

WOLF CREEK RANCH OWNERS ASSOCIATION

Treasurer's Report

January 16, 2016

Overall Financial Condition

We completed 2015 on budget, and since we were under budget by significant amounts on the gate access and cactus abatement projects, we did not need to withdraw the \$25,000 planned to cover roadwork.

CPA's Statement of Assets, Liabilities and Equity – 12/31/2015 (Attached)

- *Road Reserve at \$175,000 (same as EOY 2014)*
- *"Rainy Day" fund at \$50,000 (same as EOY 2014)*

Statement of Income and Expense – 12/31/2015 (Attached)

Commentary on summary expense categories that are off budget by more than 5%:

- *Working Ranch Expenses – fence repair and corn expenditures low*
- *Security - very good luck with gate functionality*
- *Roads – minimal repair work done outside of road resurfacing capital expense project*
- *General Maintenance –reduced mowing due to dry spell*
- *Owner Services – good value obtained on Firewise projects*
- *Taxes & Fees – Federal Income Tax reduced due to absence of grass lease revenue*

2015 Large / Special Project Status

- *Gate Access Improvements: (completed 3/15) spent \$10,713 on project budget of \$12,000*
- *Road Improvements: (completed 11/15) spent \$56,922 on project budget of \$56,950*
- *Fence Section Replacement (completed 7/15) spent \$9,862 on project budget of \$9,900*
- *Cactus Abatement: (spraying planned but not completed) \$10,000 budget*

WOLF CREEK RANCH OWNERS ASSOCIATION

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January 16, 2016

2015 Dues Collection Status

- *60 owners paid in full by 2/15/2015 (54 in same period 2014)*
- *2 owners paid in full with interest by 3/15/2015 (3 in same period 2014)*
- *6 owners paid in full with interest & penalties after 3/15/2015 (10 in same period 2014)*
- *All owners paid in full by EOY 2015*

2016 Dues Collection Status as of 1/13/2015

- *Full dues payment without interest is allowed through 2/15/2015*
- *10 owners paid in full*
- *2 owners have paid the January monthly payment*

2016 Budget (Attached)

The budget for 2016 reflects anticipated operating and capital improvement projects for the year based on past performance, and best-estimates of future activity.

Treasurer Position Transition

In April, at the end of my seventh year as WCROA Treasurer, my service to the board ends and I will turn over my duties to whoever the board elects as a replacement. I will work with that person to ensure a smooth transition of responsibilities.

Since April, 2009 it has been my pleasure to serve in this position. I am proud of what we as a board have accomplished in that time, and am confident that with the ongoing support of this community, the board will continue to provide leadership and fiscal responsibility for the betterment of WCROA.

Sincerely,

Denny Hill, Treasurer

Wolf Creek Ranch Owners' Association
Statement of Assets, Liabilities, and Equity
As of December 31, 2015

Assets

Current Assets

Cash-Wells Fargo #3191	\$	6,105.58
Cash-Savings Wells Fargo		29,317.79
American Bank of TX-CD 11151		13,253.43
American Bank of TX-CD 10999		13,206.66
American Bank of TX-CD 11051		13,228.95
American Bank of TX-CD 11245		104,157.55
American Bank of TX-CD 70279		22,694.83
American Bank of TX-CD 70278		<u>20,312.26</u>
Total Current Assets		222,277.05

Equipment & Fixtures

Equipment & Fixtures	\$	2,850.00
Gate Remote Clickers		<u>368.16</u>
		3,218.16
Accumulated Depreciation		<u>(2,850.00)</u>
Total Property, Equipment and Fixtures (See Note 2 & 3)		368.16

Total Assets

\$ 222,645.21

Liabilities and Equity

Current Liabilities

Employment Taxes Payable	\$	638.76
FUTA Payable		<u>42.00</u>
Total Current Liabilities		680.76

Equity

Capital Maintenance-Road Resurfacing Reserve Fund	\$	175,000.00
Operations-Sustainability Fund		50,000.00
Retained Earnings-Operating Fund		<u>(3,035.55)</u>
Total Equity		221,964.45
Total Liabilities & Equity	\$	<u>222,645.21</u>

See Accountants' Compilation Report

WOLF CREEK RANCH OWNERS ASSOCIATION
Statement of Income & Expense
as of
December 31, 2015

Account	<----- Year-to-Date ----->					Total Annual Budget	Annual Budget Remaining
	Actual \$	% of Total	Budget \$	Favorable/(Unfavorable) Amount	Percentage		
INCOME							
4000 Annual Dues Assessments	163,200	87.7%	163,200	0	0.0%	163,200	0
4001 Prior Year Carryover (2014)	20,518	11.0%	20,518	0	0.0%	20,518	0
4002 Dues Interest & Late Fees	1,133	0.6%	2,024	(891)	-44.0%	2,024	891
4005 Grass Lease	0	0.0%	0	0	--	0	0
4015 Dividend Income	0	0.0%	0	0	--	0	0
4020 Interest Income	1,319	0.7%	1,100	219	19.9%	1,100	(219)
4025 Other Income	0	0.0%	0	0	--	0	0
TOTAL INCOME	186,170	100.0%	186,842	(672)	-0.4%	186,842	672
OPERATING EXPENDITURES							
Personnel							
5001 Wages	25,068	13.4%	24,960	(108)	-0.4%	24,960	(108)
5010 Payroll Tax Expense	1,918	1.0%	1,997	79	4.0%	1,997	79
5011 FUTA Expense	42	0.0%	150	108	72.0%	150	108
5012 SUTA Expense	674	0.4%	150	(524)	-350.1%	150	(524)
5015 Mileage Reimbursement	2,540	1.4%	2,600	60	2.3%	2,600	60
5020 Contract Labor	8,300	4.4%	7,488	(812)	-10.8%	7,488	(812)
Total Personnel	38,542	20.6%	37,344	(1,197)	-3.2%	37,344	(1,197)
Working Ranch Expenses							
5083 Repairs & Maint. - Fences	781	0.4%	1,200	419	34.9%	1,200	419
5220 Wildlife Management	824	0.4%	1,248	424	34.0%	1,248	424
Total Working Ranch Expenses	1,605	0.9%	2,448	843	34.4%	2,448	843
Security							
5081 Repairs & Maint. - Gates	142	0.1%	2,400	2,258	94.1%	2,400	2,258
5091 Telephone - Gates	1,914	1.0%	1,728	(186)	-10.8%	1,728	(186)
5096 Utilities-Main Gate	716	0.4%	720	4	0.5%	720	4
5097 Utilities-Middle Gate	516	0.3%	516	0	0.1%	516	0
5099 Utilities-East Gate	692	0.4%	636	(56)	-8.8%	636	(56)
5500 Security Service	8,400	4.5%	8,400	0	0.0%	8,400	0
Total Security	12,380	6.6%	14,400	2,020	14.0%	14,400	2,020
Roads							
5084 Repairs & Maint. - Roads	416	0.2%	3,600	3,184	88.4%	3,600	3,184
5102 Utilities-Hill Lights	653	0.3%	648	(5)	-0.7%	648	(5)
5103 Utilities-Hill Lights2	665	0.4%	684	19	2.8%	684	19
Total Roads	1,734	0.9%	4,932	3,198	64.8%	4,932	3,198
Dock							
5082 Repairs & Maint. - Dock	1,056	0.6%	1,056	0	0.0%	1,056	0
5104 Utilities-Dock	606	0.3%	612	6	1.0%	612	6
5400 Licenses & Permits - Dock	100	0.1%	100	0	0.0%	100	0
5600 Lease-Boat Dock	773	0.4%	900	127	14.1%	900	127
Total Dock	2,535	1.4%	2,668	133	5.0%	2,668	133
General Maintenance							
5076 Equipment Rental	0	0.0%	0	0	--	0	0
5080 Repairs & Maint. - General	0	0.0%	0	0	--	0	0
5085 Tools, Equipment & Supplies	443	0.2%	600	157	26.2%	600	157
5086 Repairs&Maint.- Facilities/Grounds	1,484	0.8%	1,200	(284)	-23.7%	1,200	(284)
5210 Groundskeeping	28,000	15.0%	34,850	6,850	19.7%	34,850	6,850
Total General Maintenance	29,927	16.0%	36,650	6,723	18.3%	36,650	6,723

WOLF CREEK RANCH OWNERS ASSOCIATION
Statement of Income & Expense
as of
December 31, 2015

Account	<----- Year-to-Date ----->				Favorable/(Unfavorable) Amount	Percentage	Total Annual Budget	Annual Budget Remaining
	Actual \$	% of Total	Budget \$					
Administrative								
5025 Computer & Internet Expense	741	0.4%	738	(3)	-0.4%	738	(3)	
5030 Insurance Expense	6,828	3.7%	7,151	323	4.5%	7,151	323	
5055 Office Expense	725	0.4%	804	79	9.8%	804	79	
5056 Bank Charges	0	0.0%	0	0	—	0	0	
5065 Postage & Delivery	246	0.1%	320	74	23.1%	320	74	
5068 Memberships, Subscriptions & Misc.	71	0.0%	600	529	88.2%	600	529	
5069 Legal & Surveying Services	746	0.4%	0	(746)	—	0	(746)	
5070 Accounting Fees	3,950	2.1%	3,950	0	0.0%	3,950	0	
5072 Events / Annual Board Mtg	264	0.1%	850	586	68.9%	850	586	
5090 Telephone - Office	1,851	1.0%	1,608	(243)	-15.1%	1,608	(243)	
5095 Utilities-Barn	858	0.5%	972	114	11.8%	972	114	
Total Administrative	16,279	8.7%	16,993	714	4.2%	16,993	714	
Owner Services								
5101 Utilities-Pavillion	474	0.3%	480	6	1.3%	480	6	
5120 Trash Pickup	3,441	1.8%	3,480	39	1.1%	3,480	39	
5040 Firewise Expense	1,117	0.6%	2,004	887	44.3%	2,004	887	
Total Owner Services	5,031	2.7%	5,964	933	15.6%	5,964	933	
Taxes, Fees & Miscellaneous								
5300 Property Taxes	1,086	0.6%	1,100	14	1.3%	1,100	14	
7000 Federal Income Taxes	232	0.1%	350	118	33.7%	350	118	
Total Taxes & Fees	1,318	0.7%	1,450	132	9.1%	1,450	132	
5999 Contingency Allowance	0	0.0%	143	143	100.0%	143	143	
TOTAL OPERATING EXPENDITURES	<u>109,351</u>	<u>58.5%</u>	<u>122,992</u>	<u>13,640</u>	<u>11.1%</u>	<u>122,992</u>	<u>13,640</u>	
Capital Expenses								
8010 Road Resurfacing Reserve Fd	0	0.0%	(25,000)	(25,000)	100.0%	(25,000)	(25,000)	
8015 Road Improvements	56,922	30.5%	56,950	28	0.0%	56,950	28	
8025 Dock Replacement Reserve Fd	0	0.0%	0	0	—	0	0	
8030 Fence Section Replacement	9,862	5.3%	9,900	39	0.4%	9,900	39	
8035 Firewise Improvements	0	0.0%	0	0	—	0	0	
8047 Gate Access Improvements	10,713	5.7%	12,000	1,287	10.7%	12,000	1,287	
8050 Cactus Abatement / Land Mgmt.	0	0.0%	10,000	10,000	100.0%	10,000	10,000	
TOTAL CAPITAL EXPENDITURES	<u>77,496</u>	<u>41.5%</u>	<u>63,850</u>	<u>(13,646)</u>	<u>-21.4%</u>	<u>63,850</u>	<u>(13,646)</u>	
TOTAL EXPENDITURES	<u>186,848</u>	<u>100.0%</u>	<u>186,842</u>	<u>(6)</u>	<u>0.0%</u>	<u>186,842</u>	<u>(6)</u>	
NET INCOME	<u>(678)</u>		<u>0</u>	<u>(678)</u>		<u>0</u>		

**WOLF CREEK RANCH OWNERS ASSOCIATION
2016 Budget**

Acct #	Account Name	2016 Budget Total	Percent of Total
Revenue			
4000	Annual Dues Assessments	163,200.00	98.8%
4002	Dues Interest & Late Fees	1,180.00	0.7%
4005	Grass Lease	0.00	0.0%
4015	Dividend Income	0.00	0.0%
4020	Interest Income	837.00	0.5%
4025	Other Income	0.00	0.0%
	Total Revenue	165,217.00	100.0%
Operating Expenses			
5001	Wages	24,960.00	15.1%
5010	Payroll Tax Expense	1,909.44	1.2%
5011	FUTA Expense	149.76	0.1%
5012	SUTA Expense	149.76	0.1%
5015	Mileage Reimbursement	2,600.00	1.6%
5020	Contract Labor	7,488.00	4.5%
5025	Computer & Internet Expense	790.00	0.5%
5030	Insurance Expense	7,400.00	4.5%
5040	Firewise Expense	1,320.00	0.8%
5055	Office Expense	780.00	0.5%
5056	Bank Charges	0.00	0.0%
5065	Postage & Delivery	360.00	0.2%
5068	Memberships, Subscriptions & Misc.	240.00	0.1%
5069	Legal & Surveying Services	0.00	0.0%
5070	Accounting Fees	650.00	0.4%
5072	Events / Annual Board Mtg	150.00	0.1%
5076	Equipment Rental	0.00	0.0%
5081	Repairs & Maint. - Gates	300.00	0.2%
5082	Repairs & Maint. - Dock	1,056.00	0.6%
5083	Repairs & Maint. - Fences	600.00	0.4%
5084	Repairs & Maint. - Roads	540.00	0.3%
5085	Tools, Equipment & Supplies	540.00	0.3%
5086	Repairs&Maint.- Facilities/Grounds	1,200.00	0.7%
5090	Telephone - Office	1,980.00	1.2%
5091	Telephone - Gates	2,040.00	1.2%
5095	Utilities-Barn	864.00	0.5%
5096	Utilities-Main Gate	708.00	0.4%
5097	Utilities-Middle Gate	516.00	0.3%
5099	Utilities-East Gate	696.00	0.4%
5101	Utilities-Pavillion	468.00	0.3%
5102	Utilities-Hill Lights	648.00	0.4%
5103	Utilities-Hill Lights2	660.00	0.4%
5104	Utilities-Dock	612.00	0.4%
5120	Trash Pickup	3,444.00	2.1%
5210	Groundskeeping	34,850.00	21.1%
5220	Wildlife Management	1,620.00	1.0%
5300	Property Taxes	1,100.00	0.7%
5400	Licenses & Permits - Dock	75.00	0.0%
5600	Lease-Boat Dock	900.00	0.5%
5700	Professional ROA Management	9,600.00	5.8%
5999	Contingency Allowance	78.04	0.0%
7000	Federal Income Taxes	250.00	0.2%
	Total Operating Expenses	114,292.00	69.2%
Capital Expenses			
8001	Special Projects - TBD	20,000.00	12.1%
8010	Road Resurfacing Reserve Fd	(85,500.00)	-51.8%
8015	Road Improvements	100,000.00	60.5%
8030	Fence Section Replacement	6,425.00	3.9%
8050	Cactus Abatement / Land Mgmt.	10,000.00	6.1%
	Total Capital Expenses	50,925.00	30.8%
	Total Expenses	165,217.00	100.0%
	Net Income (Loss)	0.00	