

P.O.A.T.R.I. - BOARD OF DIRECTORS' MEETING
APRIL 2014 – FOR THE QUARTER 01/01/14 TO 03/31/14
TREASURER'S REPORT

(Amended report which reflects the verbal report presented at the meeting.)

It's been a busy three months since the last Board meeting. After a couple years of inactivity, I'm happy to report both the Audit Committee and the Budget and Finance Committee have been reactivated with a very experienced and knowledgeable group of volunteers. They are each committed to being a valuable resource to POATRI, ranch management, the Board, and ultimately to all property owners.

The Audit Chair is Linda Shank supported by Kathy Pothier, Vicki Thomas, and Diana Wysocki. Their primary goal is to work with the Manager and the Board to improve financial controls and monitoring, to review the application of approved policies and procedures, and to provide reports at the quarterly Board meetings. They have already researched and drafted a new handbook which focuses on updating audit processes to reflect new software such as the Point of Sale system and changes in how inventory is counted. The updated handbook has been distributed to the Board for review and approval consideration. Linda will be reporting on their activity this quarter.

The spokesperson for the Budget and Finance Committee is Ed Marcato with Frank Oxsheer and Merrill Jordan as members. They have also been busy developing their mission statement which supports their goal of being a resource to the Manager, the Board, and other committees by researching and analyzing topics or projects which have a financial impact on POATRI. They will save the Manager and Board considerable time by assisting with projects such as budget preparation and financial and risk analysis. Merrill will be reporting on their mission and activities as well as their first financial impact study they were asked by the Board to provide regarding leasing versus managing the cafe.

Both committees will help protect the Board with their fiduciary responsibilities. After the new Audit Handbook and BFC mission statement are reviewed and if approved by the Board, will be available to all property owners. If you are interested in volunteering your time and experience with either committee, please talk with Linda, Ed, or myself. You don't need to be a full-time ranch resident or be experienced in accounting or finances to be a volunteer.

The committees have reactivated the old simplified Cash Financial Summary report and the first quarter's report is attached. Also attached are the Balance Sheet and Profit and Loss report for the first quarter. For reporting purposes here, the reports reflect the "cash" method of accounting rather than the "accrual" method and all reports are unaudited. Copies of the reports are available on the back table. Upon acceptance of the meeting minutes, the statements will also be available on the POATRI web site.

At the January board meeting, \$70,000 was allocated to much-needed capital improvements over and above the operational repair and maintenance budget. As of the end of March, approximately \$42,234 has been spent for siding, windows, roofing, and labor repairing and/or replacing the restaurant roof, and siding and windows on the cabins. Work on the septic system for the upper five cabins is progressing; however the project is expected to exceed the estimated cost by approximately \$7500 since most of the work is no longer being done by in-house staff or volunteers.

During the first quarter, \$237,410 has been collected in assessments including the current year, prior years, and voluntary assessments. Additionally, a journal entry has been done to reflect \$84,236 of 2014 assessments actually collected in 2013. Other cash collected totaled \$66,082 for a grand total of \$303,492 during the first quarter.

After deducting operating expenses and other cash transactions, the net increase in cash for the first quarter is \$70,214.

The approximate \$138,000 "surplus" suggested at a prior board meeting is not a true surplus as approximately \$84,000 of that amount was actually 2014 assessments collected in 2013 which had not yet been adjusted in Quickbooks. Therefore, the \$84,000 is actually part of the anticipated income for this year's budget. Since a previous board allocated \$70,000 for capital improvements there may or may not be enough funds in the operating budget to pay for these

improvements. There exists a potential to necessitate borrowing funds from the capital improvement fund to pay for them. If funds are withdrawn from this account, they will need to be paid back.

At the last board meeting, some members indicated they are not familiar with reading financial statements. Linda Shank, a CPA, has volunteered to conduct a short training session for interested board members to familiarize them with the basics of financial statements. This could be done prior to the next workshop at the July board meeting. I think this would enable us to make more informed financial decisions and I propose to make a motion to accept Linda's generous offer.

Respectfully submitted, Marilynn Anthenat Marilyn Anthenat, Treasurer

POATRI CASH FINANCIAL SUMMARY				
REPORT REFLECTS INFORMATION FROM UNAUDITED FINANCIAL REPORTS, P&L BASED ON CASH REPORTING, REFLECTS CHANGES IN CASH				
	Enging Balance As Of 12-31-13	Balance 03-31-14		NOTES:
OPERATING ACCOUNTS :				
Operating Acct	\$ 13,226.90	\$ 15,008.86		
Deposit Acct:	\$ 107,087.28	\$ 191,956.41		
Payroll Acct:	\$ 17,238.18	\$ 805.23		
Petty Cash Accounts:	\$ 1,376.17	\$ 1,329.43		
Sub-Total Operating Accts:	\$ 138,928.53	\$ 209,099.93		Includes petty cash accts, office petty cash, register, change machine
CAPITAL RESERVE & CONTINGENCY FUND BALANCES				
Capital Reserve Fund Balance (Ft Davis State Bank):	\$ 136,572.81	\$ 136,583.43		Includes \$50K+Int CD; account reserved for capital improvements
Contingency Fund Balance (West TX Nat'l Bank):	\$ 201,092.01	\$ 201,123.82		Includes \$50K + Int CD; account reserved for emergencies and ops loans
Sub-Total	\$ 337,664.82	\$ 337,707.25		
TOTAL ALL ACCOUNTS	\$ 476,593.35	\$ 546,807.18		
Increase/Decrease In Bank Accounts:		\$ 70,213.83		
CASH COLLECTIONS				
2014 Assessments Collected and reported In 2014		\$ 294,594.74		Total 2014 assessments collected as of end of Q1 2014
2014 Assessments Collected In 2013		\$ (84,236.29)		Reflects 2014 assessments actually collected in 2013
Prior Years' Past Due Assessments Collected		\$ 20,863.54		
BVC Collections:		\$ 133.48		special assessment in 2008 of \$65 per property owner to raise cash to cover shortfall
Voluntary Assessments:		\$ 4,751.24		
Misc Assessment Cash Income:		\$ 1,253.57		Includes interest and late fees
SIA/SAC Income		\$ 50.36		
Sub-total Assessment Revenue			\$ 237,410.64	
RV/Campground Income		\$ 4,266.10		
Retail Sales		\$ 5,149.61		Sale of resort inventory and maps
Water Sales, Pool Fees, Laundromat, Ice		\$ 6,677.99		
Cabin Income:		\$ 48,249.00		Includes room rental
Misc Income, Discounts, Donations		\$ 710.48		Includes timely filed discounts of taxes, donations (ex: bird seed donation, misc.
Restaurant Income:		\$ 1,028.49		reflects cash collection; Includes lease and alcohol sales
Sub-total Other Revenue			\$ 66,081.67	
TOTAL CASH COLLECTED			\$ 303,492.31	
OPERATING EXPENSES				
Payroll Expense Including Taxes:		\$ (75,321.43)		
Utilities and Repairs if Any:		\$ (14,386.95)		
Insurance:		\$ (15,410.25)		
Professional Fees, Legal, Accounting, Other:		\$ (1,723.50)		Includes final election bill from Patsy Culver; medical exam
Heavy Equipment Expense:		\$ (7,056.35)		Adjusted for actual cash diesel gas purchase (6202-\$3249.90)
Vehicle Expense:		\$ (1,562.94)		Adjusted to reflect actual cash expenses (Repair & Misc)
Supplies and Equipment:		\$ (3,462.43)		
Repairs and Maintenance:		\$ (16,208.72)		Bldg repairs, equipment repairs, housekeeping (Includes \$2050 night stands/furniture
Office Administrative Expenses:		\$ (13,181.61)		Includes \$7500 for delivery of water tank to Brewster - may move this to Capital exp
Other Admin Exp (licenses, Permits, TABC License):		\$ (1,685.22)		Includes \$600 subscription to Brewster County tax service
TOTAL CASH OPERATING EXPENSES			\$ (149,999.40)	
OTHER INCREASES/DECREASES IN CASH FROM 01-01-14 TO 03-31-14				
Furniture and Equipment			\$ (4,090.17)	Includes \$2999 for a 2-door freezer
Heavy Equipment			\$ (24,900.00)	Includes \$13,900 for a 12E Caterpillar Grader and \$11,000 for a water tank for truck
Improvements			\$ (8,558.76)	Septic system
Allocated Funds for Capital Improvements			\$ (42,234.31)	Includes siding, roofing, tyvek, labor
Facility Roof Replacement			\$ -	No change
Sub Total Fixed Assets			\$ (79,783.24)	
Accounts Payable			\$ 215.00	
VISA			\$ 1,308.15	
Payroll Liabilities Including Benefits and Taxes			\$ 2,876.98	
Earmarked Donations			\$ (200.00)	Includes night stands for cabin, water heater for bath house
Other Accounts Payable			\$ 1,000.00	Security deposit from Jo Tabb
Taxes Payable			\$ (5,440.49)	Includes hotel occupancy tax, retail tax, alcohol tax
Inc/Dec in Payables & Other Bal Sheet Accts			\$ (1,427.62)	Other misc cash transactions to balance
Sub Total			\$ (1,667.98)	
Restaurant Inventory			\$ (1,467.61)	COGS-Reflects adjustment for physical inventory
Retail Inventory			\$ 1,149.42	COGS-Reflects adjustment for physical inventory, retail and ice
Fuel Inventory			\$ (1,509.67)	Reflects adjustment for physical inventory
Sub Total			\$ (1,827.86)	
GRAND TOTAL INCREASES/DECREASES IN CASH SPENT			\$ (233,278.48)	Includes total operating expense
BEGINNING CASH BALANCE JAN 1 2014			\$ 476,593.35	
ENDING CASH BALANCE 03-27-14			\$ 546,807.18	
NET INCREASE OR DECREASE IN CASH FOR THE PERIOD			\$ 70,213.83	
SUMMARY:				
TOTAL CASH COLLECTED			\$ 303,492.31	
LESS TOTAL INCREASES/DECREASES IN CASH SPENT			\$ (233,278.48)	
			\$ 70,213.83	

UNAUDITED
P.O.A.T.R.I./Terlingua Ranch
Profit & Loss
January through March 2014

	Jan - Mar 14
Ordinary Income/Expense	
Income	
4001 · Assessment Related Revenue	
4005 · *Association Assessments	
4012 · BVC Income	133.48
4013 · 2013 Assessment Revenue	12,347.65
4014 · 2011 Assessment Revenue	1,928.41
4015 · Volunteer Assessments	4,751.24
4017 · 2012 Assessment Revenue	4,005.02
4018 · Prior Year Regular Assessments	2,582.46
4019 · 2014 Assessment Revenue	294,594.74
4025 · SIA/SAC Supplemental Income	50.36
4030 · Assessment Interest, Late Fee	1,253.57
Total 4005 · *Association Assessments	321,646.93
Total 4001 · Assessment Related Revenue	321,646.93
4099 · Supplemental Revenue	
4150 · Lease Income	1.00
4200 · *Cabin Income	
4210 · Room Rental Income	47,969.00
4200 · *Cabin Income - Other	280.00
Total 4200 · *Cabin Income	48,249.00
4250 · RV/Campground Income	4,266.10
4300 · * Restaurant Income	
4311 · Alcohol Sales	2,351.92
4315 · Bad Debt	-1,323.43
Total 4300 · * Restaurant Income	1,028.49
4400 · Retail Sales	5,149.61
4500 · * Other Lodge Income	
4510 · Water Sales	3,660.24
4515 · Pool Fees	75.00
4520 · Laundromat Revenue	2,488.75
4525 · Ice Revenue	454.00
Total 4500 · * Other Lodge Income	6,677.99
Total 4099 · Supplemental Revenue	65,372.19
4600 · * Miscellaneous Income	
4526 · Timely Filed Discount	38.14
4610 · Interest Income	85.98
4615 · Donations	154.00
4620 · Miscellaneous Income	426.36
Total 4600 · * Miscellaneous Income	704.48
46010 · Returned Check Charges	5.00
Total Income	387,728.60
Cost of Goods Sold	
5000 · * Cost of Goods Sold	
5100 · * COGS - Restaurant	
5115 · COGS - Alcohol	1,467.61
Total 5100 · * COGS - Restaurant	1,467.61
5210 · COGS - Retail	2,327.80
5220 · COGS - Ice	322.08
Total 5000 · * Cost of Goods Sold	4,117.49
Total COGS	4,117.49
Gross Profit	383,611.11
Expense	
6000 · * Payroll Expenses	

P.O.A.T.R.I./Terlingua Ranch
Profit & Loss
January through March 2014

	Jan - Mar 14
6010 · Salaries and Wages	68,372.29
6020 · Casual Labor	324.00
6025 · Employer Payroll Tax	6,625.14
Total 6000 · * Payroll Expenses	75,321.43
6100 · * Utilities	
6110 · Electric	9,281.82
6111 · Propane	2,248.13
6112 · Telephone	1,225.37
6113 · Garbage & Trash	1,505.28
6114 · Water System	126.35
Total 6100 · * Utilities	14,386.95
6130 · * Insurance	
6131 · Workers Comp	7,550.00
6134 · Directors E&O	2,334.25
6135 · Commercial Vehicle	5,526.00
Total 6130 · * Insurance	15,410.25
6150 · * Professional Fees	
6152 · Legal Fees	111.50
6153 · Other Professional Fees	1,612.00
Total 6150 · * Professional Fees	1,723.50
6200 · * Heavy Equipment Expense	
6201 · Heavy Equipment Repair	3,194.91
6202 · Off Road Diesel	2,427.93
6203 · Road Expense Miscellaneous	611.54
Total 6200 · * Heavy Equipment Expense	6,234.38
6300 · * Vehicle Expense	
6301 · Gasoline	3,275.64
6302 · Diesel	381.90
6303 · Vehicle Repair	1,053.50
6304 · Vehicle Miscellaneous	509.44
Total 6300 · * Vehicle Expense	5,220.48
6400 · * Supplies & Equipment	
6410 · Housekeeping Supplies	1,318.32
6415 · Maintenance Supplies	1,367.60
6420 · Small tools & equipment	776.51
Total 6400 · * Supplies & Equipment	3,462.43
6450 · * Repairs & Maintenance	
6451 · Bldg/Structure Repairs & Maint	6,921.39
6452 · Equipment Repairs	1,004.33
6453 · Housekeeping	8,283.00
Total 6450 · * Repairs & Maintenance	16,208.72
6500 · * Office Administrative Expense	
6510 · Office Supplies	1,279.31
6511 · Printing	85.84
6512 · Postage & Shipping	7,795.53
6513 · Communications	374.56
6514 · Credit Card Fees	1,714.08
6515 · Newsletter	592.54
6516 · Office Equipment	879.17
6520 · Misc. Office Admin.	460.58
Total 6500 · * Office Administrative Expense	13,181.61
6550 · * Other Administrative Expense	
6551 · Mileage Reimbursement	11.20
6552 · Licenses and Permits	671.50
6553 · Dues & Memberships	600.00
6556 · TABC License Management Fee	402.52

P.O.A.T.R.I./Terlingua Ranch
Profit & Loss
January through March 2014

	Jan - Mar 14
Total 6550 · * Other Administrative Expense	1,685.22
6900 · * Miscellaneous Expense	
6910 · Cash Over/Short	0.00
Total 6900 · * Miscellaneous Expense	0.00
Total Expense	152,834.97
Net Ordinary Income	230,776.14
Net Income	230,776.14

UNAUDITED

P.O.A.T.R.I./Terlingua Ranch

Balance Sheet

As of March 31, 2014

Mar 31, 14

ASSETS

Current Assets

Checking/Savings

1011 · Operating Account	15,008.86
1012 · Deposit Account	191,956.41
1013 · Payroll Account	805.23
1014 · Petty Cash Bank Account	804.43
1015 · FDSB Reserve Account	86,132.82
1017 · WTNB Contingency Fund	150,609.48
1018 · WTNB Certif of Deposit	50,514.34
1019 · FDSB Certif of Deposit	50,450.61
1030 · * Petty Cash In Office	
1031 · Office Petty Cash	375.00
1032 · Resort Registers/Petty Cash	50.00
1033 · Change Machine	100.00

Total 1030 · * Petty Cash in Office	525.00
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Total Checking/Savings	546,807.18
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Accounts Receivable

1201 · Accounts Receivable	-59.29
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Total Accounts Receivable	-59.29
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Other Current Assets

1065 · Undeposited Funds	426.00
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1100 · * Assessments Receivables

1102 · Annual Assessments

1105 · Combined Assessment Receivables	505,281.30
1105a · Interest & Late Fees Receivable	14,643.60
1105b · Adjustments to Receivables	-39,474.19
1106 · 2009 Assessments	229,127.57
1121 · 2010 Year Assessments	235,450.87
1122 · 2011 Year Assessments	258,279.69
1123 · 2012 Year Assessments	285,808.48
1124 · 2013 Assessments	312,908.10
1125 · 2014 Assessments	514,316.55
2700 · Prepaid Assessments	-2,722.63

Total 1102 · Annual Assessments	2,313,619.34
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1140 · Special Assessments

1115 · SIA Receivables	-570.05
1142 · NRC Receivables	187,855.16
1143 · BVC Receivables	123,700.61

Total 1140 · Special Assessments	310,985.72
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Total 1100 · * Assessments Receivables	2,624,605.06
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1130 · Allowance for Doubtful Accounts	-1,789,287.34
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1300 · * Inventories

1301 · Restaurant Inventory

1301b · Alcohol	633.72
1301d · Sundries	180.96

Total 1301 · Restaurant Inventory	814.68
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1302 · Retail Inventory

1303 · Fuel Inventory	11,550.50
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1303a · Gasoline	1,556.94
1303b · Truck Diesel	6,160.05
1303c · Off Road Diesel	2,578.25
1303d · Propane	2,349.40

Total 1303 · Fuel Inventory	12,644.64
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Total 1300 · * Inventories	25,009.82
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1420 · Store Credit	137.74
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1700 · Deferred Tax Asset	99,000.00
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P.O.A.T.R.I./Terlingua Ranch
Balance Sheet
As of March 31, 2014

	Mar 31, 14
Total Other Current Assets	959,891.28
Total Current Assets	1,506,639.17
Fixed Assets	
1600 · * Fixed Assets	
1601 · Land	126,169.00
1602 · Buildings & Structures	97,555.90
1603 · Furniture & Equipment	86,950.99
1604 · Heavy Equipment	330,495.57
1605 · Vehicles	127,186.35
1606 · Improvements	371,318.52
1607 · POS Software	94,804.00
1609 · Allocated Funds for Cap Impr	42,234.31
1610 · Capital Surplus - Budgeted Uses	52,608.09
1611 · Smith Well	19,026.03
1612 · Cabin Deck Replacement	40,446.44
1613 · Facility Roof Replacement	5,816.64
Total 1600 · * Fixed Assets	1,394,611.84
1615 · Accumulated Depreciation	-747,777.07
Total Fixed Assets	646,834.77
TOTAL ASSETS	2,153,473.94
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	215.00
Total Accounts Payable	215.00
Credit Cards	
1060 · VISA	3,385.89
Total Credit Cards	3,385.89
Other Current Liabilities	
2100 · * Payroll Liabilities	
2110 · Payroll Taxes Payable	1,365.45
2115 · Employee Insurance-Voluntary	20.81
2120 · Benefits Payable	9,129.83
Total 2100 · * Payroll Liabilities	10,516.09
2150 · Earmarked Donated Funds	
2151 · Door fund	647.42
2153 · Other earmarked donations	500.00
Total 2150 · Earmarked Donated Funds	1,147.42
2200 · * Other Accounts Payable	
2205 · TABC Management Fee Payable	396.32
2210 · Deposits	2,000.00
Total 2200 · * Other Accounts Payable	2,396.32
2240 · Employee Reimbursements Payable	-7.41
2500 · * Taxes Payable	
2510 · Sales Tax Payable	-3,672.18
2535 · Alcohol Sales Tax	-274.45
2500 · * Taxes Payable - Other	3,619.67
Total 2500 · * Taxes Payable	-326.96
2800 · * Deferred Income	
2801 · Deferred Assessment Income	514,316.28
2802 · Deferred Other Income	0.75
Total 2800 · * Deferred Income	514,317.03

P.O.A.T.R.I./Terlingua Ranch
Balance Sheet
As of March 31, 2014

	Mar 31, 14
Total Other Current Liabilities	528,042.49
Total Current Liabilities	531,643.38
Total Liabilities	531,643.38
Equity	
3001 · Members Equity-Undesignated	636,065.61
3002 · Members Equity-Designated	103,086.92
303 · Adj - Prior Year Collections	-11,146.63
3900 · Retained Earnings	663,048.52
Net Income	230,776.14
Total Equity	1,621,830.56
TOTAL LIABILITIES & EQUITY	2,153,473.94