

# 2017 Performance Budget

Includes both Operations and Capital Income & Expenditure Items

APPROVED BY THE BOARD January 28, 2017

DESCRIPTION	2017 FINAL BUDGET
<b>4001 - Assessment Related Revenue</b>	
<b>4005 - *Association Assessments</b>	
4009 - SPEC ASSESS (NRC, BVC, SIA)	3,200
4011 - NRC Income	0
4012 - BVC Income	0
4013 - SIA/SAC Supplemental Income	0
4015 - Volunteer Assessments	13,000
4018 - Prior Years - Prior to 2011	14,000
4030 - Assessment Interest, Late Fee	10,000
4031 - 2011 Assessment Revenue	6,000
4032 - 2012 Assessment Revenue	9,000
4033 - 2013 Assessment Revenue	11,000
4034 - 2014 Assessment Revenue	14,000
4035 - 2015 Assessment Revenue	25,000
4036 - 2016 Assessment Revenue	40,000
4037 - 2017 Assessment Revenue	380,000
<b>Total 4005 - *Association Assessments</b>	<b>525,200</b>
<b>Total 4001 - Assessment Related Revenue</b>	<b>525,200</b>
<b>4020 - Property Auctions &amp; Tax Sales</b>	<b>14,000</b>
<b>4099 - Supplemental Revenue</b>	
<b>4200 - *Cabin Income</b>	
4210 - Room Rental Income	263,210
4215 - Property Owner Discounts	(26,321)
4216 - Other Cabin Discounts	(9,443)
<b>Total 4200 - Cabin Income</b>	<b>227,446</b>
<b>4250 - RV/Campground Income</b>	<b>21,000</b>
<b>4300 - * Restaurant Income</b>	
4310 - Food Sales	145,000
4311 - Alcohol Sales	24,000
<b>Total 4300 - * Restaurant Income</b>	<b>169,000</b>
<b>4400 - Retail Sales, net after discounts</b>	<b>35,000</b>

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<b>4500 · * Other Lodge Income</b>	
4510 · Water Sales	23,066
4515 · Pool Fees	2,200
4520 · Laundromat Revenue	7,000
4525 · Ice Revenue	8,500
<b>Total 4500 · * Other Lodge Income</b>	<b>40,766</b>
<b>Total 4099 · Supplemental Revenue</b>	<b>493,212</b>
<b>4600 · * Miscellaneous Income</b>	
4526 · Timely Filed Discount	350
4610 · Interest Income	350
4615 · Donations	200
4620 · Miscellaneous Income	500
<b>Total 4600 · * Miscellaneous Income</b>	<b>1,400</b>
<b>Total Income</b>	<b>1,033,812</b>
<b>Cost of Goods Sold</b>	
<b>5100 · * COGS - Restaurant</b>	
5110 · COGS - Food	84,000
5115 · COGS - Alcohol	12,800
<b>Total 5100 · * COGS - Restaurant</b>	<b>96,800</b>
5210 · COGS - Retail	14,000
5220 · COGS - Ice	5,000
<b>Total COGS</b>	<b>115,800</b>
<b>Gross Profit</b>	<b>918,012</b>
<b>Expense</b>	
<b>6000 · * Payroll Expenses</b>	
6010 · Salaries and Wages	420,000
6020 · Casual Labor	0
6025 · Employer Payroll Tax	37,800
<b>Total 6000 · * Payroll Expenses</b>	<b>457,800</b>

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<b>6050. Employee Benefits</b>	
<b>6052 . Employee Discounts</b>	<b>0</b>
<b>Total 6050 . Employee Benefits</b>	<b>0</b>
<b>6100 . * Utilities</b>	
<b>6110 . Electric</b>	<b>19,000</b>
<b>6111 . Propane</b>	<b>6,700</b>
<b>6112 . Telephone</b>	<b>8,100</b>
<b>6113 . Garbage &amp; Trash</b>	<b>7,000</b>
<b>6114 . Water System</b>	<b>3,000</b>
<b>Total 6100 . * Utilities</b>	<b>43,800</b>
<b>6130 . * Insurance</b>	
<b>6139 . MDLive/Telemed</b>	<b>0</b>
<b>6131 . Workers Comp</b>	<b>13,100</b>
<b>6132 . Property Insurance</b>	<b>15,900</b>
<b>6133 . General Liability</b>	<b>25,000</b>
<b>6134 . Directors E&amp;O</b>	<b>10,250</b>
<b>6135 . Commercial Vehicle</b>	<b>8,600</b>
<b>6136 . Heavy Equipment</b>	<b>0</b>
<b>6137 . Surety Bonds</b>	<b>100</b>
<b>6138 . Air Ambulance Insurance</b>	<b>660</b>
<b>Total 6130 . * Insurance</b>	<b>73,610</b>
<b>6150 . * Professional Fees</b>	
<b>6151 . Accounting</b>	<b>12,000</b>
<b>6152 . Legal Fees</b>	
<b>6152a Legal Fees - General</b>	<b>10,000</b>
<b>6152b Legal Fees - Road Issues</b>	<b>30,000</b>
<b>6152c Legal Fees - Assessment Issues</b>	<b>10,000</b>
<b>Total 6152 Legal Fees</b>	<b>50,000</b>
<b>6153 . Other Professional Fees</b>	<b>2,000</b>
<b>Total 6150 . * Professional Fees</b>	<b>64,000</b>

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DESCRIPTION	2017 FINAL BUDGET
<b>6200 · * Heavy Equipment Expense</b>	
6201 · Heavy Equipment Repair	13,000
6202 · Off Road Diesel	8,000
6203 · Road Expense Miscellaneous	7,000
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<b>Total 6200 · * Heavy Equipment Expense</b>	<b>28,000</b>
<b>6300 · * Vehicle Expense</b>	
6301 · Gasoline	5,000
6302 · Diesel	9,000
6303 · Vehicle Repair	7,000
6304 · Vehicle Miscellaneous	1,000
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<b>Total 6300 · * Vehicle Expense</b>	<b>22,000</b>
<b>6400 · * Supplies &amp; Equipment</b>	
6459 · Cabin Accessories	0
6410 · Housekeeping Supplies	8,000
6415 · Maintenance Supplies	8,000
6420 · Small tools & equipment	5,000
6425 · Restaurant Supplies	3,000
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<b>Total 6400 · * Supplies &amp; Equipment</b>	<b>24,000</b>
<b>6450 · * Repairs &amp; Maintenance</b>	
6451 · Bldg./Structure Repairs & Maint	64,200
6452 · Equipment Repairs	2,000
6453 · Housekeeping	2,000
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<b>Total 6450 · * Repairs &amp; Maintenance</b>	<b>68,200</b>
<b>6500 · * Office Administrative Expense</b>	
6510 · Office Supplies	5,000
6511 · Printing	5,000
6512 · Postage & Shipping	2,500
6513 · Communications	2,000
6514 · Credit Card Fees	16,000
6515 · Newsletter	7,600
6516 · Office Equipment	1,500
6520 · Misc. Office Admin.	1,500
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<b>Total 6500 · * Office Administrative Expense</b>	<b>41,100</b>

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<b>6550 · * Other Administrative Expense</b>	
6551 · Mileage Reimbursement	600
6552 · Licenses and Permits	3,000
6553 · Dues & Memberships	1,000
6554 · Employee Housing	2,000
<b>Total 6550 · * Other Administrative Expense</b>	<b>6,600</b>
<b>6560 · Property Tax</b>	<b>15,000</b>
<b>6575 · Software Maintenance &amp; Upgrades</b>	<b>5,000</b>
<b>6600 · * Property Transfer Expense</b>	
6610 · Filing Fees	13,000
6611 · Tax Sale & Auction Expenses	0
6612 · Misc. Collections Expense	4,000
<b>Total 6600 · * Property Transfer Expense</b>	<b>17,000</b>
<b>6700 · * Advertising &amp; Promotion</b>	
6715 · Bands & Entertainment	2,400
6720 · Advertising	7,000
<b>Total 6700 · * Advertising &amp; Promotion</b>	<b>9,400</b>
<b>6900 · * Miscellaneous Expense</b>	
6910 · Cash Over/Short	0
6915 · Miscellaneous Expense	0
6925 · Reconciliation Discrepancies	0
<b>Total 6900 · * Miscellaneous Expense</b>	<b>0</b>
<b>Total Expenses</b>	<b>875,510.00</b>
<b>NET ORDINARY INCOME</b>	<b>42,502</b>
Other Income/Expenses	
7001 · Non-Cash Donations	0
<b>Total Other Income</b>	<b>0</b>
<b>Net Profit (Loss) From Operations</b>	<b>42,502</b>

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**CAPITAL BUDGET**

1603. Furn & Equipment

1604 . Heavy Equipment

1605 . Vehicles

1606 .Improvements

1608 . Capital Improvements

1611 . Smith Well

**Cash From Property Auction(s)**

In Excess of Cost 14,000

**Sale of Capital Assets**

Cat 12E Road Grader 7,000

Cat 140H Road Grader 0

**Total Capital Budget Cash Sources** 21,000

**Capital Budget Cash Uses**

**Building and Structures**

Swimming pool coping (5,000)

Waterline to Road Crew Shop Area, Maintenance Area -

Electrical Overhead Line to Lower Cabins (20,000)

**VEHICLES & EQUIPMENT**

CAT 120 G Grader USED -

Invest in Capital Reserve Fund @ 1.367% Min Balance (2,050)

Invest in Contingency Fund @ 1.367% Min Balance (2,734)

Repay Capital Reserve Fund \$1250/mo @ 36 months (15,000)

**TOTAL CAPITAL EXPENDITURES** (44,784)

**NET CAPITAL SOURCES/EXPENDITURES** (23,784)

**Net Performance Position for POATRI** \$18,718

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## Footnotes for 2017 Preliminary Budget

- 1 The initial preliminary budget was prepared by the Ranch Manager.  
Historical information was used for estimating.  
The 2017 Budget adopted by the Board will be the financial framework within which the Manager is expected to operate.
- 2 The Preliminary Budget was based on assessment historical collection rates.  
Any program to begin collecting on delinquent accounts will affect the amount of revenue that may be collected.  
The methodology that the collections program will use (in house or contracted out) may also affect the expenses involved with the collection effort.
- 3 The Board and Manager will need to determine what auction properties will be sold in 2017; the results of that decision adds funds to the budget
- 4 Property Owner Discounts affect occupancy rates for cabin rentals, and along with the room rates charged determine cabin rental income. Restaurant and retail sales are also affected by cabin rentals  
The Budget was based upon rates and discount policies in place as of Board Mtg 1-27-17.
- 5 Salary or pay raises will increase the 2017 Budget amount.  
If POATRI implements an "in house" collections program, additional office staff may be required.
- 7 Continued maintenance is required to the lodge buildings and lodge infrastructure both for functionality and to extend their lifetime. Beginning 1/1/17, POATRI's Cost Accounting specifies expensing expenditures of less than **\$5,000**.
- 8 When the assessment collections program is implemented, there may be significant related expenses.  
The POATRI attorney has provided a template and a description of the approach, the timing, and the expenses that may be involved.
- 9 Capital Projects include those that were not completed in prior years and new items that have been identified as needed for 2017. It is recommended that these projects remain on the list of projects until completed or determined to be unnecessary.
- 10 The materials for this project were purchased in 2014 and are available. Cabins will take priority barring any emergencies to get the rest of inventory put in place. We do have a small amount of materials left to take forward to 2017.
- 11 Funding of the Capital Reserve and the Contingency Funds is not an expense item which affects income but is a transfer of operating funds, thus reducing the amount of operating funds available for other needs.  
The Contingency Fund is currently at the established level of funding.
- 12 Capital Reserve Funds of \$45,000 were withdrawn in Dec 2016 for the purchase of Road Equipment.  
The Board resolved that the \$45,000 would be paid back into the Capital Reserve Account over a 3-year period.