

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

Tuesday January 16, 2001  
Clubhouse, 7:00 p.m.

**Board Members Present:** Larry Carlson, Georgetanne Griffith, Brody Conklin, Jane McGovern, George Potts, Scott Gookstetter  
**Board Members Absent:** Ken Degerman  
**Employees Present:** Mike Jason, Judy Brooks, Terry Holt, Anita Bedard & Tom Colon  
**Members Present:** Approximately

President, Larry Carlson, called the meeting to order at 7:00 p.m.

- 1) The agenda was approved after the request to combine 5a-Grill & 5c-Pro-Shop. Larry announced that in the CC&R's allowed discussion from the POA if the Board approved. The approval was unanimous.
- 2) Jane moved, Brody seconded, to approve the November 28<sup>th</sup> Executive and General Meeting Minutes as drafted. The motion was unanimously approved.
- 3) **General Managers Report:**
  - a) Mike first requested that the minutes from the previous meetings be signed, then made the statement there had been false accusations made against him. He then requested the membership be allowed to attend the Executive Session, which was denied. He then invited the membership to read the letter his wife had passed out to everyone at as they entered the meeting. Mike then asked for an audit of the books. Since the financial report had been written the week before he had some corrections to make and went on to give his 2000 year end report. He gave his viewpoints on the cause of the loss and ideas for improvements. In particular the Grill would not have had such a great loss if it had been closed earlier. There was a great deal of discussion on the remedies for this year.  
The golf cart rental was then discussed in depth on the length of the lease, storage and amount paid. Mike was asked if he went back and changed financials after closing the month, could he please make the board aware of it and Mike agreed. There was a question asked about pre-paid insurance and Mike didn't know exactly what it was, but would make an appointment with Lee Master & Daniel's to find out.
  - b) **Activity Committee Report:** Ann Conklin reported that the New Years Party was a great deal of fun and thanked Anita for the good job she did. She also made the announcement that the Super-Bowl Party was at the Maw's and it was going to be a Souper-Bowl (soup tasting) Party.
  - c) **Fee Structure Committee Report:** Brody reported that the committee had 3 long meetings and were unable to come up with a productive fee in order to change the structure. Some of the villager's attitude was to move if you don't golf and that was not the answer. We were not able to come up with a fee schedule, especially when we were losing so much money at that time.
- 4) **Old Business:**
  - a) **Range Pass Fees:** There doesn't seem to be a record of range passes sold in the year 2000. The board asked Tom to do a study of the other golf courses to get an idea of reasonable costs for Range Passes.

4) **New Business:**

a) **Omerso Request:** There was some discussion about the tree being on the golf course and it was decided that it was not. Jane motioned the tree be removed at the owners expense. Scott seconded the motion and the vote of the board was unanimous in favor.

b) **Grill:** Larry said that there has been a lot of impute from the membership and their ideas about the restaurant and the board felt the membership did not support the grill as a whole this past year. Scott added that they have only had one year to study the grill financially and felt they shouldn't react so quickly and change things too dramatically. They thought the restaurant manager needed to have more impute and better communication this next year. There was also discussion about the membership paying a use or loose it fee. Larry said we needed to ask the membership in the NewsLetter, then voted on at the annual meeting.

There were 6 ways suggested to reduce costs:

1. Downsize Style
2. Have the Grill season the same as the Golf Course
3. Grill Hours 6:00 am to 9:00 pm
4. Limited Menu-standard fare
5. Wait Station—maybe a small bar
6. Attractive food and beverage prices

Anita suggested minor changes that would cut the help in half.

**Pro Shop:** George Potts Suggested;

1. Enhance merchandising by having the Pro Shop upstairs.
2. Have an on-site Real Estate Broker Salesman and sell memberships to businesses.
3. Have a Members Only Lounge with accompanied guests without a waitress.

The Pro Shop would be moved upstairs to the middle and south side sections. The Real Estate Office being down stairs would bring us some revenue also.

Scott responded that he liked the idea of the Pro Shop being upstairs but concerned with the expenditures this year. He then reiterated that there has not been enough time to judge the Pro Shop income just like the Restaurant. They discussed putting the stairs inside again like they once were. Tome said if they moved the Pro Shop upstairs, it would be hard to have security, no exposure to the first green and I have to know where people are. He suggested waiting until it could be done the right way. Tom said he had the Pro Shop office sheet rocked and mudded. He shared the cost with Larry Carlson but would like to re-do the rest of the Pro Shop by trading out materials and work for 3-2001 season passes made out in their individual names.

Georgeanne moved to approve and Brody seconded the motion. The vote was approved unanimously.

Then there was discussion about getting a long-range Planning Committee up and working in order to have an agenda for the next month.

Brody motioned to retain Anita as the restaurant manager on a monthly salary for full time and an hourly wage for part time. Jane seconded the motion and the vote was unanimously approved.

9) **Announcements:**

February 2001 Newsletter deadline

Friday, January 26, 2001

Next General Meeting

Tuesday, March 20, 2001

The General Board meeting was adjourned at 9:15 p.m. It was then announced they would reconvene for an executive session at 9:30 p.m.

Minutes approved by:

---

Larry Carlson, President

---

Brody Conklin, Board Secretary

January 15, 2001

In October, while preparing financial statements, I discovered a potential problem with the inventory of the Grill. I called Stacy Summers and told him about my discovery. He insisted his numbers were correct but agreed to "work on it and get back to me". I then estimated the cost of goods sold based upon expected trends and made entries as estimates until conclusive numbers could be obtained. This is common practice in accounting. The entry is as follows:

<i>Entry Based Upon Inventory</i>	<i>Entry Made</i>
FOOD Opening Inventory 6,795.34	6,795.34
Purchases 12,456.69	12,456.69
Closing Inventory 5,914.84	12,172.00
Cost of Goods Sold 13,337.19 79%	7,080.42%
<i>*Inventory in Question \$6,257.00</i>	
LIQUOR Opening Inventory 3,019.80	SAME
Purchases 1,538.75	
Closing Inventory 3,135.96	
Cost of Goods Sold 1,422.59	
BEER Opening Inventory 3,899.14	3,899.14
Purchases 697.86	697.86
Closing Inventory 1,021.48	3,044.00
Cost of Goods Sold 3,575.52 92%	1,553.40%
<i>*Inventory in Question \$2,023.00</i>	
WINE Opening Inventory 1,126.91	1,126.91
Purchases 1,028.60	1,028.60
Closing Inventory 965.33	1,506.00
Cost of Goods Sold 1,190.18 73%	650.40%
<i>*Inventory in Question \$541.00</i>	
CONCESSIONS Opening Inventory 1,238.00	1,238.00
Purchases 2,113.18	2,113.18
Closing Inventory 1,118.23	1,997.00
Cost of Goods Sold 2,232.95 82%	1,354.50%
<i>*Inventory in Question \$879.00</i>	

Later that month I confronted Stacy again and requested that he provide me with "an accurate inventory as soon as possible". His inventory did not resolve the problem. After a lengthy conversation with Stacy he assured me he would "get to the bottom of it". I became concerned and notified Larry Carlson and Ken Degerman that we had a potential Grill inventory loss. At no time was I instructed to inform the rest of the Board members about the problem. Georgeanne Griffith has criticized me for not informing the entire Board. However, Larry Carlson, Ken Degerman, and George Potts all knew about the inventory problem and did not inform the rest of the Board either. If this was incorrect then I take responsibility for it, but so should they.

In early November I met with George Potts and told him that I suspected an inventory problem in the Grill. After the meeting I informed Larry Carlson and Ken Degerman that I was concerned because George Potts did not believe my explanation of the inventory problem and in essence accused me of lying. Both Larry Carlson and Ken Degerman told me that George Potts has only one vote and not to worry. On November 22nd Stacy Summers quit.

Upon hiring Anita Bedard as Stacy's replacement, I asked her to complete an inventory. George Potts then investigated this inventory without Board approval and without my knowledge. This was both improper and unprofessional. I have a statement from Anita Bedard regarding the results of this investigation.

Based on Anita's inventory, I made the corrected adjustments and informed Larry Carlson, Ken Degerman, and George Potts that the November financial statement did not contain estimated numbers. The following entries adjusted the inventory losses:

<i>Actual Entry</i>	<i>Normal Cost of Goods Sold</i>
FOOD Opening Inventory 14,530.30	5,020.97
Purchases 1,921.67	1,921.67
Closing Inventory 3,758.98	3,758.98
Cost of Goods Sold 12,692.99	3,183.66
<i>*Inventory Loss \$9,509.33 9.75% of purchases</i>	
BEER Opening Inventory 2,650.97	1,597.20
Purchases 0	0
Closing Inventory 1,278.09	1,278.09
Cost of Goods Sold 1,160.31	319.11
<i>*Inventory Loss \$841.00 5% of purchases</i>	

WINE	Opening Inventory	2,110.47	965.33
	Purchases	218.10	218.10
	Closing Inventory	880.95	880.95
	Cost of Goods Sold	1,447.62	302.48

*\*Inventory Loss \$1,145.14 11.3% of purchases*

CONSESSIONS	Opening Inventory	2,221.01	925.96
	Purchases	0	0
	Closing Inventory	925.96	925.96
	Cost of Goods Sold	1,295.05	0

*\*Inventory Loss 1,295.05 9.2% of purchases*

On January 13th I was asked to attend a meeting with Larry Carlson, Georgeanne Griffith, and George Potts. This meeting was inappropriate due to the fact that not all of the Board members were informed about the meeting, nor were they all present. During the meeting George Potts asked me a series of questions. I answered all of his questions truthfully and to the best of my knowledge. However, George Potts did not seem to accept anything I had to say.

On January 14th I was informed by Larry Carlson that George Potts had requested an executive session to have me fired. Larry Carlson then gave me the option to resign. I said I would not. He then informed me that George Potts had accused me of stealing and wanted to prosecute me. I told Larry that I felt this was wrong and I wanted the entire membership to be completely involved in the process. As a member, I want the Board to be accountable for their actions.

Three Board members knew about the inventory problem: Larry Carlson, George Potts, and Ken Degerman. Both Ken and Larry knew that I had estimated the cost of goods sold because we did not know the cause of the problem. At no time did I do anything improper. George Potts has also accused me of other financial statement irregularities. All of the questions I have been notified about have been answered. As a result of these accusations I am requesting that all of the financial statements I have prepared be audited.

Mike Jason

