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R-Ranch In The Mountains® - Cash

Balance Sheet

October 31, 2015

ASSETS

Current Assets		
Petty Cash	\$	200.00
Register Cash		300.00
Operating Bank Account		323,759.61
Lodge/Event Bank Account		9,887.46
Cabin Project Bank Account		41,093.04
Stable Project Bank Account		5,004.73
Property Tax Escrow Bank Acct		76,068.85
Payroll Bank Account		858.80
Rodeo Project Bank Account		12,202.44
Rainbow Dam/Legal Bank Account		223,500.98
Infrastructure MM Bank Account		552.61
RV Bank Account		106,260.95
RV-6 Project Bank Account		11,696.43
Accounts Receivable		788,205.44
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Total Current Assets		1,599,591.34
Property and Equipment		
Furniture & Fixtures		85,393.64
Vehicles		53,018.00
Machinery & Equipment		226,454.21
Horses & Sports Equipment		68,005.58
Buildings and Improvements		921,761.39
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		(885,748.60)
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Total Property and Equipment		736,096.54
Other Assets		
Unsold Ranch Memberships		230,538.00
Dam Consulting in Progress		27,737.35
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Total Other Assets		258,275.35
		<hr/>
Total Assets	\$	<u>2,593,963.23</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Sales Tax Payable	\$	(615.00)
Accrued Property Tax		76,024.63
Prepaid Assessments		16,329.66
		<hr/>
Total Current Liabilities		91,739.29
Long-Term Liabilities		<hr/>
Total Long-Term Liabilities		0.00
		<hr/>
Total Liabilities		91,739.29

Unaudited - For Management Purposes Only

R-Ranch In The Mountains® - Cash
Balance Sheet
October 31, 2015

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	18,933.17	
Undesignated Net Assets	1,534,610.34	
Current Year Net Assets Change	140,808.98	
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Total Capital		2,502,339.65
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Total Liabilities & Capital	\$	2,594,078.94
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R-Ranch In The Mountains® - Cash
 Operating Summary - Budget Comparison Report
 For the Ten Months Ending October 31, 2015


	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Operating Income						
Assessments	\$ 185,848.02	\$ 153,467.99	32,380.03	\$ 1,001,908.4	\$ 1,022,426.6	(20,518.20)
Children's Rights	0.00	350.00	(350.00)	2,450.00	2,400.00	50.00
Electric Reimbursements	11,812.55	11,631.00	181.55	62,986.85	55,866.00	7,120.85
Interest Income	8.23	5.00	3.23	87.91	14.00	73.91
Fines & Fees	181.00	130.00	51.00	756.45	2,272.00	(1,515.55)
Late Fees & Finance Charges	1,204.53	500.00	704.53	10,950.48	3,000.00	7,950.48
Ownership Sales & Transfers	4,942.00	250.00	4,692.00	34,357.00	1,550.00	32,807.00
Reserve Funding Operating	0.00	11,226.83	(11,226.83)	0.00	78,922.81	(78,922.81)
RV Moves, Pet & Day Use F	730.00	490.00	240.00	5,243.60	4,855.00	388.60
Sales	2,463.33	1,883.00	580.33	18,515.97	18,591.00	(75.03)
Vending Income	94.00	204.00	(110.00)	640.00	671.00	(31.00)
Recovery of Bad Debt	10,981.66	3,300.00	7,681.66	104,746.76	33,000.00	71,746.76
Miscellaneous & Tax Refund	0.00	25.00	(25.00)	1.15	2,250.00	(2,248.85)
Total Operating Income	218,265.32	183,462.82	34,802.50	1,242,644.6	1,225,818.4	16,826.16
Operating Expenses						
Employee Expenses	78,461.38	73,732.62	(4,728.76)	573,863.77	564,444.76	(9,419.01)
Accrued Vacation Payout	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Expenses	4,059.18	5,860.50	1,801.32	48,975.44	69,750.00	20,774.56
Cabin Expenses	1,085.07	745.00	(340.07)	3,591.80	3,290.00	(301.80)
Cleaning Expenses	581.80	725.00	143.20	6,637.67	8,650.00	2,012.33
Commission Expenses	4,056.15	0.00	(4,056.15)	24,808.74	0.00	(24,808.74)
General Property Maintenananc	7,303.11	6,009.00	(1,294.11)	92,540.80	104,675.00	12,134.20
Lodge Expenses	2,080.29	600.00	(1,480.29)	12,152.36	10,650.00	(1,502.36)
Owner Events	134.39	510.00	375.61	5,060.97	4,850.00	(210.97)
Ownership Sales & Transfers	1,165.64	448.00	(717.64)	5,327.22	2,464.00	(2,863.22)
RV Expenses	127.85	175.00	47.15	1,517.96	1,750.00	232.04
Sales & Marketing Expense	983.16	630.00	(353.16)	4,956.18	5,218.00	261.82
Sales Expense	1,843.58	715.25	(1,128.33)	11,445.77	13,351.25	1,905.48
Stables Expense	2,266.16	2,741.66	475.50	22,284.37	27,726.60	5,442.23
Utilities Expense	10,329.42	12,571.25	2,241.83	175,182.81	174,512.84	(669.97)
Rodeo Expense	0.00	0.00	0.00	0.00	0.00	0.00
Property Insurance Expense	0.00	13,000.00	13,000.00	51,308.00	52,000.00	692.00
Property Taxes Expense	7,500.00	7,500.00	0.00	75,000.00	75,000.00	0.00
Bad Debt Expense	0.00	0.00	0.00	45,894.03	0.00	(45,894.03)
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense	(78.92)	0.00	78.92	344.33	0.00	(344.33)
Total Operating Expenses	121,951.18	125,963.28	4,012.10	1,161,108.6	1,121,007.4	(40,101.16)
Net Operating Income	\$ 96,314.14	\$ 57,499.54	38,814.60	\$ 81,535.99	\$ 104,810.99	(23,275.00)

R-Ranch In The Mountains® - Cash
Budget Comparison Report - Reserve Accounts
For the Ten Months Ending October 31, 2015

	Monthly Actual	Monthly Budget	Monthly Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance
Cabin Reserve Income	\$ 6,268.27	\$ 6,157.00	111.27	\$ 66,934.37	\$ 59,405.00	7,529.37
Cabin Reserve Expenses	3,480.73	2,358.15	(1,122.58)	27,681.74	56,678.00	28,996.26
Net Cabin Reserve Income	2,787.54	3,798.85	(1,011.31)	39,252.63	2,727.00	36,525.63
RV Reserve Income	12,159.68	21,257.75	(9,098.07)	121,268.23	105,161.00	16,107.23
RV Reserve Expenses	0.00	7,201.95	7,201.95	13,254.89	72,288.76	59,033.87
Net RV Reserve Income	12,159.68	14,055.80	(1,896.12)	108,013.34	32,872.24	75,141.10
RV 6 Reserve Income	0.00	8.00	(8.00)	0.00	60.00	(60.00)
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)	0.00	60.00	(60.00)
Lodge Reserve Income	10,400.00	9,000.00	1,400.00	43,060.00	96,450.00	(53,390.00)
Lodge Reserve Expenses	5,458.33	8,653.44	3,195.11	40,121.38	78,993.22	38,871.84
Net Lodge Reserve Income	4,941.67	346.56	4,595.11	2,938.62	17,456.78	(14,518.16)
Stables Reserve Income	545.00	800.00	(255.00)	6,918.00	9,100.00	(2,182.00)
Stables Reserve Expenses	3,551.52	258.56	(3,292.96)	5,271.71	8,554.01	3,282.30
Net Stables Reserve Income	(3,006.52)	541.44	(3,547.96)	1,646.29	545.99	1,100.30
Infrastructure Reserve Income	0.00	705.86	(705.86)	0.00	3,571.87	(3,571.87)
Infrastructure Reserve Expenses	11,905.69	449.32	(11,456.37)	13,423.42	2,499.36	(10,924.06)
Net Infrastructure Reserve Income	(11,905.69)	256.54	(12,162.23)	(13,423.42)	1,072.51	(14,495.93)
Dam/Legal Reserve Income	36.24	431.15	(394.91)	379.94	3,092.18	(2,712.24)
Dam/Legal Reserve Expense	12,297.50	0.00	(12,297.50)	53,572.00	0.00	(53,572.00)
Net Dam/Legal Reserve Income	(12,261.26)	431.15	(12,692.41)	(53,192.06)	3,092.18	(56,284.24)
Total Net Reserve Income	\$ (7,284.58)	\$ 19,438.34	(26,722.92)	\$ 85,235.40	\$ 57,826.70	27,408.70

R-Ranch In The Mountains® - Cash
Rodeo Budget Comparison Report
For the Ten Months Ending October 31, 2015

	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	\$ 5,997.50	\$ 0.00	5,997.50
Rodeo Income - Gate Tickets	0.00	0.00	0.00	9,028.12	0.00	9,028.12
Rodeo Income - T Shirts	55.00	0.00	55.00	3,918.50	0.00	3,918.50
Rodeo Income - Parking	0.00	0.00	0.00	3,654.60	0.00	3,654.60
Rodeo Income - Vendors	0.00	0.00	0.00	3,815.95	0.00	3,815.95
Rodeo Income - Sponsors	0.00	0.00	0.00	12,548.00	0.00	12,548.00
Rodeo Income - Program Ad	0.00	0.00	0.00	70.00	0.00	70.00
Total Rodeo Income	55.00	0.00	55.00	39,032.67	0.00	39,032.67
Operating Expenses						
Rodeo Expense	0.00	0.00	0.00	35.00	0.00	(35.00)
Rodeo Expense - Stock Contr	0.00	0.00	0.00	4,500.00	0.00	(4,500.00)
Rodeo Expense - Prize Mone	0.00	0.00	0.00	4,000.00	0.00	(4,000.00)
Rodeo Expense - Advertising	0.00	0.00	0.00	535.05	0.00	(535.05)
Rodeo Expense - Security	0.00	0.00	0.00	480.00	0.00	(480.00)
Rodeo Expense - Seating	0.00	0.00	0.00	5,000.00	0.00	(5,000.00)
Rodeo Expense - Sanitation	0.00	0.00	0.00	1,525.00	0.00	(1,525.00)
Rodeo Expense - EMT	0.00	0.00	0.00	500.00	0.00	(500.00)
Rodeo Expense - T-Shirts	0.00	0.00	0.00	4,884.66	0.00	(4,884.66)
Rodeo Expense - Concession	0.00	0.00	0.00	11.44	0.00	(11.44)
Rodeo Expense - In-House E	0.00	0.00	0.00	3,086.32	0.00	(3,086.32)
Rodeo Expense - Upgrades	0.00	0.00	0.00	38,482.35	0.00	(38,482.35)
Rodeo Expense - Miscellane	0.00	0.00	0.00	1,955.26	0.00	(1,955.26)
Total Rodeo Expenses	0.00	0.00	0.00	64,995.08	0.00	(64,995.08)
Net Rodeo Income	\$ 55.00	\$ 0.00	55.00	\$ (25,962.41)	\$ 0.00	(25,962.41)


 R-Ranch In The Mountains® - Cash
 Operating Summary - Budget Comparison Report
 For the Ten Months Ending October 31, 2015

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Operating Income						
Assessments	\$ 185,848.02	\$ 153,467.99	32,380.03	\$ 1,001,908.4	\$ 1,022,426.6	(20,518.20)
Children's Rights	0.00	350.00	(350.00)	2,450.00	2,400.00	50.00
Electric Reimbursements	11,812.55	11,631.00	181.55	62,986.85	55,866.00	7,120.85
Interest Income	8.23	5.00	3.23	87.91	14.00	73.91
Fines & Fees	181.00	130.00	51.00	756.45	2,272.00	(1,515.55)
Late Fees & Finance Charges	1,204.53	500.00	704.53	10,950.48	3,000.00	7,950.48
Ownership Sales & Transfers	4,942.00	250.00	4,692.00	34,357.00	1,550.00	32,807.00
Reserve Funding Operating	0.00	0.00	0.00	0.00	0.00	0.00
RV Moves, Pet & Day Use F	730.00	490.00	240.00	5,243.60	4,855.00	388.60
Sales	2,463.33	1,883.00	580.33	18,515.97	18,591.00	(75.03)
Vending Income	94.00	204.00	(110.00)	640.00	671.00	(31.00)
Recovery of Bad Debt	10,981.66	3,300.00	7,681.66	104,746.76	33,000.00	71,746.76
Miscellaneous & Tax Refund	0.00	25.00	(25.00)	1.15	2,250.00	(2,248.85)
Total Operating Income	<u>218,265.32</u>	<u>172,235.99</u>	<u>46,029.33</u>	<u>1,242,644.6</u>	<u>1,146,895.6</u>	<u>95,748.97</u>
Operating Expenses						
Employee Expenses	78,461.38	73,732.62	(4,728.76)	573,863.77	564,444.76	(9,419.01)
Accrued Vacation Payout	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Expenses	4,059.18	5,860.50	1,801.32	48,975.44	69,750.00	20,774.56
Cabin Expenses	1,085.07	745.00	(340.07)	3,591.80	3,290.00	(301.80)
Cleaning Expenses	581.80	725.00	143.20	6,637.67	8,650.00	2,012.33
Commission Expenses	4,056.15	0.00	(4,056.15)	24,808.74	0.00	(24,808.74)
General Property Maintenan	7,303.11	6,009.00	(1,294.11)	92,540.80	104,675.00	12,134.20
Lodge Expenses	2,080.29	600.00	(1,480.29)	12,152.36	10,650.00	(1,502.36)
Owner Events	134.39	510.00	375.61	5,060.97	4,850.00	(210.97)
Ownership Sales & Transfers	1,165.64	448.00	(717.64)	5,327.22	2,464.00	(2,863.22)
RV Expenses	127.85	175.00	47.15	1,517.96	1,750.00	232.04
Sales & Marketing Expense	983.16	630.00	(353.16)	4,956.18	5,218.00	261.82
Sales Expense	1,843.58	715.25	(1,128.33)	11,445.77	13,351.25	1,905.48
Stables Expense	2,266.16	2,741.66	475.50	22,284.37	27,726.60	5,442.23
Utilities Expense	10,329.42	12,571.25	2,241.83	175,182.81	174,512.84	(669.97)
Rodeo Expense	0.00	0.00	0.00	0.00	0.00	0.00
Property Insurance Expense	0.00	13,000.00	13,000.00	51,308.00	52,000.00	692.00
Property Taxes Expense	7,500.00	7,500.00	0.00	75,000.00	75,000.00	0.00
Bad Debt Expense	0.00	0.00	0.00	45,894.03	0.00	(45,894.03)
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense	(78.92)	0.00	78.92	344.33	0.00	(344.33)
Total Operating Expenses	<u>121,951.18</u>	<u>125,963.28</u>	<u>4,012.10</u>	<u>1,161,108.6</u>	<u>1,121,007.4</u>	<u>(40,101.16)</u>
Net Operating Income	<u>\$ 96,314.14</u>	<u>\$ 46,272.71</u>	<u>50,041.43</u>	<u>\$ 81,535.99</u>	<u>\$ 25,888.18</u>	<u>55,647.81</u>

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R-Ranch In The Mountains® - Cash
Budget Comparison Report - Reserve Accounts
For the Ten Months Ending October 31, 2015

	Monthly Actual	Monthly Budget	Monthly Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance
Cabin Reserve Income	\$ 6,268.27	\$ 6,157.00	111.27	\$ 66,934.37	\$ 59,405.00	7,529.37
Cabin Reserve Expenses	3,480.73	70.00	(3,410.73)	27,681.74	37,133.69	9,451.95
Net Cabin Reserve Income	2,787.54	6,087.00	(3,299.46)	39,252.63	22,271.31	16,981.32
RV Reserve Income	12,159.68	21,257.75	(9,098.07)	121,268.23	105,161.00	16,107.23
RV Reserve Expenses	0.00	25.00	25.00	13,254.89	38,087.13	24,832.24
Net RV Reserve Income	12,159.68	21,232.75	(9,073.07)	108,013.34	67,073.87	40,939.47
RV 6 Reserve Income	0.00	8.00	(8.00)	0.00	60.00	(60.00)
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)	0.00	60.00	(60.00)
Lodge Reserve Income	10,400.00	9,000.00	1,400.00	43,060.00	96,450.00	(53,390.00)
Lodge Reserve Expenses	5,458.33	5,843.88	385.55	40,121.38	47,872.10	7,750.72
Net Lodge Reserve Income	4,941.67	3,156.12	1,785.55	2,938.62	48,577.90	(45,639.28)
Stables Reserve Income	545.00	800.00	(255.00)	6,918.00	9,100.00	(2,182.00)
Stables Reserve Expenses	3,551.52	222.06	(3,329.46)	5,271.71	8,235.20	2,963.49
Net Stables Reserve Income	(3,006.52)	577.94	(3,584.46)	1,646.29	864.80	781.49
Infrastructure Reserve Income	0.00	0.00	0.00	0.00	0.00	0.00
Infrastructure Reserve Expen	11,905.69	449.32	(11,456.37)	13,423.42	2,499.36	(10,924.06)
Net Infrastructure Reserve In	(11,905.69)	(449.32)	(11,456.37)	(13,423.42)	(2,499.36)	(10,924.06)
Dam/Legal Reserve Income	36.24	0.00	36.24	379.94	0.00	379.94
Dam/Legal Reserve Expense	12,297.50	0.00	(12,297.50)	53,572.00	0.00	(53,572.00)
Net Dam/Legal Reserve Inco	(12,261.26)	0.00	(12,261.26)	(53,192.06)	0.00	(53,192.06)
Total Net Reserve Income	\$ (7,284.58)	\$ 30,612.49	(37,897.07)	\$ 85,235.40	\$ 136,348.52	(51,113.12)

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R-Ranch In The Mountains® - Cash
Rodeo Budget Comparison Report
For the Ten Months Ending October 31, 2015

	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	\$ 5,997.50	\$ 0.00	5,997.50
Rodeo Income - Gate Tickets	0.00	0.00	0.00	9,028.12	0.00	9,028.12
Rodeo Income - T Shirts	55.00	0.00	55.00	3,918.50	0.00	3,918.50
Rodeo Income - Parking	0.00	0.00	0.00	3,654.60	0.00	3,654.60
Rodeo Income - Vendors	0.00	0.00	0.00	3,815.95	0.00	3,815.95
Rodeo Income - Sponsors	0.00	0.00	0.00	12,548.00	0.00	12,548.00
Rodeo Income - Program Ad	0.00	0.00	0.00	70.00	0.00	70.00
Total Rodeo Income	55.00	0.00	55.00	39,032.67	0.00	39,032.67
Operating Expenses						
Rodeo Expense	0.00	0.00	0.00	35.00	0.00	(35.00)
Rodeo Expense - Stock Contr	0.00	0.00	0.00	4,500.00	0.00	(4,500.00)
Rodeo Expense - Prize Mone	0.00	0.00	0.00	4,000.00	0.00	(4,000.00)
Rodeo Expense - Advertising	0.00	0.00	0.00	535.05	0.00	(535.05)
Rodeo Expense - Security	0.00	0.00	0.00	480.00	0.00	(480.00)
Rodeo Expense - Seating	0.00	0.00	0.00	5,000.00	0.00	(5,000.00)
Rodeo Expense - Sanitation	0.00	0.00	0.00	1,525.00	0.00	(1,525.00)
Rodeo Expense - EMT	0.00	0.00	0.00	500.00	0.00	(500.00)
Rodeo Expense - T-Shirts	0.00	0.00	0.00	4,884.66	0.00	(4,884.66)
Rodeo Expense - Concession	0.00	0.00	0.00	11.44	0.00	(11.44)
Rodeo Expense - In-House E	0.00	0.00	0.00	3,086.32	0.00	(3,086.32)
Rodeo Expense - Upgrades	0.00	0.00	0.00	38,482.35	38,400.00	(82.35)
Rodeo Expense - Miscellane	0.00	0.00	0.00	1,955.26	0.00	(1,955.26)
Total Rodeo Expenses	0.00	0.00	0.00	64,995.08	38,400.00	(26,595.08)
Net Rodeo Income	\$ 55.00	\$ 0.00	55.00	\$ (25,962.41)	\$ (38,400.00)	12,437.59

PEACHTREE CUSTOMER ACCOUNT STATUS/ UNIT STATUS

Active	755	791																		
Suspended	265	229																		
Litigation	81	81																		
Howe	11	11																		
R-Ranch/Invent	190	188																		
BD W/O	90	90																		
Hardship	8	9																		
Bankruptcy	10	11																		
Closed	168	168																		
Research/Problem	22	22																		
TOTAL UNITS	1600	1600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Status as of:	10/23/15	11/20/15																		

ACHV
SUSPENDED

200

Executive Director's Report

Board of Directors Meeting

November 21st 2015

- Staff: At **Steve Corbon's** recommendation we discharged new employee **Johnny Kormos**, ran an ad for a replacement, and have hired **Keith Ballenger**. At least on paper, Keith has a tremendous skill set that should be of great value to maintenance and ranch operations. I've hired **Carla Ahrenda**, as a Front Desk floater to fill in as needed. **Christina Goodwin** has been training her. **Herb Kirkover** has again proven his value in taking the lead in finding and securing a much needed replacement motor for the Stable's Gator. In Josh's absence Herb also took the lead in our difficult job in putting down horse **Pretty Girl** who we found had COPD. **Denise Robinson** has been working with **Valorie Lottes** and **Holly Sell** on redecorating the Lodge TV and Theatre rooms. She's also been active this month in cleaning up issues with EBD on our catering agreement. **Jennifer Larson** assisted greatly in distributing to cabins, the **17 new mattresses** we purchased. **Judy Croft** did her usual exceptional work with Rick and Sue in completing the newly revamped budget format for 2016. Former employee **Doug Chapman** is back doing project work and completed installation of the **Stable barn stairs**, and is now working on **repairs to the RV5 Bathhouse**.
- **Lundeen Metals** is currently working on roof repairs to the Stable barn which includes repairing and saving the copula. Their next project is replacing the main portion of the **Welcome Center** roof.
- As Steve will report, the first two phases of the Chapel Hill electrical service upgrade were finished. **Ricky Edwards** and **Jared Brode** did a super job with Steve in wet and muddy conditions completing that work.
- We gave approval to our paving contractor to commence **resurfacing the RV1** section of the ranch road, but one of their key employees became ill and the project has been delayed.
- I completed the annual review and data submittal to **K&K for our property and casualty Insurance renewal**.
- I cancelled our waste hauling contract with **Advanced Disposal** and negotiated new contract terms with **Grogan Disposal Company**.
- We received a favorable **3rd Quarter Financial Review** by our CPA, Rob Mundy at Baker & Mundy. Rob also consulted with me on the **new IRS filing requirements** – Forms 1094 and 1095-B.
- We've again had multiple calls, emails and conversations related to **ranch liability issues**, working with Brenda and our friends at the BB&T agency. And we've had to add certain coverage for **carriage rides**, the car **Cruise-In** last weekend, and may have to for **Breakfast with Santa**.
- We requested of Brenda and the possibly the board's policy & guidelines committee a more clear statement of the ranch's **Black Out accommodations** booking policy.
- I've requested of our contractor, repairs to a **damaged fiberglass fence post** on Stone Pile Gap Rd., by the Rainbow Pasture.

This completes my report for the period.



November 2015
Sales & Marketing Report
Wendy Wood

New Sales -

- 5- Since last Bd. Meeting
 - 2- Sales pending
- Transfers- 5 completed
- 3- Transfer pending

Gold Rush-

- 4- Tours
- 2- Potential Owner pending - Film Maker- Brad McCall & 1 couple interested in ownership and adoption of a Chapel Hill Cabin.

Sales Force-

- 2- Leads from Sales Force website generated

Mountain Cruise IN-

- 40 - Cars signed in on registry
- 4- Tours by owners
- 8- Tours by me
- 3- Showed interest - out of mine

I have emailed the interested ones and I am sending out a Thank you to all participants today that were listed on the register that had email addresses.

Phone In-

Inquires that called- wanting information

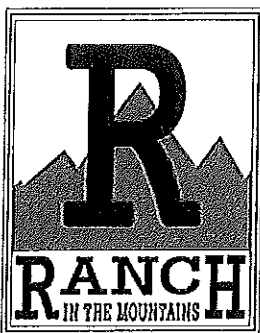
- 11- Logged
- 4- Word of mouth
- 4- Saw our Ad in Mt. Traveler
- 1- Drove by

Walk Ins-

- 4 - November

Marketing - R-Ranch Exposure I attended this month

1. Attended Dahlonega Merchants Expo
2. Dahlonega Chamber of Commerce - After Hours get together



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Rainbow Dam Committee Report

Historical Summary: In 1984 American Reserves, Inc., the developer of R-Ranch in the Mountains, complete construction of the Rainbow Lake Dam. The dam was classified as a Category II dam which are those for *which improper operation or dam failure would not be expected to result in probable loss of human life*. In 2003 the Safe Dams

Program reclassified Rainbow Lake Dam as a Category I dam, *a dam more likely to result in the loss of life in the event of a sudden breach or failure of the dam*. Subsequent engineering analyses and inspections performed by the Safe Dams Program and our consulting engineers revealed that the dam, as it exists today as a Category I dam, does not satisfy their requirements for a safe dam. In 2005 the Safe Dams Program notified R-Ranch of the deficiencies and required operational parameters for a Category I dam.

R-Ranch Activities: Since this 2005 determination we have continued to monitored the condition of the dam and this year retained the services of H & H Resources to help us identify our options to address the Safe Dams Program concerns. Although we have benefitted from the Safe Dams Program current policy that allows us to self monitor we are now tasked with developing a plan of action for the Rainbow Dam that meets their approval.

The Rainbow Dam Committee and Board of Directors has worked extensively this year with our consultant, Mr. Charles Absher of the consulting firm H & H Resources, towards identifying solutions to address the concerns with the dam. The identified options include:

- Option 1. Remediate the dam to bring into compliance with the requirements of the Safe Dams Program for Category I small dams. The lake level would be maintained at or near the permitted normal pool level. Estimated Costs = \$640,385.
- Option 2. Remediate the dam to a Category II dam which would lower the height of the dam approximately 3 feet and lower the lake level approximately 4 to 5 feet and reduce volume of water stored in Rainbow Lake. This option would remove the dam from the jurisdiction of the Safe dams Program. Estimated Costs = \$408,121.
- Option 3. Breach (remove) the dam and restore Jarrard Creek to its original condition. Estimated Costs = \$283,790.

Funding Sources: The Rainbow Dam Committee, with the assistance of our State representatives Senator Pearson and Senator Steve Gooch, has researched the availability of grant programs that could offer financial assistance. No grant funds are available to assist the Ranch.

Owner Input: The Rainbow Dam Committee considered it important to inform the Owners of our findings and to provide an opportunity for each Owner to offer input regarding the options. A survey form was developed and mailed to all the Owners prior to the fall Owner's meeting. The survey form was sent to each of the 1,200 ownership interests. A total of 209 surveys were returned. At the 24 October 2015 fall Owner's meeting the Committee made a presentation to the Owners, discussed the survey results, addressed comments sent in with the survey and answered questions put forth by those Owners present at the meeting. After the presentation and discussion with the Owners we conducted an additional survey. The survey findings:

Mailed Survey Replies (209 respondents)

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
1st Priority	52	60	88
2nd Priority	19	75	26
3rd Priority	63	0	53

Owner's Meet Survey Replies (50 respondents)

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
1st Priority	4	41	5
2nd Priority	11	7	10
3rd Priority	13	0	10

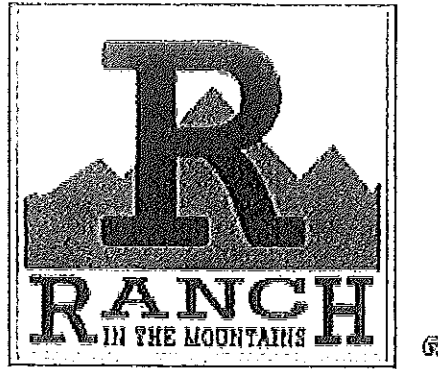
Please note that the surveys were intended to be a method to receive Owner input that would help guide the Board in making its decisions. Based upon the survey and in depth discussion at the Owners meeting we believe the majority of the Owners would like to see us maintain Rainbow Lake in some capacity. This was particularly evidenced by the survey results after discussion at the Owners meeting.

Committee Recommendations: The Rainbow Dam Committee current members include Hal W. Barrineau, P.E. Committee Chairperson, Bill Poole, Board President, Director Michael Carbonaro, Director Rick Upton and Director Roger Yonts. Valuable assistance to the Committee has been provided by Executive Director Michael Hoffer, and Maintenance Manager Steve Corbin.

It has been the primary task of the Rainbow Dam Committee to guide the actions necessary to provide the Board of Directors and Ownership with the information needed to make an educated and informed decision on the future of Rainbow Lake Dam. This information is prudent in order to address the long term viability and appeal of the Ranch, it's amenities, property value as well as the immediate financial impact to the Owner's. We believe we have fulfilled this task and therefore, by near unanimous consensus recommend the Board of Directors undertake the steps necessary to implement Option 2 as stated above.

As always, we serve at the direction of the Board and remain committed to the tasks required to guide the Board through this process.

Hal W. Barrineau, P.E., Committee Chair
21 November 2015



Dear Owners,

As you know, for many years an issue with Rainbow Dam has been a cloud over R Ranch. Hopefully you will have seen the Rainbow Dam Status report attached to the Survey which was sent with your most recent assessment statement. This survey was sent to all Owners. Only 209 surveys were returned and of those, the majority of Owners (53.5%) favored options 1 or 2 and 42.5 % favored Option 3. At the October Owners meeting, after a thorough one hour briefing, the survey was again completed by 50 Owners. 41 of the 50 (82%) chose Option 2, 4 (8%) chose Option 1 and 5 (10%) chose Option 3.

The Rainbow Dam Committee will make a formal recommendation at the November 21 BOD Meeting, but it is my understanding that the members of the Committee are unanimously in favor of Option 2.

A decision on this important issue will be made at the November 21 BOD Meeting. You are all encouraged to attend and voice your opinion.

Thank you. I hope to see you on November 21.

Best regards,

Bill Poole