00)
Admin - Operate Merchant F	(64.78)	(3.00)	(61.78)	(677.06)	(3.00)	(674.06)
Admin - Mileage Reimburse	161.00	23.00	138.00	389.20	353.00	36.20
Admin - Office Building Rep	0.00	108.00	(108.00)	261.03	260.00	1.03
Admin - Office Expense	1,151.51	986.00	165.51	3,872.30	4,449.00	(576.70)
Admin - Printing / Copying E	895.92	661.00	234.92	3,299.36	2,964.00	335.36
Admin - Cell Phone Expense	178.69	141.00	37.69	935.46	846.00	89.46
Admin - Shipping / Postage	800.00	294.00	506.00	2,893.37	3,127.00	(233.63)
Admin - Telephone / Cable E	2,624.02	1,348.00	1,276.02	10,032.22	8,200.00	1,832.22
Lodge - Tax Expense	0.00	0.00	0.00	10,049.00	0.00	10,049.00
Cleaning - Supply Expense	746.85	910.00	(163.15)	2,159.34	2,991.00	(831.66)
GPM - Equip Rental Expense	34.57	34.00	0.57	818.49	1,280.00	(461.51)
GPM - Equip Repair Expense	1,088.28	1,309.00	(220.72)	4,269.79	8,177.00	(3,907.21)
GPM - Cabin Repair & Main	0.00	59.00	(59.00)	513.70	758.00	(244.30)
GPM - Fence / Pasture Expen	249.98	558.00	(308.02)	655.54	6,032.00	(5,376.46)
GPM - Fuel Expense	1,982.33	1,279.00	703.33	6,375.56	5,243.00	1,132.56
GPM - General Maintenance	798.49	548.00	250.49	6,066.39	2,638.00	3,428.39
GPM - Grounds/Property Re	833.55	554.00	279.55	5,911.14	3,383.00	2,528.14
GPM - Keys & Locks	41.33	4.00	37.33	80.53	253.00	(172.47)
GPM - Lawn Svc & Landscap	13,790.00	6,895.00	6,895.00	17,319.30	17,238.00	81.30
GPM - Lodge Pool Chemical	1,264.93	909.00	355.93	3,682.05	2,920.00	762.05
GPM - Lodge Pool Repair &	263.99	494.00	(230.01)	1,790.99	1,336.00	454.99
GPM - Lodge Repair & Main	1,729.99	384.00	1,345.99	3,763.27	2,540.00	1,223.27
GPM - Lodge Kitchen Suppli	0.00	21.00	(21.00)	0.00	21.00	(21.00)
GPM - Pest Control Services	510.75	554.00	(43.25)	2,035.70	1,522.00	513.70
GPM - Pest Control Services	0.00	0.00	0.00	0.00	1,100.00	(1,100.00)
GPM - Road Repair Expense	0.00	0.00	0.00	0.00	200.00	(200.00)
GPM - RV Repair & Maint E	0.00	0.00	0.00	0.00	222.00	(222.00)
GPM - Supplies Expense	(83.48)	116.00	(199.48)	7,592.82	781.00	6,811.82
GPM - Tools Expense	(84.27)	41.00	(125.27)	0.00	197.00	(197.00)
GPM - Vehicle Maint & Rep	365.39	668.00	(302.61)	2,788.09	7,700.00	(4,911.91)
GPM - Maintenance Bldg Re	0.00	0.00	0.00	36.04	0.00	36.04
GPM - Operat Security Contr	2,493.32	0.00	2,493.32	5,433.99	0.00	5,433.99
GPM - RV Security Contract	2,493.35	0.00	2,493.35	5,433.99	0.00	5,433.99
GPM - Cabin Security Contra	2,493.33	0.00	2,493.33	5,434.00	0.00	5,434.00
Owner Events	221.99	0.00	221.99	397.64	600.00	(202.36)
Owners & Board Meeting Ex	6.27	5.00	1.27	444.66	425.00	19.66
Ownership Sales & Transfers	768.58	515.00	253.58	3,778.33	2,280.00	1,498.33
Sales & Market Expense	98.00	1,875.00	(1,777.00)	2,379.10	4,645.00	(2,265.90)
Sales Expense - Ice	285.76	370.00	(84.24)	537.26	731.00	(193.74)
Sales Expense - Propane	0.00	0.00	0.00	3,585.56	1,713.00	1,872.56

For Management Purposes Only

R-Ranch In The Mountains®
Income Statement
Compared with Budget
For the Six Months Ending June 30, 2018

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Sales Expense - Souvenirs	0.00	457.00	(457.00)	740.00	1,871.00	(1,131.00)
Sales Expense - Gate Cards	0.00	231.00	(231.00)	465.87	231.00	234.87
Sales Expense - Firewood	250.00	75.00	175.00	250.00	500.00	(250.00)
Sales Expense - Store	1,231.58	1,143.00	88.58	3,445.78	3,141.00	304.78
Sporting Equipment	5.98	0.00	5.98	5.98	104.00	(98.02)
Stables - Feed	2,541.38	717.00	1,824.38	7,613.48	5,155.00	2,458.48
Stables - Ferrier Expense	1,300.00	1,120.00	180.00	6,025.00	5,987.00	38.00
Stables - General Expense	446.00	282.00	164.00	1,289.09	1,427.00	(137.91)
Stables - Repair & Maintena	580.78	0.00	580.78	1,100.14	1,454.00	(353.86)
Stables - Tack & Equipment	3.88	107.00	(103.12)	56.72	384.00	(327.28)
Stables - Vet Fees / Medicine	1,655.82	2,192.00	(536.18)	8,764.25	5,405.00	3,359.25
Stables - Jr. Wrangler Expens	0.00	(24.00)	24.00	58.36	(109.00)	167.36
Stables - Horses	0.00	0.00	0.00	(412.50)	0.00	(412.50)
Stables - Tools	252.93	0.00	252.93	252.93	0.00	252.93
RV RE - Bath Houses	277.00	69.00	208.00	277.00	401.00	(124.00)
RV RE - Pad Improvements	0.00	200.00	(200.00)	1,910.00	1,200.00	710.00
RV RE - Grounds	5,205.54	431.00	4,774.54	6,685.54	2,778.00	3,907.54
RV RE - Roads	0.00	0.00	0.00	350.00	500.00	(150.00)
RV RE - Improvements	20.00	100.00	(80.00)	771.34	600.00	171.34
RV RE - Miscellaneous	0.00	100.00	(100.00)	87.11	600.00	(512.89)
Cabin RE - Bath Houses	0.00	0.00	0.00	0.00	518.00	(518.00)
Cabin RE - Rainbow Cabins	42.66	1,206.00	(1,163.34)	1,096.10	3,797.00	(2,700.90)
Cabin RE - Chapel Hill Cabi	96.04	32.00	64.04	1,296.04	228.00	1,068.04
Cabin RE - Cottages	0.00	125.00	(125.00)	0.00	307.00	(307.00)
Cabin RE - Grounds	0.00	100.00	(100.00)	2,366.34	600.00	1,766.34
Cabin RE - Roads	0.00	0.00	0.00	0.00	6,000.00	(6,000.00)
Cabin RE - Improvements	720.87	300.00	420.87	637.87	1,800.00	(1,162.13)
Cabin RE - Miscellaneous	0.00	19.00	(19.00)	100.10	157.00	(56.90)
Lodge RE - Event Decoration	0.00	0.00	0.00	49.00	60.00	(11.00)
Lodge RE - Event Coordinati	150.00	0.00	150.00	4,920.00	0.00	4,920.00
Lodge RE - Event Staff	1,769.22	14.00	1,755.22	7,961.49	930.00	7,031.49
Lodge RE - Event Clean/Sup	0.00	320.00	(320.00)	365.00	861.00	(496.00)
Lodge RE - Event Security	0.00	0.00	0.00	302.00	0.00	302.00
Lodge RE - Event Improvem	392.08	97.00	295.08	3,904.03	2,042.00	1,862.03
Lodge RE - Event Linens	0.00	(21.00)	21.00	90.00	352.00	(262.00)
Lodge RE - Event Marketing	7.89	127.00	(119.11)	452.89	184.00	268.89
Lodge RE Capital Improvem	0.00	0.00	0.00	0.00	5,702.00	(5,702.00)
Dam Expenses	5,094.37	5,094.37	0.00	20,489.65	20,489.65	0.00
Legal Expenses	0.00	0.00	0.00	1,522.42	633.89	888.53
Rodeo Expense - Stock Contr	4,000.00	4,500.00	(500.00)	4,000.00	4,500.00	(500.00)
Rodeo Exp - 4L Ticket Split	14,103.50	12,373.00	1,730.50	14,103.50	12,373.00	1,730.50
Rodeo Expense - Prize Mone	4,000.00	4,000.00	0.00	4,000.00	4,000.00	0.00
Rodeo Expense - Advertising	748.10	1,058.00	(309.90)	1,208.10	1,396.00	(187.90)
Rodeo Expense - Security &	1,280.00	1,047.00	233.00	1,280.00	1,047.00	233.00
Rodeo Expense - Seating	4,000.00	5,667.00	(1,667.00)	4,000.00	5,667.00	(1,667.00)
Rodeo Expense - Sanitation	1,250.00	0.00	1,250.00	1,250.00	0.00	1,250.00
Rodeo Expense - T-Shirts	2,176.38	1,772.00	404.38	2,176.38	3,612.00	(1,435.62)
Rodeo Expense - Sponsors E	308.08	770.00	(461.92)	308.08	804.00	(495.92)
Rodeo Expense - In-House E	3,877.30	960.00	2,917.30	3,952.30	1,180.00	2,772.30
Rodeo Expense - Upgrades	2,024.17	0.00	2,024.17	5,519.64	1,000.00	4,519.64
Rodeo Exp - Tent, ATM Fees	0.00	200.00	(200.00)	0.00	200.00	(200.00)
Rodeo Exp - Insurance (Rain	328.00	0.00	328.00	328.00	0.00	328.00
Rodeo Expense - Merchant F	994.14	0.00	994.14	1,009.93	0.00	1,009.93
Rodeo Expense - Supplies	216.80	1,000.00	(783.20)	339.37	1,023.00	(683.63)
Utilities - Electricity-Opera	4,516.97	2,185.00	2,331.97	17,356.48	15,508.00	1,848.48
Utilities - Electricity-RV	11,431.08	4,490.00	6,941.08	34,099.50	25,854.00	8,245.50
Utilities - Electricity-Cabins	6,317.46	2,402.00	3,915.46	37,861.74	28,425.00	9,436.74

For Management Purposes Only

R-Ranch In The Mountains®
Income Statement
Compared with Budget
For the Six Months Ending June 30, 2018

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Utilities - Electricity-Lodge	3,737.60	1,202.00	2,535.60	13,631.15	8,370.00	5,261.15
Utilities - Propane-Operating	0.00	288.00	(288.00)	5,203.85	4,381.00	822.85
Utilities - Propane-RV	119.80	103.00	16.80	1,477.43	1,312.00	165.43
Utilities - Propane-Cabins	10.89	288.00	(277.11)	871.27	4,381.00	(3,509.73)
Utilities - Propane-Lodge	0.00	1.00	(1.00)	7,679.07	8,335.00	(655.93)
Utilities O - Sewer Treat Plnt	0.00	48.00	(48.00)	144.61	3,031.00	(2,886.39)
Utilities RV- Sewer Treat Pln	0.00	200.00	(200.00)	689.47	1,200.00	(510.53)
Utilities C - Sewer Treat Plnt	0.00	200.00	(200.00)	864.47	1,200.00	(335.53)
Utilities L - Sewer Treat Plnt	0.00	200.00	(200.00)	0.00	1,200.00	(1,200.00)
Utilities - Trash Removal	930.00	909.00	21.00	5,655.00	5,563.00	92.00
Utilities - Water Testing Fees	1,376.00	415.00	961.00	4,196.52	3,825.00	371.52
Utilities - Water Treatment R	164.33	116.00	48.33	3,399.12	3,637.00	(237.88)
Insurance - Property	15,185.50	0.00	15,185.50	50,434.50	30,468.00	19,966.50
Property Taxes	8,616.00	8,616.00	0.00	51,696.00	51,696.00	0.00
Operating - Infrastructure	0.00	0.00	0.00	12,008.41	14,500.00	(2,491.59)
RV - Infrastructure	0.00	0.00	0.00	4,168.11	6,800.00	(2,631.89)
Cabin - Infrastructure	0.00	0.00	0.00	8,721.77	10,300.00	(1,578.23)
Lodge - Infrastructure	0.00	0.00	0.00	1,557.19	4,950.00	(3,392.81)
Miscellaneous Expense	0.00	0.00	0.00	1.00	0.00	1.00
Total Expenses	200,659.26	158,494.37	42,164.89	866,134.29	861,052.54	5,081.75
Net Operating Income	(100,004.63)	(57,894.05)	(42,110.58)	85,753.47	12,649.51	73,103.96
Other Income/Expense						
Bad Debt Expense	75,726.07	0.00	75,726.07	289,481.08	0.00	289,481.08
Net Income	\$ (175,730.70)	\$ (57,894.05)	(117,836.65)	\$ (203,727.61)	\$ 12,649.51	(216,377.12)

June 30, 2018

Collections and other tasks: Summary for the month of June:

1. Chapel Hill Adoptions (including CHIG members):
 - a. Previous month reported to Blaine and Becky a number of "Offline" cabins. – No improvement yet on the number of Offline cabins in June.
 - b. Still monitoring and billing Chapel Hill cabins monthly.

2. June Lottery:
 - a. Prepared for June Lottery; 4 RV sites were available for One-Year adoptions. The "choose from" list consisted of 12 RV sites and 2 Chapel Hill Cabins. No Monthly Adoptions were available in June due to Rodeo; Ranch was booked at, a guesstimated, 98% capacity for Rodeo Weekend.
 - b. Attended and assisted Lottery: Completed contracts and collected payments.
 - c. Recorded all owner changes to reservation system and Electricity/Meters spreadsheet for electricity monitoring and billing.

3. Sales and Marketing:
 - a. Assisted with coverage for interim period:
 - i. Did a handful of tours and completed several transfers, some of which were in process of completion when new Sales employee came on board.
 - ii. A lot of my time was spent cleaning up incomplete transfers and sales from last Sales personnel. That included several calls, emails and letters sent in the mail.

4. Accounts Receivable:
 - a. Enter daily receivables from front office register.
 - b. Answered calls, resolved questions/concerns and took payments on accounts as often as possible.

5. Collections summary:
 - a. Sent out 251 Statements to owners that have a balance due.
 - b. To date; we have had two owners participate in the Deed Buy Back program @ 1250.00 each.
 - c. Sent out 4 Deed Recovery Letters with Quitclaims attached in effort to recover deeds back to the ranch. Includes, deceased owners and those that have met their settlement commitments and agreed to return their ownership to the ranch.
 - d. Prepared 12 Quitclaims and PT-61's for transfers.
 - e. Continuing to log ongoing activity such as, phone calls, letters, deed recovery attempt, etc..
 - f. Settled a few accounts that had balances due of > 6K.
 - g. Collection Total for June: \$ 22,344.22

Report by: Wendy Byrd; 6/30/18



Executive Director Board Report

Jul Meeting

- All FT employees interested have been signed up for the new health care program effective June 1st. Final numbers will not be available until August, but we have estimated a 29% savings.
- Hired a new Housekeeping supervisor, Sherry Holloway and have a new Sales & Marketing Manager on board, Deborah Butter.
- We are still looking for one more FT person in housekeeping and one PT person for front office
- RV5 playground will be constructed through generous donation of one of our Owners. It will be started after Rodeo through the hard work and efforts another generous Owner.
- Rainbow lake dam was inspected and will be hopefully be signed off soon by the state for reclassification and we can then begin the work for the island. The state has not given us a timeline, nor will they commit to one for the reclass.
- Maintenance re-graded and re-sowed the grass for Rainbow Dam and installed animal guards on the pipes to comply with the State standards to comply with the final inspection.
- Have identified local engineer, Jason Davis, who happens to also be an owner, for RV6 project. He will be working with Hal as we close out Rainbow Dam.
- Rodeo has come and gone! Another successful year, everyone worked together to make this year a good year. Online ticket sales were a great addition and worked well.
- The new president of the Chamber of Commerce, Robb Nichols, had a site visit of R-Ranch on 19 June. He came along with his Tourism Director, David Zunker. We are looking to build a closer relationship with the Chamber as part of our Marketing strategy.
- Pole barn roof was fixed as we baled hay. This has saved the stables from worrying about weather ruining the bales. Lodge still has small leak in grill room that we are working on fixing the issue with the vent hood.
- Maintenance and Stables were able to get 105 round bales of hay. We did have issues with the baler several times and the bales were not properly being bound. Lost several bales due to this issue. Our baler is obsolete and will need to be looked at replacement for FY19.
- Front office – Thom has departed from R-Ranch and we have hired two more part-timers: Gloria and Emily. They will be trained for the first few weeks before working a shift on their own.

Front Office Monthly Report June 2018

- Reservations for June:

Adopted cabins: 37

Reservations for Cabins: 161

Chapel Hill: 55

Cottage: 12

Duplex: 39

Singles: 55

Adopted RV sites: 105

Reservations for RV: 175

RV 1: 23

RV 2: 35

RV 3: 15

RV 4: 28

RV 5: 60

RV 7:14

- The front office is manually having to open the gate to give owners access to the Ranch more often than normal recently due to forgotten gate cards. This is starting to create an issue of lost accountability and security at R-Ranch of whom is entering and exiting.

Our gate card system is a great tool utilized to provide a safe and secure environment for all owners and for which can be used in emergency situations to effectively see whom has come in the gate recently. This system also allows the staff to enforce Policies & Guidelines to ensure no one is using the Ranch as a homestead. The gate should be manually opened only for guests and contractors.

When an owner forgets their gate card, the front office could offer several options that would keep accountability:

- A. Have Owner to purchase another card.
- B. Have them leave and get their card.
- C. If their gate card is left on property, make them sign out a temporary gate card, while holding their license, to ensure they would bring the gate card back to the front office.

If there are any questions, concerns or thoughts, please let us know. With the support of the Board, the front office staff wants to ensure all Owners have the best support knowing the Ranch has complete accountability of all people entering and exiting.

- Assisted with Electric Meter report prep and meter readings for Quarterly Billing
- We have hired 2 new receptionists. We want to have and maintain strong team members who can grasp the Policies and Guidelines and support the Ranch in a positive way.

June Monthly Housekeeping Report

This month we have cleaned 43 single cabins, 42 duplex, 10 rentals, and 27 chapel hill cabins. No linen kits were sold.

We ordered and received 6 new sheet sets for the rentals. We also ordered and received 24 new vinyl pillows for the rentals. We have received the ok to order new comforters and shams for the rental and will get them ordered as soon as possible.

We have taken all decent pillows removed from rentals along with extra comforter that has been in the laundry room unused for a long time to the rainbow house for donation. We are still in the process of cleaning any unused items from laundry room.

Maint. Report June

cut & baled hay worked on dam regraded & sowed
grass set up watering system for dam
got through another rodeo worked on roads
unstoped wet well at holding pond for treatment plant.
general maint & cut grass

R-Ranch Stable Report

JUNE 01-30, 2018

Summary:

June was a good month we were only slightly below or four-year average for riders and passes. We only lost three (3) ride-days due to rain or it's effect. We also had to cancel rides on JUN 7th on short notice so that we could harvest and put up our first cutting of hay for this season. We had a small window of acceptable weather to cut, dry, bale, and store the hay. The excessive moisture hurt the quantity of hay production...there was just too much water for good growth. We got lucky though, the hay quality looks pretty good. We were unable to cut sooner due to so many rain days in MAY.

We continue to see new families coming to the stable to learn about horses and their care as well as to ride. It is a real joy to see how much parents and their kids love the horse.

I have moved the Red-herd back onto Rainbow pasture for grazing until the dirt excavation/removal begins there. This will give Chapel hill and Old Owners pastures a chance to recover before moving the herd back to them while Rainbow pasture is reestablished. I am concerned about the long term adverse effect this project will have on the pasture grass in Rainbow pasture. Time will tell.

Caution

Bears: We are periodically seeing a mother bear and two (2) cubs foraging in vicinity of (IVO) the Stable barn and the Crystal Lake trails. We believe they or another bear was responsible for spooking horses on a trail ride on Ridge Loop Trail.

Yellow Jackets: I have already reduced several nests IVO our trail. We are seeing more activity from these little terrorist.

Events:

- ❖ JUN 02 Brandon and I had help from four (4) Dads/Grandpas during Jr Wrangler. While Dr Eddy and Suzanne were providing instruction inside the Stable we completed replacing the planks on the corral bleachers. The men were thankful to have something to do and we appreciated all the help. The bleachers turned out quite nice.
- ❖ **Rodeo:**
 - Although our herd was pretty spooky to all the livestock, equipment, and activity due to the Rodeo we were able to avoid the Western trails and kept the adverse effects to a min.
 - The herd was pretty worked up though and luckily Suzanne was not seriously hurt when they knocked her down in the pasture.

Projects:

- ❖ **Hay:**
 - Looking for the 2nd cutting in AUG. We will need both Round-Bales and Square-bale from this cutting.
 - As we get closer to setting a date for harvest I will ask for volunteers to help out up the hay.
- ❖ **Fencing:**
 - **Chapel Hill:** Northern (Cabin Side) fence line damaged from the constant abuse from horses. Still requires an electric hot wire along the top to prevent to prevent escape. I will also be

R-Ranch Stable Report

JUNE 01-30, 2018

relocating a weatherd gate from Office Pasture to Old Owners pasture near the cabins so that we have an access point on the North side of the pasture.

- Rainbow Pasture: The entire southern portion of the Rainbow Pasture from the cabins east to the maintenance road is brittle and dangerous barbed wire.
- Barn Pasture: The stream has eroded the bank and undermined the Eastern fence line. I will request some help from Steve to make repairs.

Projects continued:

- ❖ Round-Bale Pole-Barn:
 - June 11th the damaged portion of the roof was replaced.
 - Rafter tie downs were installed to make the roof more secure.
- ❖ Stable Gutters:
 - On JUN 11th a crew from Lundeen came out and took down the partially collapsed rain gutters on the N-side of our barn.
 - The date the will replace the gutters is unknown. Mr. Blaine is working with them on this.

Maintenance:

- ❖ F-350:
 - Fuel leak leaving pooled fuel on the engine...
- ❖ Kubota ATV:
 - NSTR
- ❖ Chainsaws:
 - NSTR

Equine Care:

- ❖ Dewormer: (Due again AUG 2018)
 - We administered the quarterly Dewormer on MAY 17, 2018.
- ❖ Vaccine: (Due again OCT 2018)
 - We will administer the next Semi-annual Vaccine to all our horses in OCT 2018. This will protect them from:
 - Eastern Encephalitis.
 - Western Encephalitis.
 - West Nile virus.
 - Tetanus.
 - Rhino (EHV 1 & 4).
 - Influenza.

- ❖ Farrier / Hoof Care:

R-Ranch Stable Report

JUNE 01-30, 2018

- Our interval between shoeing is decreasing as the spring grass starts coming in and growth accelerates. It is now between 6 & 9 weeks. I've attached the Horseshoeing List as Encl-2.
- We are able to keep six (6) horses bare foot.

❖ **Vet:**

- Coggins and Rabies, we are nearly complete with all coggins and Rabies for the entire herd

Herd development/training:

- Our herd count is 31.
- Suzanne's "Herd report" is attached. Please see Encl-3.

Rider & Pass #s:

2018									2014-2017 Average (4-Year Ave.)				
Month	Month Riders	Month Passes	Year Riders	Year Passes	TREND				Month	Month Riders	Month Passes	Year Riders	Year Passes
					MR	MP	YR	YP					
JAN	91	12	91	12					JAN	126	11	126	11
FEB	68	6	159	18					FEB	87	9	213	26
MAR	111	9	270	27					MAR	167	23	394	49
APR	358	40	628	67					APR	352	56	744	106
MAY	253	38	881	105					MAY	362	46	1,076	152
JUN	316	35	1,197	140					JUN	351	54	1,426	209
JUL									JUL	523	69	1,950	276
AUG									AUG	277	25	2,197	302
SEP									SEP	320	41	2,466	346
OCT									OCT	302	36	2,782	407
NOV									NOV	252	35	3,034	443
DEC									DEC	107	15	3,142	458

KEY	
	: Increase
	: No Change
	: Decrease

Trail Status: As of this week

R-Ranch Stable Report

JUNE 01-30, 2018

- Trail clearance still remains a constant effort due to keep clear. We are staying ahead or at least even with this.
- Trails are inspected and cleared as required by a Stable employee prior to taking out a ride or allowing Owners (Gold Card) to take rides out on them.

R-Ranch Stable Report

JUNE 01-30, 2018

❖ Trail Status

As of: MAY13, 2018

Western Sector (8)			
Trail Name	Status	Last Ridden / Cleared	Remarks
Ridge Loop			
Ridge			
Cotton			
Gary's Loop			
Waterfall			Downed Trees
Knee Knocker			
Indian Mound			
Wild Turkey			Downed Trees
Eastern Sector (13)			
Trail Name	Status	Last Ridden / Cleared	Remarks
High Meadow			
Satterfield			
Jarad			Restrictive downed tree
Burnt Out			Time & Mult. WX Events
RV-7 Bypass			Time & Mult. WX Events
Nemo			
Crystal			
Pennywise			
Nickum's Blunder			
Rustic; Outer & Inner Loops			Low Limbs & Vines
Archery			Downed Trees
Wagon Wheel			Downed Trees
Creek Side			Soggy
Southern Sector (6)			
Trail Name	Status	Last Ridden / Cleared	Remarks
Rainbow			
Ed Owen			Time & Mult. WX Events
Tire Tree			Time & Mult. WX Events
Gooch Gap			Blocked, downed Trees
Piano			
Lake			

R-Ranch Stable Report

JUNE 01-30, 2018

Trail Clearance Status Key:		< 2 weeks since last Ridden / Cleared; No adverse WX	
		> 2 Weeks since last Ridden / Cleared; Adverse WX event; Minor Obstacle	
		= Reported / Observed Hazard	

v/r

Herbert L. Kirkover
CSM USA (RET)
Stable Manager

Enclosures:

Encl-1: Horse Roster (recommend "By Herd" tab/sheet).

Encl-2: Farrier List (2017)

Encl-3: Herd Report.

Horse Roster, Max-WGT and Ride Times

Status			Horse Info						Ride Times				As of: JUN 20, 2018			
PR	S	In	(2)	Corral:		Age	WGT	WL	10:00	11:30	1:00	2:30	Corral:	(2)	20%	Saddle
			1	Klinger	G	29	1,000	183					Klinger	1	200	17.0
			2	Magic Man	G	19	784	132					Magic man	2	157	25.0
PR	S	In	(6)	<i>Beginner:</i>					10:00	11:30	1:00	2:30	<i>Beginner:</i>	(6)		
			3	Bojangle	G	17	612	101					Bojangle	3	122	21.5
			4	Captain	G	20	1,130	197					Captain	4	226	29.5
			5	Cash	G	19	960	154					Cash	5	192	38.0
			6	Frodo	G	18	1,240	211					Frodo	6	248	37.0
			7	Leo	G	15	1,300	239					Leo	7	260	21.0
			8	Redman	G	25	970	179					Redman	8	194	15.5
PR	S	In	(10)	<i>Intermediate:</i>					10:00	11:30	1:00	2:30	<i>Intermediate:</i>	(10)		
			9	Cooley	G	15	1,097	198					Cooley	9	219	21.0
			10	Dakota	G	14	1019	186					Dakota	10	204	18.0
			11	Fancy-Girl	M		945						Fancy-Girl	11	189	
			12	Feather	F	14	970	176					Feather	12	194	18.0
			13	Jake	G	10	1,068	178					Jake	13	214	35.5
			14	Jeb	G	12	1,070	192					Jeb	14	214	22.5
			15	Nugget	G	16	1,070	193					Nugget	15	214	21.0
			16	Scarlett	F	19	1,250	214					Scarlett	16	250	36.5
			17	Spirit	G	17	763	131					Spirit	17	153	22.0
			18	Tonka	G	19	1,038	189					Tonka	18	208	19.0
PR	S	In	(12)	<i>Experianced:</i>					10:00	11:30	1:00	2:30	<i>Experianced:</i>	(12)		
			19	Chilli	F	17	1,040	191					Chilli	19	208	17.5
			20	Cougar	F	17	1,097	190					Cougar	20	219	29.5
			21	Dart	G	24	1,038	183					Dart	21	208	25.0
			22	Dodge	G	21	880	151					Dodge	22	176	25.0
			23	Ed	G	20	1,019	187					Ed	23	204	17.0
			24	Fancy	F	15	1050	186					Fancy	24	210	24.5
			25	Maddie	F	12	1,000	180					Maddie	25	200	20.0
			26	Molly	F	17	1,000	163					Molly	26	200	37.5
			27	Pickles	G	15	1,070	196					Pickles	27	214	18.0
			28	Scout	G	12	920	161					Scout	28	184	23.5
			29	Sis	F	18	1,170	209					Sis	29	234	25.0
			30	Thorpe	G	14	1,247	217					Thorpe	30	249	32.0
PR	S	In	(1)	<i>Offline:</i>					10:00	11:30	1:00	2:30	<i>Offline:</i>	(1)		
			31	Bella	F	10	1250	212					Bella	31	250	38.0

Horse Roster by herd

As of: JUN 20, 2018

Blue Herd (15)				
1	Bella	M	10	<i>Working</i>
2	Bojangle	G	17	<i>Beginner</i>
3	Captain	G	20	<i>Beginner</i>
4	Chili	M	17	<i>Experienced</i>
5	Ed	G	20	<i>Experienced</i>
6	Fancy	M	15	<i>Experienced</i>
7	Feather	M	14	<i>Intermediate</i>
8	Frodo	G	18	<i>Beginner</i>
9	Jake	G	10	<i>Intermediate</i>
10	Klinger	G	29	<i>Corral:</i>
11	Maddie	M	12	<i>Experienced</i>
12	Magicman	G	19	<i>Corral:</i>
13	Pickles	G	15	<i>Experienced</i>
14	Redman	G	18	<i>Beginner</i>
15	Spirit	G	17	<i>Intermediate</i>
Red Herd (16)				
16	Dart	G	24	<i>Experienced</i>
17	Cash	G	19	<i>Intermediate</i>
18	Cooley	G	15	<i>Intermediate</i>
19	Cougar	M	17	<i>Experienced</i>
20	Dakota	G	14	<i>Intermediate</i>
21	Dodge	G	21	<i>Experienced</i>
22	Fancy-Girl	M		<i>Intermediate</i>
23	Jeb	G	12	<i>Intermediate</i>
24	Leo	G	15	<i>Beginner</i>
25	Molly	M	17	<i>Experienced</i>
26	Nugget	G	16	<i>Intermediate</i>
27	Scarlett	M	19	<i>Intermediate</i>
28	Scoot	M	12	<i>Experienced</i>
29	Sis	M	18	<i>Experienced</i>
30	Thorpe	G	14	<i>Experienced</i>
31	Tonka	G	19	<i>Experienced</i>

Status	Horse	#	5/3/2018	5/10/2018	5/17/2018	5/24/2018	5/31/2018	6/7/2018	6/14/2018	6/21/2018	6/28/2018
Barefoot	Bella	1	Weekly	2-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	1-WK
Barefoot	Bojangle	2	3-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK
	Captain	3	9-WK	3-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	3-WK
	Chili	4	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	10-WK
	Ed	5	8-WK	1-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	1-WK
	Fancy	6	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	3-WK
	Feather	7	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	3-WK
	Frodo	8	2-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	3-WK
	Jake	9	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	1-WK
	Klinger	10	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	1-WK
	Maddie	11	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	3-WK
Barefoot	Magician	12	21-WK	22-WK	23-WK	24-WK	25-WK	26-WK	27-WK	28-WK	29-WK
	Pickles	13	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	10-WK	11-WK	5-WK
	Redman	14	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	4-WK
Barefoot	Spirit	15	3-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	1-WK
	Cash	16	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	3-WK
	Cooley	17	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	1-WK
	Cougar (M)	18	8-WK	7-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK
	Dakota	19	7-WK	7-WK	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK
	Dart (G)	20	8-WK	9-WK	10-WK	11-WK	12-WK	13-WK	14-WK	15-WK	6-WK
Barefoot	Dodge	21	15-WK	16-WK	17-WK	18-WK	19-WK	20-WK	21-WK	22-WK	6-WK
	Fancy-Girl	22	7-WK	8-WK	9-WK	10-WK	11-WK	12-WK	13-WK	14-WK	5-WK
	Jeb	23	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	10-WK	4-WK
	Leo	24	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	10-WK	11-WK	4-WK
	Molly	25	7-WK	8-WK	9-WK	10-WK	11-WK	12-WK	13-WK	14-WK	7-WK
	Nugget	26	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	10-WK	4-WK
	Scarlett	27	4-WK	5-WK	6-WK	7-WK	8-WK	9-WK	10-WK	11-WK	4-WK
	Scout	28	1-WK	2-WK	3-WK	4-WK	5-WK	6-WK	7-WK	8-WK	1-WK
Barefoot	Sis	29	9-WK	10-WK	11-WK	12-WK	13-WK	14-WK	15-WK	16-WK	17-WK
	Thorpe	30	10-WK	11-WK	12-WK	13-WK	14-WK	15-WK	16-WK	17-WK	6-WK
Barefoot	Tonka	31	9-WK	10-WK	11-WK	12-WK	13-WK	14-WK	15-WK	16-WK	5-WK

Total: Carried Fwd. \$180 CF \$500.00 Carried Fwd \$460.00 \$420.00 \$350.00 \$0.00 \$530.00 \$350.00

Key 1:	
Key 2:	

A = Acrylic
T = Trim
S = Shoe
4S = Shoe + Wedge
SW = Bar shoe
BS = 4 Shoes
DH = Draft horse
DR = Draft Reset

: Projected for Farrier / Monitor
: Scheduled for Farrier / Shod

JUNE 2018 STABLE REPORT and JR WRANGLER REPORT

General Health and Welfare

June was another healthy month for R-Ranch horses. The rainy weather continued and pastures remained nice and green. A Weight Watchers program may be necessary for a few of our easy keepers. We did cut back on Ed's feed, but that terrifying one-eyed glare when he found his smaller ration made it hard to implement. Frodo and Bojangles have improved even more, and the majority of the horses have sleek shiny coats and good weight.

Individual Health Issues

Jeb: Jeb is doing well and we are again using him, though bringing him up gradually until he gets back in shape.

Bojangles: Bojangles is also greatly improved from his earlier health issues. He is doing mostly corral rides but still enjoys occasional trail rides with our smaller ranch kids.

Frodo: Frodo is looking very good this month. He has put on a lot of much-needed weight and his energy is back. We do use him less due to his advanced age (older horses, like older humans, don't handle extreme heat very well). He no longer does regular trail rides, though we may take special needs riders or small kids around the rodeo arena or Crystal Lake. He really excels with nervous and special needs riders.

Klinger: Klinger is still about the same. For his age, he is doing pretty well. I currently have three people that are considering him for a pasture buddy and light rides for their grandkids. We are really hoping to find him a new home for his last few years.

Behavioral Issues and Training

Fancypants continues to improve with wrangler riding and is now taking owners for trail rides too. We have used her as a lead guide a few times, but she needs more work to become a truly reliable guide horse. So far I only take experienced riders out when guiding with her. Though she is not a spooky horse, she still needs too much attention. If your attention has to be on your riders, she is not quite ready. We are really pleased with her progress as a potential beginner or intermediate horse for owners though.

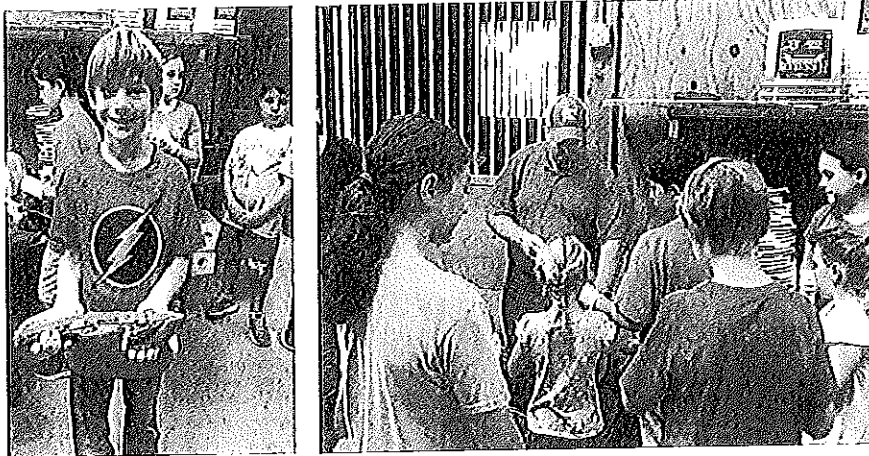
Maddie is guiding mostly, but also does owner rides. It was another boring month for the female stable crew, as again both Herb and Brandon remained unscathed. They do have to put up with some grumpy looks, but mostly her manners have been very good, even with the stable hands saddled with Y chromosomes.

Bella is continuing her good work too. We got her a new riding bit so controlling her is much easier. I will begin work outside the arena next. Should anyone see me hanging on for dear life somewhere around Suches, you might want to get an ad out for a new assistant stable manager.

JR WRANGLER JUNE 2, 2018

We had another great Jr Wrangler session in June, thanks to our terrific vet, Jarrod Eddy. Dr. Eddy came in and treated a few horses so our wranglers could see some real vet work. I may have been the only one overly excited about Magic's fecal transplant (we tried repopulating his gut fauna with healthy horse poop). Okay, I was the only one even remotely excited. But Dr. Eddy also brought in some cadaver feet, horse teeth, and provided us with a fascinating presentation. We owe him a big thanks for coming in on his day off to spend time with our Jr. Wranglers.

After Dr. Eddy's session, we went out to the corral and with the help of my older kids and Brandon, worked on riding skills. Our sessions included light hands on the reins, posting a bumpy trot (cough..Spirit..cough), some balance practice with a bareback ride on our walking couch, Frodo, and more. I really messed up this month and did not leave time for my favorite part (snack time). But most of the kids stayed a little late or took their snack to go. Better believe I won't let that happen again.



AWESOME OWNER OF JUNE

R-Ranch Stable is fortunate to have a few owners who go the extra mile to make our job easier and our stable better. This month, Tracy Hennessee strong armed me into a visit to Hamp's tack store in Milton. I really hated to leave all that barn work to the rest of the crew but I managed to tear myself away. Tracy generously bought the barn a lot of truly needed tack, including a really nice used Abetta saddle, some girths and more. This has become a yearly event for Tracy and me, and if anyone sees her around the ranch, please give her a shout out for her generosity. Also for getting me off the ranch for an afternoon during the dreaded June heat.

Suzanne Wandersee, Assistant Stable Manager, Trainer and Pretty Much the Only Human on Earth Interested in Horse Poo Bacteria



June Sales Results

Winning Metrics – Goals in each category were exceeded for June. Note new sales manager's first day at the ranch was mid -June during Rodeo Weekend.

Monthly Goals

New Sales (2)
Tours (8)
Pipeline (5)
Prospecting Calls (80)

Monthly Actuals

New Sales closed – 1
Transfers completed – 5
Tours - 13
Emails -
Phone calls - 75

Projects in queue

- **Sales Force Training** is underway. All lead follow up is current.
- **Marketing Plan and proposed Marketing Budget 2019** with Sales Action Plans being developed. I will complete after I meet with the marketing committee next week.
- **Meeting with Marketing committee** Thursday, July 19 at 3:00 PM at the Lodge – overview discussion of remainder of the year. I will not be reviewing marketing plan or budget with them. Blaine will review and decide what and how to present during August Board Meeting
- **YouTube Channel** being developed. Story boarding has begun. I am working on show details and will begin to script it once the logistics and story board is approved.

- **Audit of social media completed** – Facebook action items include daily posting including pictures and a bi weekly video. I will post to Instagram 3 times weekly and am in the process of developing a Twitter account.

It is important for each social media tool we use to have a specific purpose with these objectives:

1. Facebook – To showcase first the Ranch and enhance its image with compelling, attractive photos that engage our owners by including pictures of them and their families. Communication is for enjoyment and positive reinforcement. By showing events, activities and features of the Ranch, we stay top of mind with our owners and those they share FB with.

FB is one of the best ways we can build a successful awareness advertising strategy with no cost. High quality pictures with interesting content will help create interest and buzz.

2. Twitter – This media will be used to reach owners to deliver fast facts about weather, events or other rapidly changing items. It can be lightly used as an alternative to a text messaging service.
3. Instagram – Another means to showcase the Ranch with more day to day life at the Ranch. This medium is excellent to show staff working or interacting with the owners or life events of owners, like birthday celebrations and pics of the grandkids.
4. Youtube Channel – Will be used to generate excitement and participation from our owners. If done successfully, it will engage the owners to help us drive new ownerships. By getting buy in from owners we can take 'word of mouth' to a new level. Google loves any video and a bi monthly update on the "show" will increase our rankings exponentially.

Sales force Training – Basic training is under way and I will begin using salesforce regularly for database mining and broadcasting campaigns no later than July 21, 2018

Results from Rodeo 2018

Prospects – 18 completed inquiry cards

Sales from the event – 1

All leads will be entered into Salesforce week of 7/20/18.

Projects completed

- 183 letters and e-brochures sent to leads in Salesforce
- Inventory of collateral and promotional items completed. Needs for 2019 will be addressed in the proposed marketing plan next week. Deborah will discuss what is needed for remainder of 2018 with Christy Griffin.
- Rodeo 2018 -- Successfully sold 1 new ownership as a result of follow up from the event. Will continue to follow up on hot leads. Of the 18 leads, 4 were hot and 14 were warm. There were 2 selected for the complimentary weekend and submitted to the Director to process
- Training

I completed 3 internal tours. One owner tour, one with Blaine and one with Judy. I am comfortable with touring walk ins and answering questions and I find I am learning new things each day!

- Audit of the grounds and cabins – I am comfortable with knowing basic details of the cabins in order to show them in the best possible light.

A final thought,

Brand building, new research findings, proposed projects and much more will be addressed in the upcoming 2019 Sales and Marketing Plan. Stay tuned....

Deborah Butter – Sales and Marketing Manager at R-Ranch

Deborah Butter is a Tennessee native returning to her southern roots from Dallas, Texas where she was with IHG. (Intercontinental Hotel Group, Atlanta, GA one of the largest hotel chains in the world).

Deborah got her start in the hotel business with the King of Hospitality himself, Holiday Inn Founder and CEO, Kemmons Wilson. She worked for Mr. Wilson as Corporate Director of Sales and Marketing with Wilson Hotel Management Company helping develop key marketing and sales initiatives that remain in use by IHG today.

Deborah has lived across the United States traveling, marketing and training others in the hospitality industry and continues to be a resource for veterans of those in the hotel business

She recently moved to Dahlonega to be with her new husband, Marine Colonel Jeffry Butter, retired.

Deborah enjoys a good cigar anytime she can get it, photography, writing, forecasting the weather, (she's a former FOX-affiliate weekend weather anchor) and learning about her Cherokee heritage. The Butter family currently has no pets but they are contemplating it.

She has one daughter, Tara who has been taken captive to Alaska by her new husband, Dan; also retired military.

She loves the warm welcome she has received from the folks in Dahlonega and at the Ranch. She hopes to return the gesture by bringing her years of experience to R-Ranch so as to make a true and lasting difference both personally and professionally.

Lodge Report for July 2018 Board Meeting

Total Income for June 2018	
Wedding Cash Accounting	\$2,864
Events Cash Accounting	\$150
Misc. Cash Accounting	\$150
Total Income for June 2018	\$3,164

Total Expenses for June 2018	\$7,787
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Income - Expenses =	-\$4,623	In the Red
---------------------	----------	------------

Projected Cash Value of Weddings/Events in 2018	
Total Value of 2018 Weddings and Events	\$80,573
Less Deposits Collected in 2017	\$14,000
Plus Deposits collected in 2018 for 19,20	\$2,250
2018 Cash value of Events	\$68,823

Budgeted Revenue 2018	\$77,996
Less 2018 cash value of events	\$68,823
	\$9,173 behind

June Contact Summary

Contacts 32

19	Emails				Tours
	11	from RR Ranch Web Site			3
	5	from Here Comes the Guide			
	2	Wedding Wire			
	1	from the Knot Magazine			
7	Phone Calls	5 Owners	2 Non-Owners		2
6	Wedding Expo		6 Non-Owners		1
0	Walk-ins				

Of the 32 contacts: **29 Weddings**
 2 Birthdays
 1 wedding renewal

Of the 32 dates requested:
 17 dates were available
 6 dates were not available
 8 dates have not yet been chosen

Tours Generated

6 Tours
 (from 3 non-owners emails, 2 phone (1 owner & 1 non-owner) and 1 Expo non Owner)

Results: **1 Non-Owner booked wedding May 18, 2019 at new rate: Lane Crawford**
 1 Owner booked a Birthday July 28, 2018 for 80 yr old Mom
 1 Declined because of price point and went elsewhere
 3 No Response after follow-up

2 Phone call only
 1 Owner booked pool party without tour: comes every yr
 1 Owner booked wedding Renewal Chapel Only

2018 Event Summary

For 2018, We have 17 weddings and 11 revenue-producing Events booked
R Ranch has 29 nonrevenue-producing events for Owners.

Of the 17 Weddings, 7 are Owner Weddings and 10 are Non-Owner Weddings
Of the 11 Revenue-producing Events, 5 are Owners parties, and 6 are Community

Available Weekends left to book for Weddings or Events:

14-Jul 21-Jul 4-Aug 11-Aug 15-Sep 8-Dec 15-Dec

2019 Event Summary

For 2019, We have 3 weddings, 3 revenue-producing events and 13 R Ranch nonrevenue events

Total Value of Revenue projected: \$15625

Of the 3 Weddings, 1 is an Owner Wedding and 2 are Non-Owner Weddings

Of the 3 revenue-producing events, 1 is Owner and 2 are Non-Owner Community

July 2018 Report Accommodations Committee

- July Lottery: Saturday 07/07/18
 - 39 owners
 - 15 of 15 RV spots leased for one year
 - 4 Monthlies RV sites (one in the Arena)
 - 1: 11-month RV Arena Site
 - 0 Premium Cabin
 - 0 Total Rehab Cabins

August will have 4 RV's sites available for adoption, 1 Premium Cabin, 2 Total Rehab Cabins.

Topics and Discussions during Committee Meeting:

- Becky working with P&G Committee on events/groups reservations and RV moves– Alex got correct email address for P&G Chair, have sent information to them.
- RV 5 Bathhouse – back side is left to be stained – cannot do until gutters have been cleaned out – they are dripping on the siding, so cannot stain wet siding. It looks great what has been done so far
- Budget for 2019: list is coming together. Setting priority to large list and obtaining quotes. Will send finance committee rough list by end of July.

Becky Mooney
Accommodation Committee - Chair

**R-Ranch in the Mountains
Ranch Owners' Association, Inc.**

Independent Audit Report

For the Year Ending

December 31, 2017

R-Ranch in the Mountains Ranch Owners' Association, Inc.

Independent Audit Report

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<u>Page</u>	<u>Description</u>
	Independent Auditor's Report
1	Balance Sheet
2-3	Statement of Income & Members Equity
4	Statement of Cash Flows
5-7	Notes to the Financial Statements

Mundy & Company LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of R-Ranch in the Mountains Ranch Owners' Association, Inc.

We have audited the accompanying financial statements of R-Ranch in the Mountains Ranch Owners' Association, Inc., which comprise the balance sheet as of December 31, 2017, and the related statements of income, and changes in member's equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

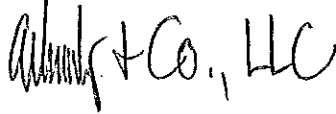
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of R-Ranch in the Mountains Ranch Owners' Association, Inc. as of May 23, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information may be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Handwritten signature in black ink, appearing to read "Alvin G. Co., LLC".

Cleveland, GA

May 23, 2018

R-Ranch in the Mountains Ranch Owners' Association, Inc.

Balance Sheet

December 31, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$103,801
Unsold ranch memberships	608,465
Prepaid expenses	10,366
Insurance receivable	16,345
Accounts receivable	2,111,262
Allowance for doubtful accounts	<u>(1,372,320)</u>

Total Current Assets 1,477,919

Property & Equipment

Buildings & land	1,707,904
Furniture & fixtures	112,068
Horses & sports equipment	61,007
Machinery & equipment	381,233
Vehicles	33,182
Less: Accumulated depreciation	<u>(1,171,111)</u>

Net Property & Equipment 1,124,283

Other Assets

Restricted cash	<u>450,059</u>
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TOTAL ASSETS \$3,052,261

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payable	\$49,774
Accrued expenses	8,281
Payroll taxes payable	500
Prepaid assessments	31,695
Accrued payroll	<u>28,725</u>

Total Current Liabilities 118,975

Long Term Liabilities

Total Liabilities 118,975

Net Assets

Members Equity	<u>2,933,286</u>
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Total Net Assets 2,933,286

TOTAL LIABILITIES & NET ASSETS \$3,052,261

See accompanying notes and Independent Auditor's Report

North Mountains Ranch Owners' Association, Inc.
Statement of Income and Members Equity

December 31, 2017

	General							
	Rodeo	Lodge	RV	& Administrative	Cabin	Stable	Infest./Dam	Total
Owner events	-	9,225	-	-	-	-	-	9,225
Property taxes	-	-	-	99,048	-	-	-	99,048
Repairs & maintenance	-	21,273	53,081	82,361	12,448	15,555	-	184,698
Rodeo expense	33,393	-	-	-	-	-	-	33,393
Sales expense	-	-	-	22,034	-	-	-	22,034
Supplies	-	-	-	-	18,014	33,840	-	51,854
Taxes & licenses	-	10,049	-	-	-	-	-	10,049
Telephone	-	-	-	20,634	-	-	-	20,634
Utilities	2,705	36,379	83,300	49,200	53,301	-	-	224,885
Total Operating Expenses	46,130	148,102	137,470	980,807	145,503	141,984	3,307	1,603,303
Operating Income (Loss)	5,297	(55,648)	268	888,759	(51,169)	(130,694)	(2,704)	654,109
Depreciation	-	33,901	59,556	47,064	11,220	6,387	4,485	162,613
Net Income (Loss)	\$5,297	(\$89,549)	(\$59,288)	\$841,695	(\$62,389)	(\$137,081)	(\$7,189)	\$491,496
Beginning Members Equity	62,911	134,602	643,145	1,696,114	98,025	(428,528)	235,521	2,441,790
Ending Members Equity	\$68,208	\$45,053	\$583,857	\$2,537,809	\$35,636	(\$565,609)	\$228,332	\$2,933,286

See accompanying notes and Independent Auditors' Report

R-Ranch in the Mountains Ranch Owners' Association, Inc.

Statement of Cash Flows

December 31, 2017

Cash flows from operating activities:

Increase (Decrease) in Net Income	\$491,496
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	\$162,613
Loss from disposal of fixed asset	14,241
(Increase) Decrease in net accounts receivable	10,751
(Increase) Decrease in prepaid expenses	(9,626)
(Increase) Decrease in unsold ranch memberships	(399,384)
(Increase) Decrease in insurance receivable	(16,345)
Increase (Decrease) in prepaid assessments	(10,292)
Increase (Decrease) in payroll taxes payable	(295)
Increase (Decrease) in accounts payable & accrued expenses	(3,527)
Increase (Decrease) in accrued payroll	<u>2,696</u>
Total adjustments	<u>(249,168)</u>
Net cash provided (used) by operating activities	242,328

Cash flows from investing activities:

Decrease (Increase) in restricted cash	41,087
Fixed asset additions	<u>(325,050)</u>
Net cash provided (used) by investing activities	(283,963)

Cash flows from financing activities:

Net cash provided (used) by financing activities	<u>-</u>
Net increase (decrease) in unrestricted cash and cash equivalents	(41,635)
Unrestricted cash and cash equivalents at beginning of year	<u>145,436</u>
Unrestricted cash and cash equivalents at end of year	<u><u>\$103,801</u></u>
Supplemental Information: Interest Expense	\$0

See accompanying notes and Independent Auditors' Report

R-Ranch in the Mountains Ranch Owners' Association, Inc.

Notes to the Financial Statements
for the year ended December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

R-Ranch in the Mountains Ranch Owners' Association, Inc. was incorporated in Lumpkin County as a not-for-profit corporation in the state of Georgia for the purpose of managing, maintaining and operating the common property of the R-Ranch resort community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Property and Equipment

Equipment purchased is carried at cost. Depreciation expense is computed using the straight-line method for equipment, vehicles, and buildings over the estimated useful life of the asset. The principal life used for the depreciation of equipment is five or seven years, and 39 years for buildings.

Income Taxes

The company has elected to be taxed under the provisions of the Internal Revenue Code Section 528 as a tax-exempt home owners' association. Under Internal Revenue Code Section 528, the association is not taxed on income and expenses related to its exempt purpose, which is the maintaining and maintenance of association property. All non-exempt income would be taxed at the applicable federal and state income tax rates.

Cash and Cash Equivalents

Cash and cash equivalents consist of one bank account. At year-end, and at no time during the year did the organization's bank balance exceed the FDIC insurance limitation of \$250,000. Due to the balances meeting the FDIC limitations no credit risk exists as of December 31, 2017.

NOTE 2: ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3: ACCOUNTS RECEIVABLE - MEMBERS

Association members are subject to annual assessments to provide funds for the association's operating expenses, future capital acquisitions, and major repairs. Accounts receivable at the balance sheet dates represent fees due from property owners. Annual fees for the years ended or build based on per units owned. Assessments outstanding over one year are charged with interest. The association's policy is to pursue collection procedures and place liens on the properties of owners, whose assessments have passed a reasonable time period. In order to measure the correct amount of member receivables, the amount of gross accounts receivable from members must be reduced by an *allowance for doubtful accounts*. The allowance is calculated by measuring the amount of receivables that have been turned over to collection procedures or have been assessed as uncollectable.

R-Ranch in the Mountains Ranch Owners' Association, Inc.

Notes to the Financial Statements
for the year ended December 31, 2017

Gross Accounts Receivable – Owners \$2,111,262
Less: Allowance for Doubtful Accounts (1,372,320)

Net Accounts Receivable – Members \$738,942

NOTE 4: COMMITMENTS AND CONTINGENCIES

R-Ranch in the Mountains Ranch Owners' Association, Inc. is dependent upon the revenue received from annual maintenance fees, cabin rentals, and campground fees in order to operate. The ability of the association's patrons to continue giving amounts consistent and comparable with prior years may be dependent upon current and future economic conditions. Though the Board of Directors believes the organization has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

NOTE 5: SUBSEQUENT EVENTS

During testing for subsequent events, procedures were implemented that provide evidence about conditions that *did not exist* at the date of the statement of financial position, but arose after that date. As of May 23, 2018, no subsequent events were discovered that would be misleading in regard to the financial statements for the year ending December 31, 2017.

NOTE 6: OTHER ASSETS

The association has various bank accounts that are provided and restricted for particular areas of interest. The restricted cash balances are as follows.

<u>Account</u>	<u>Balance</u>
Lodge/Events	\$27,662
Cabin Project	73,147
Property Tax	8,862
Payroll	1,226
Rodeo Project	18,940
Rainbow Dam/Legal	165,330
Legal	16,694
RV Bank Account	126,466
RV-6 Project	<u>11,732</u>
Total Restricted Cash	\$450,059

NOTE 7: ACCRUED EXPENSES

The first payroll period in January 2018 contained days that were in December 2017. An accrual was made to reflect the amounts that were December payroll. The total accrued payroll for the period ending December 31, 2017 equaled \$28,725. Various property taxes, insurance, and other operating expenses were accrued as being owed as of December 31. The various accrued expenses total \$8,281.

R-Ranch in the Mountains Ranch Owners' Association, Inc.

Notes to the Financial Statements
for the year ended December 31, 2017

<u>Total Accrued Expenses:</u>	
Accrued payroll	\$28,725
Accrued expenses	<u>8,281</u>
Total	\$37,006

Lodge Report for July 2018 Board Meeting

Total Income for June 2018	
Wedding Cash Accounting	\$2,864
Events Cash Accounting	\$150
Misc. Cash Accounting	\$150
Total Income for June 2018	\$3,164

Total Expenses for June 2018	\$7,787
Income - Expenses =	-\$4,623 in the Red

Projected Cash Value of Weddings/Events in 2018	
Total Value of 2018 Weddings and Events	\$82,308
Less Deposits Collected in 2017	\$14,000
Plus Deposits collected in 2018 for 19,20	\$1,500
	\$69,808

Budgeted Revenue 2018	\$77,996
Less 2018 cash value of events	\$69,808
	\$8,188 behind

In June we had 6 scheduled Tours from 28 emails

- 1 booked wedding May 18, 2019 at new rate: Lane Crawford
- 2 no response with follow-up
- 3 were return visits from already booked weddings

2018 Event Summary

For 2018, We have 17 weddings and 10 revenue-producing Events booked
R Ranch has 29 nonrevenue-producing events for Owners.

Available Weekends left to book for Weddings or Events:

14-Jul 21-Jul 4-Aug 11-Aug 15-Sep 8-Dec 15-Dec