

**TWIN LAKES VILLAGE PROPERTY ASSOCIATION
BOARD OF DIRECTORS GENERAL MEETING**

Tuesday August 17, 2001 August 21 (per Sept 18 minutes)
Clubhouse Loft, 7:00 p.m.

Board Members Present: Larry Carlson, George Potts, Mike Jackson, Marcie Lowdon, Brody Conklin and Charles Davis
Board Members Absent: none
Employees Present: Jim Omerso, Judy Brooks, Tom Colon and Terry Holt
Members Present: Approximately 32

President, Larry Carlson, called the meeting to order at 7:03 p.m.

- 1) The agenda was approved after the addition under **Item 2 a. Nominate a new board member and under New Business: b. Security at the boat docks.**

- 2) **Approval of July 16 Executive Session and July 17th, 2001 Annual Meeting Minutes:**
 - A. Brody announced there was an error in the minutes under Old Business with Brody being in charge of finding out about the sign at the Trading Post when he actually was not. Mike moved to approve the minutes with the change. Charlie seconded and the motion carried.
 - B. Larry announced there was two names submitted for the open position on the board, which are Ken Judd & Frank Blum. Marcie moved to appoint Frank Blum with Mike seconding and the motion carried.

- 3) **General Managers Report:**

Larry informed the membership of some problems Jim Omerso has been working on. Jim went on to say he had been working with Tom & Judy to restructure the accounting. The point of sale system has not been finished. When it's finalized, we will know everything instantaneous. This has been a good month to report and we hope to be going into the black. There were 16,000 rounds played by August 16, which mean there is a lot of outside play coming in. There will be 20% of the green fees allotted to the Pro Shop. Brody asked if the point of sale systems was in use in the restaurant. When it is perfected in the Pro Shop they will implement it in the restaurant. **Jim added if anyone has a problem with his or her statements to please mark the corrections and drop it by the office.**

We have \$20,000 in payables with \$45,000 in the bank. The tournaments bring in a lot of money to this course and this year we have done very well. There will be a percentage of the green fees allotted to the Pro Shop, which will be corrected right away. Larry went on to encourage everyone to sign up for tournaments. The location for the cart income on financial report is under administration-annual cart fee and is a liability, which means the money is set aside for an intentional use.

- 4) **Superintendent's Report:** Larry complemented Terry on the great shape of the course, then Terry went on to report that for the next month he and his crew would be continuing to fight this hot weather, working very hard to keep the course as green as possible. The aerifying is set for September 13th & 14th which is a Wednesday and Thursday so mark your calendars. He went on to say they have been working on the maintenance area and it is looking much better. The grass will be planted as soon as they can quit hand watering. They will also be putting more irrigation in and will be blowing out of the irrigation lines on October 15th & 16th. A lot of the trees are dying quickly and hopefully when we take a tree out we will be able to start adding new ones. Larry then suggested a sign-up sheet be put in the office and Village people adopt a hole for the care of divots and ball marks on the greens and Tee boxes. Terry thanked all of those who have already been doing this. Mike asked Terry to explain a divot and ball mark and he said a divot is anything that is a ¼ inch thick, you must put back, but a shallow divot is just small so it can be filled with seed and sand mixed. There was some concern about the geese. Terry said he had access to a small black Lab and he will help this problem. There were dead trees mentioned, on Circle road and Terry apologized and agreed to put them on his agenda when he was not quite so busy. The membership wanted to know if there was going to be more yard markers and the suggestion was to put them on the sides.

- 5) **Golf Pro's Report:** Tom reported the Point of Sale System meeting planned with Dave Matthews is going to be very helpful and then on to compliment Terry on the great shape of the golf course. He told everyone about the tournaments coming up. Darin, his first assistant was married this previous weekend and would be back Thursday the 19th. He had been sending for some small orders but nothing significant. They are taking special orders for anyone who is interested. Jack Schlangen has been helping out marshaling but they sure could use more volunteers. Rules are needed to make sure everyone is on the same page.
- 6) **Restaurant Manager's Report:** Anita was detained in Spokane so Larry gave a report for her. He told everyone that the Grill hours were going to be cut after Labor Day and went on to explain he was sitting down with Anita and figuring out a schedule for the staff as well as the Grill. He assured everyone the new hours would be in the Newsletter for September. There is also a plan to have some special theme dinners this winter. Larry asked everyone to be patient due to Anita having employee problems. The financial goal is to break even this year in the restaurant.
- 7) **Committee Reports:**
- A. **Finance Committee:** Hal Ryoppy spoke for the Finance Committee and reported they had 2 goals, which are to pay off 2 loans at U.S. Bank. In the year 2000 there was a loss of \$114,000. They did a projection, estimating if we break even. He also explained that the depreciation expense is a non-cash expense.
- B. **Long Range Planning Committee:** They have three projects planned but they aren't put together yet.
- C. **Activities Committee:** Ann announced that Wednesday, August 22 was the luncheon at the Clark House, 60 are signed up for the picnic at Arbor Crest, Sunday the 26th. There will be a Jazz Dinner at the Grill on Sunday September 30th at 5:00 p.m. The cost is \$25.00 each and you can sign up and prepay at the office.
- D. **Greens Committee:** Gale Salo, the Green Committee Spokesman introduced a new cart path from the 8th to the 9th tee boxes. The reason: the tree roots are rough and bumpy and ruining the cart path where it now exists. The cost is \$7125. For the new path and \$1500, to remove the old path in the spring. The seal coating of the cart paths needs to be done this year and the cost is 8/9 cents a foot for the paths and 12 cents a foot around the clubhouse. About \$4500.00 which was passed last year. Charles moved to approve the new cart path and there wasn't a second, so the motion was dead. The yardage marking will be done after the seal coating.
- 7) **Old Business:**
- a) **Highway Signs:** Jim Omerso put together a letter and followed up with a phone call to the Department of Transportation. They said they would get signs restored if it was needed. The sign along the highway has been down for about 3 months and has been leaned up against a tree.
- b) **1-Unit 1-Vote:** The votes are based upon square footage but the dues aren't. Eight years ago it was changed to 1-unit 1-vote and two years later the Supreme Court ruling changed it back to the square foot vote again. There is a need to do two things 1-get a new attorney, 2-Find out how many parcels and units for 1-unit, 1-vote which Vicky Linzer is now working on. Marcie moved to do research for a new attorney for the POA, in Idaho and report back to the board with Frank seconding the motion and the motion was approved.
- c) **Golf Cart Fees:** The cart fees can only be used for cart paths. They would like to change the cart fee to \$50.00 eventually. The Greens Committee was asked to keep that in mind.
- d) **Marketing Plan:** (3-year) Jim was asked to start with a one year plan for now, then Larry asked the Long Range Planning Committee to work on ideas and expand as we go. They are open for any ideas, but please make them in writing. Beth asked what the deadline and December, 2001 for January 2002 was the response.
- e) **Emergency Phone Number Plan:** It is complete and will be in the Newsletter.
- f) **Cost Sheet for Members (and non-members):** This project is complete and is available.
- g) **TLV Entry Remodel:** The developer has had some health problems so there has been a delay in the development. L & R Planning is working on this.

h) **Entry Pavement Replacement:** There is a replacement plan for Spring 2002. Mr. Regan volunteered to repave the entry for a trade of some memberships, but until then we will repair as needed. Marcie suggested the board ask Ed Whitmore why he is not paying dues or assessments on his property that is for sale. Larry asked Marcie to do the research on this along with Jim Omerso.

9) **New Business:**

- a) **Clear Cutting Across the Lake:** Jim spoke with Gene Bronson and the Department of lands representative, Jim Ricard. Hart Biatas is developing this property and thought there would be 1 to 3 homes because it was going to be very costly. Jim agreed to check into this more extensively and update everyone at the next board meeting.
- b) **Security at the Docks:** Mike Jackson reported that people with boat slips are very upset and think we need more and better security. Security has run out several outside boats and ski-doo's and there have been security cameras set up. The members rent the boat slips not the docks. A suggestion was a welcome sign for boaters to come up and enjoy the restaurant. That should be part of our channel 3 free advertising-Boat in for Dinner)
- c) **Remove Tree and reside with Vinyl siding:** The committee only approves color. The houses on Circle Rd, that are no longer occupied need to be cleaned up. Judy and Larry will put a letter out when the Architectural Committee makes a tour.

A Note From Jim Omerso:

I am acting as interim General Manager as we determine our needs and the specific talents required. My background includes having my own CPA practice as well as managing and owning other operating businesses.

We are in the process of amending our accounting system to make it more accurate, more timely and easier to process. As we get the POS system fully implemented and new procedures in place we expect the errors to cease with your personal accounts. The correction of past errors will take a little time to fully audit and rectify. We ask for your temporary patience as we work on your individual accounts. **Anybody having any discrepancy on their statement regardless of the size is requested to mark up the errors or omissions and turn them into Judy and I for corrections.**

Regarding the activity on the hillside across the lake, the developer is Hart Biatas from Montana. He met with me on Tuesday the 21st to discuss their current and future plans. Currently he is putting in a road and doing selected logging. The eventual plan is to develop 4 sites of 20 to 25 acres each. The cost of blasting and cutting in the road is such that the sites and the eventual homes should be rather pricey. If this comes to pass it could guarantee that our view of the hillside would pretty much remain the same.

Jim Omerso

TWIN LAKES VILLAGE

Profit & Loss

July 2001

	Jul '01
Ordinary Income/Expense	
Income	
4000 · ADMINISTRATION INCO...	13,469.71
4100 · GOLF COURSE INCOME	94,594.42
4200 · PRO SHOP INCOME	29,136.31
4300 · GRILL INCOME	52,430.35
Total Income	189,630.79
Cost of Goods Sold	
5200 · PRO SHOP COST OF G...	7,525.69
5300 · GRILL COST OF GOODS	21,993.97
Total COGS	29,519.66
Gross Profit	160,111.13
Expense	
6010 · PAYROLL SALARY	17,312.82
6020 · PAYROLL WAGES	33,739.11
6030 · PAYROLL TAXES	6,010.70
6040 · EMPLOYEE BENEFITS	2,785.75
7000 · ADVERTISING & PROMO...	3,447.65
7020 · BAD DEBT	56.22
7030 · BANK CHARGES	1,484.31
7040 · CONTRACTS	555.00
7060 · DUES AND SUBSCRIPTI...	133.48
7070 · INSURANCE	1,265.00
7120 · LEASED EQUIPMENT	4,022.49
7160 · LINEN-CLOTH	543.75
7200 · REPAIR AND MAINTENA...	12,755.30
7510 · MISCELLANEOUS EXPE...	97.99
7530 · OVER/SHORT	(58.23)
7540 · POSTAGE/FREIGHT	150.00
7550 · PRINTING	140.73
7570 · PROFESSIONAL FEES	2,173.00
7700 · SUPPLIES	3,696.84
7800 · TAXES-SALES/USE	93.34
7830 · TELEPHONE	1,062.21
7870 · UNIFORMS	77.64
7880 · UTILITIES	8,109.11
Total Expense	99,654.21
Net Ordinary Income	60,456.92
Other Income/Expense	
Other Expense	
8020 · DEPRECIATION	11,000.00
8040 · INTEREST EXPENSE	7,127.26
8050 · PENALTIES	58.17
8060 · PROPERTY MGMT EXPENSE	2.72
Total Other Expense	18,188.15
Net Other Income	(18,188.15)
Net Income	42,268.77

TWIN LAKES VILLAGE
Balance Sheet

As of July 31, 2001

	Jul 31, '01
ASSETS	
Current Assets	
Checking/Savings	
1000 · CASH IN BANK	35,182.93
1040 · CASH ON HAND	3,355.35
Total Checking/Savings	38,538.28
Accounts Receivable	
1200 · MEMBER RECEIVABLES	40,597.65
Total Accounts Receivable	40,597.65
Other Current Assets	
1210 · INVENTORY- PRO SHOP	24,669.96
1220 · INVENTORY- GRILL	13,204.40
1240 · BAD DEBT ALLOWANCE	(9,344.14)
1400 · PREPAID INSURANCE	9,749.00
Total Other Current Assets	38,279.22
Total Current Assets	117,415.15
Fixed Assets	
1500 · ADMINISTRATION FIXED ASSETS	3,058,999.09
1600 · GOLF COURSE FIXED ASSETS	467,534.27
1700 · PRO SHOP FIXED ASSETS	13,393.19
1800 · GRILL FIXED ASSETS	178,976.24
1900 · ACCUM DEPRECIATION	(1,284,878.00)
Total Fixed Assets	2,434,024.79
Other Assets	
1950 · LOAN FEES	3,809.00
1960 · ACCUM AMORTIZATION	(375.00)
Total Other Assets	3,434.00
TOTAL ASSETS	2,554,873.94
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · ACCOUNTS PAYABLE	57,229.89
Total Accounts Payable	57,229.89
Other Current Liabilities	
2100 · BUILDING FUND	3,429.65
2200 · PAYROLL TAXES PAYABLE	3,310.72
2250 · MEMBER ANNUAL CART FEE	11,520.00
2291 · DEFERRED REVENUE/PREPAI...	90,450.75
2300 · SALES TAX PAYABLE	3,793.28
2301 · GIFT CERTIFICATED UNREDEE...	6,060.64
2530 · US BANK - CREDIT LINE	25,615.97
Total Other Current Liabilities	144,181.01
Total Current Liabilities	201,410.90
Long Term Liabilities	
2510 · NOTE PAYABLE - US BANK	956,134.40
2520 · US BANK EQUIP LOAN	65,376.96
Total Long Term Liabilities	1,021,511.36
Total Liabilities	1,222,922.26
Equity	
3900 · RETAINED EARNINGS	1,374,860.07
Net Income	(42,908.39)
Total Equity	1,331,951.68
TOTAL LIABILITIES & EQUITY	2,554,873.94

TWIN LAKES VILLAGE
Profit & Loss

January through July 2001

	Jan - Jul '01
Ordinary Income/Expense	
Income	
4000 · ADMINISTRATION INCO...	87,965.48
4100 · GOLF COURSE INCOME	392,933.08
4200 · PRO SHOP INCOME	104,511.13
4300 · GRILL INCOME	151,047.72
Total Income	736,457.41
Cost of Goods Sold	
5200 · PRO SHOP COST OF G...	55,511.24
5300 · GRILL COST OF GOODS	67,975.34
Total COGS	123,486.58
Gross Profit	612,970.83
Expense	
6010 · PAYROLL SALARY	110,705.58
6020 · PAYROLL WAGES	132,049.75
6030 · PAYROLL TAXES	28,821.51
6040 · EMPLOYEE BENEFITS	19,948.23
6050 · WORKER'S COMPENSA...	13,996.00
7000 · ADVERTISING & PROMO...	13,745.50
7010 · AUTO/MILEAGE	4.40
7020 · BAD DEBT	366.98
7030 · BANK CHARGES	3,459.07
7040 · CONTRACTS	8,948.00
7050 · DONATION	125.00
7060 · DUES AND SUBSCRIPTI...	2,107.87
7070 · INSURANCE	10,600.15
7120 · LEASED EQUIPMENT	25,250.50
7140 · LICENSE & FEES	40.80
7160 · LINEN-CLOTH	2,101.83
7200 · REPAIR AND MAINTENA...	66,757.07
7510 · MISCELLANEOUS EXPE...	1,225.34
7520 · MUSIC-ENTERTAINMENT	1,839.18
7530 · OVER/SHORT	(680.42)
7540 · POSTAGE/FREIGHT	2,224.99
7550 · PRINTING	893.46
7570 · PROFESSIONAL FEES	13,798.51
7600 · STORAGE	307.50
7700 · SUPPLIES	16,677.74
7800 · TAXES-SALES/USE	1,417.90
7820 · TAXES-PROPERTY	2,938.48
7830 · TELEPHONE	8,396.32
7840 · TRAVEL	44.00
7870 · UNIFORMS	564.55
7880 · UTILITIES	34,850.35
Total Expense	523,526.14
Net Ordinary Income	89,444.69
Other Income/Expense	
Other Expense	
8020 · DEPRECIATION	77,000.00
8030 · FINANCE CHARGES	5.81
8040 · INTEREST EXPENSE	54,284.06
8050 · PENALTIES	1,060.49
8060 · PROPERTY MGMT EXPENSE	2.72
Total Other Expense	132,353.08
Net Other Income	(132,353.08)
Net Income	(42,908.39)

September 2001		Final Settlement													
Unit	Tenant	# days	Gross Incom	Taxes %2	Taxes 5.5%	Net Income	poa comm	Credit Card charges					Owner co	Owner deduc	Total due
								3% Bank	25%POA	75%Owner					
Rkpt 27	Furumasu	2	200.00	4.00	11.00	215.00	50.00	0.00	0.00	0.00	150.00	-35		115.00	
TL 23	Nathan	2	220.00	4.40	12.10	236.50	55.00	7.09	1.77	5.32	165.00	-35		124.68	
TL 21	Hagan	2	200.00	4.00	11.00	215.00	50.00	6.45	1.61	4.84	150.00	-35		110.16	
TL 21	Bennett	3	300.00	6.00	16.50	322.50	75.00	0.00	0.00	0.00	225.00	-35		190.00	
TP 2	Furumasu	2	170.00	3.40	9.35	182.75	42.50	0.00	0.00	0.00	127.50	-70		57.50	
Rkpt 21	Hagan	2	200.00	4.00	11.00	215.00	50.00	6.45	1.61	4.84	150.00	-35		110.16	
Rkpt 21	Furumasu	2	200.00	4.00	11.00	215.00	50.00	0.00	0.00	0.00	150.00	-35		115.00	
LV C06	Holt	3	300.00	6.00	16.50	322.50	75.00	9.63	2.41	7.22	225.00	-70		147.78	
Cedars 2	Furmusau	2	190.00	3.80	10.45	204.25	47.50	0.00	0.00	0.00	142.50	-35		107.50	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0.00	
TOTALS			1980.00	39.60	108.90	2128.50	495.00	0.00	7.41	22.22	1485.00	-385.00	0.00	1077.79	
Unit			Gross Inc	Taxes %2	Taxes %.05	Net Income	poa comm	0.00	25%POA	75%Owner	Owner co	Owner deductions			
5210	Sasich		750			750	75	0.00			675	0		675	
Rkpt #14	Baumgardner		600			600	60				540	-78.2		461.8	
Cedars #5	Spears		450			450	45				405	-746.39		-341.39	
Cedars #4	Hebnes		550			550	55				495	0		495	
5182 BT	Carter		750			750	75				675	0		675	
LVC-03	Stubblefield		600			600	60				540	0		540	
TP 4	Smith		66.64			66.64	6.66				59.98	0		59.98	
LV C-02	Hottman		650			650	65				585	0		585	
TOTALS			4416.64			4416.64	441.66				3974.98	0.00	0	3150.39	
Grand Totals			6396.64			6545.14	936.66				5459.98	-385.00		4228.18	

NON TAX 4416.64
 TAXible 1980.00
6396.64

2% TAX 39.60
 55% TAX 108.90

POA Comm 936.66
 cleaning 385.00
 2% TAX 39.60
 55% TAX 108.90
1470.16