



## 2014 ANNUAL MEETING

This year's meeting will be held at the Frank May Pavilion on Saturday July 12<sup>th</sup>, 2014 starting at 11:00 am. Once again, we look forward to a productive and enjoyable meeting.

### AGENDA

1. Welcome
2. Approval of Previous Meeting Minutes
3. Guest Speaker
4. Board Member Reports
5. Budget Review & Vote to Adopt Capital Reserve Fund Policy
6. Election of New Board Members
7. Lunch
8. Election Results Announced
9. Adjourn

## PRESIDENT'S MESSAGE

I hope you all had a good winter and I know you are eager to enjoy summer activities at Lava Ranch this summer.

The Board has been very active doing Association business this past year. We have addressed a number of the concerns of members from last summer's meeting.

To begin with, the improved LRPOA website will be more user friendly and contain lots of pertinent information and board reports. Also the newsletters will soon be electronically distributed to all members having e-mail addresses. This would result in saving the cost of paper, labor, postage and handling.

Great strides have been made in collecting delinquent dues which has enhanced the treasury.

ATVs have become an increasing safety concern as voiced by many members. The Board passed an ATV policy which you will find printed in this newsletter.

The need for increasing water availability has been an important issue to members. The Board has taken steps to bring a second well into service soon.

We are continuing to improve roads insofar as fiscally possible. In a perfect world, all the roads would meet each member's expectation as well as the Rural Fire Code. But in reality we must prioritize roads for evacuation purposes and stay within the budget.

I want to thank each board member for their diligent service and support. Special thanks to Layne Barber who volunteered to serve an additional year on the Board. And thanks to all the Association members for making "our little piece of heaven" a better place.

Respectfully, Harry Scott

## A NOTE OF THANKS

The Association and the Board of Directors want to recognize and thank Layne Barber for his many years of service to the Association. He has held and done just about every job on the Board, including preparing our annual lunch for the past 3 years. We are grateful for his service and leadership.

We also want to acknowledge the contributions of our security person, Val Larsen. Val has been patrolling our roads since 2005. He is responsible for safety issues and reporting violations to the Board. Each year he keeps the restrooms supplied and cleans and checks the well area, dumpster, pond and pavilion for problems. He interfaces with local emergency services and is an EMT. We appreciate his continuing service to Lava Ranch.

## SPRING CREEK ESTATES

Once again we welcome our sister association on the other side of Smith Canyon Road to use our well, dumpster, and dump station on lower Wolverine Rd for a yearly fee.

Spring Creek Estates owners and those along Smith Canyon Rd that are not part of LRPOA have had an agreement as far back as 1982 to share some of our facilities/amenities for a fee each year. This spring we sent a letter to each owner giving them the option to opt in or out of paying the fee and defining the relationship going forward. The people that want to continue to use the facilities limited to them will have a laminated renewable card issued to carry when they come to use the facilities. We expect the increased revenues will defer any additional costs associated with their use of the well and dumpster.

In addition, we are working with SCE Board of Directors to resolve any issues and maintain the common road access we share with them on Silver Fox Rd and Raccoon Dr.

### WEEDS

Did you know that Idaho has a code on controlling Noxious Weeds (found in Title 22, Chapter 24)? Because Idaho is an agriculture & horticulture state, they are very concerned that noxious weeds are under control. As landowners we are responsible for controlling Noxious Weeds on our own properties. We are also responsible for the cost of the County controlling Noxious Weeds, and we can be made to reimburse them for work done due to failure to comply.

We have hired Bannock County again this year to spray for weeds along the LRPOA roads most vulnerable and have significantly increased the budget to do this. Learn more about Noxious Weeds at [www.bannockcountyweeds.com](http://www.bannockcountyweeds.com).

### MOSQUITOS

In Bannock County, there is one species that is known to carry and transmit the West Nile Virus. The Bannock County Mosquito Abatement District is charged with managing mosquito populations.

They will be on the mountain again this year to help the area be as safe as possible from the threat of mosquitoes and West Nile Virus.

You can request service to your lot by calling Dave Herter, Supervisor, at 208-251-3083 or 208-236-7409 to sign up. Signup sheets will also be placed on the bulletin board at the well. You will need to provide your name, the location of your lot and sign permission to enter your lot. There is a yearly sign up to renew the service.

## TRAILER POLICY

The Association will no longer enforce the part of the trailer permit policy requiring that each lot owner placing a trailer or trailers on their lot each year get a yearly permit from the Association.

The addendum to the Covenants dated Oct 2003 item 5 states "additional temporary trailers may be parked on any given lot for a period of not to exceed 10 calendar days." Compliance of the 2 additional temporary trailers for 10 calendar day intervals will not be strictly enforced unless there are complaints from surrounding neighbors.

**Enforcement of a maximum of four (4) trailers allowed on any lot at any given time will remain in force until such time as the Covenants are amended.**

The Lava Ranch security agent will be required to get the information about who has trailers on their lots for each season. The information may be used primarily for an emergency situation and/or evacuation for fire or other hazards.

## **MOTIONS THAT WERE PASSED IN 2013-2014 THAT AFFECT ALL MEMBERS**

### **CAPITAL RESERVE FUND (CRF) BASE AMOUNT**

The Board of Directors approved a motion to establish a Capital Reserve Fund Policy and to set the base amount for the CFR at \$50,000. It now goes to the membership to be voted on and approved at the annual meeting. Any excess of built up funds over 5% will be transferred back to the regular operating account. The full text of the Capital Reserve Policy is attached to this newsletter for review and approval at the annual meeting.

### **NEW ATV POLICIES**

For both safety and security reasons LRPOA has tried to adopt rules for road use in the past. Every year the Board issues information about the policies and regulations governing road use at Lava Ranch and each year those rules/regulations are largely ignored. The safety and wellbeing of the Association and its members is the duty and privilege of everyone. The Board of Directors has adopted two new motions regarding recreational vehicles using Association roads.

First Motion: Any damage to Lava roads or other Association property caused by ATV's, motorcycles, or other recreational vehicles that require repair will result in fines of not less than \$200 up to and including \$1000 per occurrence.

Second Motion: Unaccompanied minors are subject to the following rules: Any unlicensed minor(s) operating ATVs, motorcycles or UTVs on Lava Ranch roads must be accompanied by an adult being present and have direct supervision. Enforcement for violations may be subject to written notice with subsequent offenses leading to fines.

NOTE: The definition of an "Adult" is any person 18 years old or older. Lava Ranch Lot owners are responsible and liable for the actions of their family/friends/guests. It is the duty of each lot owner to provide instruction to all family & visitors to obey the posted speed limits and to drive slowly & under control while traveling on the Lava Ranch roads.

Signs are posted at the major arteries/roads to Lava Ranch with the notice about the Adult Supervision policy.

The use of snowmobiles, motorcycles, motorbikes, 4-wheel drive vehicles, ATVs, etc. are be permitted only in areas designated by the Board of Directors. There are many trails and roads in our area that can be used for the off road enthusiast. A list of family friendly riding trails in the area will be posted on the bulletin board by the well.

As a reminder, Smith Canyon road is a county road and patrolled by the county subject to state laws.

### **ATV STICKERS**

In 2007, Ed Allred sent a letter to the membership with info about a resolution adopted at the 2006 annual membership meeting. The letter stated that a property owner needed a Lava Ranch sticker with his/her lot number on any off road vehicle using Lava Ranch roads. The Association has been trying to enforce the resolution ever since.

A sticker needs to be displayed in a prominent location to identify who is traveling the roads. The stickers do not have to be affixed directly to the vehicle. They may be attached to a suitable sized piece of plastic or other flat surface that can be transferred from one vehicle to another. There has to be at least one identifying sticker for each vehicle and/or group traveling the roads.

The letter went on to say operating a vehicle without a sticker or one that is illegible will be considered in violation of the resolution. The policy further stated that violators will be required to remove the vehicle(s) from Association property. Failure to comply will be considered "Trespassing" and may be prosecuted as such under the law.

There were over 92 owners that requested 495 stickers. Many of you that received the stickers still own lots in Lava Ranch. This year we are making another attempt to observe the resolution. We will again issue two (2) stickers to any member in good standing that you can carry with you in plain sight or attach to off road vehicles. They are included with your yearly dues invoice. Additional stickers will cost \$1.00 each or you can pick them up for free at the annual meeting. If you need stickers, please contact Adrienne Buckley at [a2.lavaranch@gmail.com](mailto:a2.lavaranch@gmail.com) or send a request with the number of stickers you want and the additional fee to the LRPOA PO Box when you send your payment for dues.

## OF GENERAL INTEREST

Special fees will be charged to individual property owners for the full costs of culverts installed by the Association for ingress and egress at their driveway on Association roads, including replacement of those that do not meet required specifications.

The Protective Covenants of the Association grants the power to collect interest on delinquent balances from the date due. In addition, legal action is granted to be taken to secure unpaid payments. Payments for Association Dues are due on July 1st each year. Any unpaid balance not paid by September 1st (within 60 days) is considered delinquent. In addition, any special assessments or fines charged to individual owners are due upon receipt and are delinquent after 60 days. Interest will be charged at 18% per annum (1 ½% per month) on unpaid balances with accruing costs thereon until paid in full. \*NOTE Members in good standing have full Association rights and privileges'.

Each owner is responsible for any liability arising from negligent or intentional action or inaction of his guests, employees/family members, and contractors either on his property or on Association property. The Lava Ranch POA is responsible for any liability necessitated by the negligent or intentional action of the Association Board, its employees or contractors.

Once again we are asking lot owners to clear the brush and trees away from the roads so that we can widen and maintain them to comply with the County and Fire District standards. This will help to remove the necessity for the Association to do it. Lot owners can apply with Three Rivers to use their chipper to take care of the cuttings or contact Rick Cornforth. Do not put chips on the roads or you will be required to have them removed

The Association's General Liability Ins. Policy has an exclusion that states we are not covered for swimming or boating accidents at the pond. The use of the private pond is designated for fishing only. Swimming, Wading, and Boating is prohibited. If you choose to participate in those activities, you are doing so at your own risk.

The community well has been tested and it is completely clear of bacteria. Let's keep it that way! **\*\*To prevent cross contamination of our water source, please do not use the primary well hydrant/hose for cleaning sewer dump totes or hoses.\*\***

Cows are not wildlife. Stray cows seem to find the vulnerability in our fence defense but there is a process for getting rid of them. Idaho statutes 25-2302 say we should contact the sheriff and once notified of the strays he shall attempt to locate and notify the owner where the livestock may be found. The owner then has 5 days to come get his livestock. More information about how to handle cows coming onto your property will be posted on the billboard by the well.

The safety and wellbeing of the Association and its members is the duty and privilege of everyone. Observed infractions of the rules and regulations should be reported as soon as possible. Members of the Board and designated security people are all appropriate individuals to whom infractions can be reported. Under certain circumstances it may be appropriate to notify law enforcement. Increased security and enforcement will be present this year for compliance with Association rules governing the roads and common areas. Violators may be fined.

## IMPORTANT REMINDERS

- County Fire Restrictions. Fire prevention is a critical to us all. It is an Idaho law to have a burn permit for any fires. In most areas, permits are required year-round. BEFORE any burning, including any open fires, check with our local fire protection agency to be notified of any burn bans. Contact the Lava Hot Springs Fire District at 208 776-5820 and watch for information on our bulletin board located near the pavilion.
- Random sewage dumping or non-health dept. approved septic systems are prohibited (fines are imposed for violations). The sanitation dump is open & available for lot owner use. It is located at the entrance to the pavilion area.
- The dumpsters are for household waste only. No construction materials, old furniture, and other misc. junk. There are security cameras installed at the dumpsters and violators have been & will be fined.
- Please instruct your family & visitors to obey the posted speed limits, drive slowly & under control while traveling on the Lava Ranch roads.
- We've asked that 10 p.m. be the time of day to really tone it down. Everyone loves a good time, but please be mindful of your neighbors.
- The fish pond will be stocked again this year. Please be courteous & limit your daily catch to 2 fish per lot per day. You may remind non-lot owners that the pond is private property for the use of Lava Ranch owners & their family/friends.
- Lava Ranch is part of a lot owners association that has established rules & covenants. Make yourself familiar with these regulations. This information is available on the website [lavaranchpoa.com](http://lavaranchpoa.com).

Here are 2 examples:

All site development over \$2000 aggregate must be approved by the board.

Each lot and its abutting street are to be kept free of trash, weeds and other refuse by the lot owner.

## FUTURE PROJECTS FOR 2014-2015

Pavilion and grounds restoration and electrical upgrade  
Water resources and second well development  
An Association emergency evacuation plan

**Once again we are asking for volunteers to help with a cleanup project at the Pavilion on Sunday, July 13th. For additional information about how to sign up for this project and what to bring, please contact Deb Hahn at [deohahn@cablone.net](mailto:deohahn@cablone.net) or call 208 241-6143. We need a few people to get a lot done but we hope to have a good crowd there.**

## ROAD REPORT & WORK FOR 2013-2014

"In March 2014, the Board approved giving a 3 year road contract to Big J Construction without a bidding process. When the bid was originally awarded to Big J in 2010, it was based on a comprehensive proposal he presented to the Board along with the pricing. From that proposal a comprehensive road plan was developed with input from the following: Lava Ranch Platt Maps, Previous Lava Ranch Road Plan, 2011 Bannock County Planning and Zoning, Bannock County Fire Code, Big J Construction, and the Lava Ranch Road Volunteer Committee: George Burnell, Doug Stewart, John Miller, Richard Thurgood. It has been in place for the last 3 years. The work done by Big J on the roads since 2010 has made significant progress towards the capital improvements needed by Bannock County and the Fire District and reduced the general maintenance required each year on primary and secondary roads (all within the confines of the yearly budget).

For the last year the road budget has been divided and tracked into the 2 parts, Capital Improvements and General Maintenance. This past year the funds have averaged 52% on general maintenance and 48% on capital improvements. We know that there is always tension between the two as to what can be done each year. The work done on the roads to comply with the requirements to satisfy the county and fire district often feels there are with no funds available for many roads that have seldom if ever seen a blade or a load of gravel.

The focus remains to bring the roads to the condition they should be, in part by adding culverts both across the road and across driveways where needed to control water erosion, removing the large rocks beneath the surface and properly crowning - not just the usual grade and gravel. The direction has been to finally fix the main arteries leading into and out of the mountain. It includes what is obvious maintenance to control erosion done by problems created by the winter, by rain storms, and by road damage caused by humans. Work on the major roads is critical for the safety of all of us, even at the expense of less heavily traveled roads.

The proposed 2014 Road Plan will be much the same as last year with routine maintenance on all high traffic routes annually. Work to widen roads this year will include Big Buck Pass from Lot 405 to Elk Pass, East end of Elk Pass to High Country Road, Weasel from Elk Pass to Maple Pass, Bobcat Circle, Wolf Run, High Country Road from Lot 135 to Lot 330, Maple Pass from Lot 330 to Lot 131, & Marten from 416 to 217. Continued easement work may include removal of trees from fire evacuation routes & spraying trees along right of way as funding allows. - Harry Scott -

## GOOGLE GROUPS

This year the BOD created 2 Google Groups using all the Email addresses we have in our files. We are using Google Groups only as a mailing distribution list to keep LRPOA members updated with current information during the year about Lava Ranch. It currently is not our intention to use the other functions associated with Google Groups for discussions so you will not have the permissions usually associated with this service.

We currently have about 285 Email addresses and if what we have is current you should have been notified that you can receive our Emails. If you are not receiving Emails from the BOD it is because we do not have a current Email address for you or you have chosen to block them or unsubscribe. To get on the mailing list, please send an Email to [a2.lavaranch@gmail.com](mailto:a2.lavaranch@gmail.com) with your name, lot #, and the Email address you want us to use.

## CANDIDATES FOR LAVA RANCH 2014 BOARD OF DIRECTORS

As the annual meeting approaches, we are again looking for good people to replace those leaving the Board. We hope each lot owner at Lava Ranch will give consideration as to how they may assist in making our community better. One way is to run for a vacancy on the Board and work with a great group of people to help the Association move toward the achievement of their mission.

Board members must have a clear understanding of their distinctive roles. When you begin your tenure with a solid overview of what you need to know and what will be expected of you, you will be able to step into your position and serve with purpose. Your service as a board member will be most rewarding to you and will serve the Association best if you are able to focus on your key duties. 1) Attend all meetings and participate in regular communications. 2) Be prepared and informed. 3) Speak your mind and ask hard questions. 4) Support other board members to pull their weight. 5) Take responsibility for your stewardship of the organization's assets. 6) Remember that integrity is everything. A board member has a fiduciary obligation to the organization. He or she must act with good faith and loyalty — and always exclusively in the best interests of the organization. The board serves as what is sometimes called "a bridge and a buffer" between conflicts of interest with the rules and regulations governing ownership, county and state agencies, and other members. You will be asked to ensure the organization has procedures in place to prevent conflicts of interest and to make decisions that have no conflicts of interest with the person whose transaction is under consideration.

There are regular openings that have a term for 3 years that will be filled at this year's meeting. If you would like to be on the ballot for one of the open positions, please notify Layne Barber, by mail at Lava Ranch POA, PO Box 131, Lava Hot Springs ID 83246 or by email at laynemail@gmail.com.

Please include a brief statement to the following questions:

- What position and/or duties would you like to be considered for?
- What qualities, experience, and qualifications do you have that you feel would enhance the effectiveness of the Board?
- Tell us a little bit about yourself. For instance, how long have you owned property on Lava Ranch?

**If you are unable to attend the annual meeting, we encourage you to complete the form below to authorize a qualified lot owner to represent your vote on Association matters. This insures that you have a voice in Lava Ranch. Please fill out the form with all the information and mail it to the POB by July 5th or submit it to your chosen representative prior to the annual meeting.**

### Lava Ranch Property Owners Association FISCAL YEAR 2013-2014 Proxy Form

I \_\_\_\_\_ do hereby swear that I am the registered owner of lot number/numbers \_\_\_\_\_ in Lava Ranch sub division, Bannock County, Idaho.

I authorize \_\_\_\_\_ who is the registered owner of lot number \_\_\_\_\_ in Lava Ranch sub division, Bannock County, Idaho to act as my proxy on all matters presented for action at the L.R.P.O.A. meeting to be held on July 13, 2013 11:00 am at the Frank May pavilion.

I certify that the information provided is true and correct. That all parties listed are members in good standing and authorized to participate in the above mentioned meeting.

Signature \_\_\_\_\_

Date \_\_\_\_\_ Number of Lot/Lots \_\_\_\_\_

Note: All proxy forms must be signed and submitted prior to the beginning of the meeting. Unsigned or late proxy forms will not be accepted.

## LAVA RANCH WEBSITE

During the past year there were discussions about whether to keep the current Lava Ranch website but make the necessary upgrades or start from scratch and change over to a new site altogether. The goal was to make the website more user-friendly and be able to provide current and relevant information. The old website was outdated and difficult to maintain so LRPOA will now be found at **lavaranch.com**, effective July 1, 2014.

If you had access to the old site, the old user name and password will not work on the new one. You will be sent a new user name and temporary password for access to the Members Only section.

## UPDATES FROM THE TREASURER

There are 470 lots that comprise Lava Ranch and 410 lot owners. There have been some new members added this year and we want to welcome them to the mountain. We have 297 owners/members from Utah, 82 owners/members with Idaho addresses, and 31 owners/members from other States. These numbers fluctuate a bit each year as lots are sold and new members join us. As neighbors and members in Lava Ranch Property Owners Association, we share the expenses to maintain the roads, pavilion, and all the other assets and amenities associated with Lava Ranch Sub-Division. In order to be a member in good standing there can be no assessments or fees outstanding after the grace periods for payment.

Collecting money on past due accounts is time consuming and expensive to remind people they owe the Association money. The Board of Directors has always taken the stand that collection of dues is essential to the enforcement, control, and maintenance of its responsibilities to all the members of the Association. With that in mind, the powers to attempt to collect on delinquent dues, attach liens, pursue judgments and foreclosures is and always has been a priority.

At publication, the delinquent assessments that remain unpaid total \$9,393 from this and previous years. This year we have processed law suits on 2 owners in small claims court and were awarded default judgments on both. There is still 1 lot owner involved in bankruptcy. Those delinquencies with interest and legal fees total \$4,690. At publication, there are still 18 owners that are no longer members in good standing and have lost their membership rights because of delinquent dues and/or other assessments (including unpaid interest) totaling \$4,703. We realize that there are circumstances where people cannot pay on time or have situations come up where they lose track. We wish to thank all those members that pay on time.

**As a reminder, if you are paying your dues after the grace period of 60 days, add 1.5% to the total due for each month the dues remain unpaid until paid in full.**

Lava Ranch is an Idaho Non-Profit Cooperative Corporation. The mandatory membership within Lava Ranch grants the right of use to each member in good standing. The member receives a long-term proprietary "lease" to the Association owned property as long as the member owns shares/lots in Lava Ranch. The annual dues that are paid is the member's proportionate share of the expenses the corporation incurs in operating the cooperative - such as insurance, taxes, maintenance, management, and debt service. Any excess unused funds at year end should be allocated to future projects to benefit the association.

On the reverse side of this page are the details of income & expenses from fiscal year 2013-2014 and the proposed budget for the fiscal year 2014-2015. Income and expenses are proposed based on historical averages and on the expected income and expenses for all the things necessary or convenient to carry out its affairs. Through the corporate documents, the Board of Director's is required to meet the obligations of the Property Owners' Association and may make adjustments as needed to the proposed budget. Shortfalls in income or overages in expenses are covered by cash reserves.

Detailed information about the financials is available to members/owners upon request. Please contact the Association Treasurer, Adrienne Buckley, at [a2.lavaranch@gmail.com](mailto:a2.lavaranch@gmail.com).

## 2013-2014 BUDGET RECAP & PROPOSED BUDGET FOR FISCAL YEAR 2014-2015

		2013-2014 APPROVED BUDGET	2013-2014 ACTUAL EXPENSE RECAP	APPROVED VS ACTUAL	2014-2015 PROPOSED BUDGET
<b>INCOME</b>					
	POTENTIAL TRANSFER FROM CASH RESERVES	\$ 26,125.00	\$ -		\$ 19,062.00
	LRPOA 5 ACRE ASSESSMENTS	\$ 93,000.00	\$ 87,550.00	\$ (5,450.00)	\$ 87,500.00
	COLLECTIONS & INTEREST ON DELINQUENT ACCTS	\$ 3,000.00	\$ 6,097.03	\$ 3,097.03	\$ 3,750.00
	OTHER INCOME	\$ 1,350.00	\$ 2,698.73	\$ 1,348.73	\$ 2,000.00
	SPRING CREEK				\$ 450.00
	<b>TOTAL 2012-2013 INCOME</b>	<b>\$ 123,475.00</b>	<b>\$ 96,345.76</b>	<b>\$ (1,004.24)</b>	<b>\$ 112,762.00</b>
<b>EXPENSE</b>	<b>DEVELOPMENT &amp; MAINTENANCE</b>				
	ROAD WORK	\$ 71,500.00	\$ 67,883.45	\$ 3,616.55	\$ 63,500.00
	GEN MAINTENANCE BREAKOUT (approx \$\$35300.)				
	CIP BREAKOUT (approx \$32,583.45)				
	FIRE PROTECTION/SAFETY	\$ 250.00	\$ 211.26	\$ 38.74	\$ 250.00
	FENCE REPAIRS	\$ 3,000.00	\$ 85.00	\$ 2,915.00	\$ 3,000.00
	ELECTRICITY	\$ 350.00	\$ 226.67	\$ 123.33	\$ 350.00
	SIGNS	\$ 300.00	\$ 111.83	\$ 188.17	\$ 300.00
	LOCKS/KEYS/GATES	\$ 750.00		\$ 750.00	\$ 100.00
	WEED CONTROL	\$ 1,750.00	\$ 1,603.35	\$ 146.65	\$ 7,000.00
	PAVILION - RESTROOM MAINT/SUPPLIES	\$ 3,750.00	\$ 1,576.80	\$ 2,173.20	\$ 3,500.00
	WATER SOURCE TESTING & WELL MAINTENANCE	\$ 17,500.00	\$ 578.00	\$ 16,922.00	\$ 10,000.00
	<b>MEMBER BENEFITS</b>				
	ANNUAL PICNIC	\$ 1,500.00	\$ 1,442.06	\$ 57.94	\$ 1,500.00
	POND - FISH	\$ 700.00	\$ 723.50	\$ (23.50)	\$ 725.00
	GARBAGE/DUMPSTER SERVICE	\$ 6,500.00	\$ 5,051.05	\$ 1,448.95	\$ 6,500.00
	SECURITY SERVICE	\$ 1,250.00	\$ 1,000.00	\$ 250.00	\$ 1,500.00
	EMERGENCY TELEPHONE	\$ 400.00	\$ 359.46	\$ 40.54	\$ 400.00
	<b>MANAGEMENT COSTS</b>				
	LIABILITY INSURANCE - COMMON AREA	\$ 5,000.00	\$ 5,143.47	\$ (143.47)	\$ 5,325.00
	LIABILITY INSURANCE - BOD	\$ 1,425.00	\$ 1,527.00	\$ (102.00)	\$ 1,527.00
	CPA	\$ 750.00	\$ 290.00	\$ 460.00	\$ 500.00
	POSTAGE/COPIES/OFFICE SUPPLIES	\$ 2,000.00	\$ 1,402.63	\$ 597.37	\$ 1,500.00
	BANK FEES	\$ 150.00	\$ 54.71	\$ 95.29	\$ 100.00
	RETURN CHECKS + FEES	\$ -	\$ -	\$ -	\$ -
	PO BOX 131	\$ 50.00	\$ 44.00	\$ 6.00	\$ 50.00
	PROPERTY TAXES - COMMON AREA	\$ 850.00	\$ 758.68	\$ 91.32	\$ 850.00
	INCOME TAXES - FED/STATE	\$ -	\$ 30.05	\$ (30.05)	\$ 35.00
	WEB SITE/INTERNET	\$ 1,000.00	\$ 999.89	\$ 0.11	\$ 1,500.00
	LEGAL FEES/COLLECTION FEES	\$ 2,000.00	\$ 1,371.92	\$ 628.08	\$ 2,000.00
	<b>OTHER EXPENSES</b>				
	COMMUNITY RELATIONS	\$ 500.00	\$ 500.00	\$ -	\$ 500.00
	GENERAL FUND - MISC EXPENSES	\$ 250.00	\$ -	\$ 250.00	\$ 250.00
	<b>EXPENSE TOTALS</b>	<b>\$ 123,475.00</b>	<b>\$ 92,974.78</b>	<b>\$ 30,500.22</b>	<b>\$ 112,762.00</b>
	<b>NET REVENUE</b>	<b>0.00</b>	<b>3370.98</b>		<b>\$0.00</b>
	<b>SHORTFALLS IN INCOME ARE COVERED BY FUNDS FROM UNSPENT OPERATING FUNDS</b>				
	<b>ACTUALS FOR SOME OF THE SHADED EXPENSES ARE PROJECTED TO INCREASE THRU YEAR END TOTALS</b>				

CURRENT OPERATING FUNDS – WELLS FARGO OPERATING ACCOUNT	\$34,569.58
CAPTIAL RESERVE FUND (CRF) – WELLS FARGO HIGH YIELD ACCT.	\$63,962.09
ESTIMATED EXPENSES THRU END OF JUNE/FISCAL YEAR	\$13,470.00
UNCOLLECTED DELINQUENT DUES, ASSESSMENTS, ETC	\$ 9,393.48

BALANCES ON THE FINANCIALS ARE REPORTED AS OF JUNE 5, 2014. ACTUALS WILL CHANGE FOR BOTH EXPENSES AND INCOME THRU JUNE 30, 2014. CURRENT REPORTS WILL BE HANDED OUT AT THE ANNUAL MEETING. It is my reasonable belief the financials have been prepared using generally accepted accounting principles and are accurate to the best of mv knowledae. - Adrienne Bucklev. Treasurer -



## CAPITAL RESERVE FUND

A motion adopted by the Board of Directors will now be presented to the membership at the next scheduled annual meeting to be held on July 12, 2014 for a vote by a quorum of the membership to implement the policy as written and approved by the BOD. A separate vote will also be required to establish a base amount for the fund.

The policy written below is to ensure that the Board of Directors and the LRPOA membership use consistent definitions and calculations to set realistic account balances for the Capital Reserve Fund (hereby known as the CRF). The policy will help maintain that the authority, operational guidelines for reporting and monitoring, and the use of funds in reserve are clear to all.

Preserving excessive reserves can be problematic, but maintaining insufficient reserves can put an organization at risk also. In the absence of a formally adopted policy, Board members and the general membership can have different assumptions about the use of funds that may or may not be accurate or productive. A written policy for the CRF (also known as the Contingency Fund, or ill phrased Emergency Fund) will also serve to show that LRPOA is looking into the future. These funds are currently being held in Wells Fargo Bank in a "High Yield" Savings Account.

Below is the policy for your review.

### ACCOUNTING FOR RESERVES

The CRF policy will be implemented in concert with the other governance and financial policies of Lava Ranch Property Owners Association and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

The reserve funds will be recorded in the financial records as the designated Capital Reserve Fund. The CRF will be maintained in a segregated bank account or investment fund, in accordance with investment policies. The fund will require two (2) authorized signatures for withdrawals.

The CRF is intended to provide an unrestricted internal source of funds set aside to stabilize the Association's finances by providing a cushion against unexpected events, unanticipated loss in funding, and unbudgeted one-time or nonrecurring expenses (such as sudden repairs), and uninsured losses. It may also be used for anticipated future repairs, ongoing maintenance needs, or for large asset replacements that, if not planned for, could result in large special assessments.

### GUIDELINES

While there are general guidelines for setting operating reserve goals, they will always be accompanied by "it depends." Most standards are based on a formula to have enough unrestricted cash to cover operating expenses for a number of months. A commonly used reserve goal is three to six months' expenses. If the standard formula is used, the 6 month reserve fund for LRPOA CRF should be about \$50K. Since 2003, the average in the Wells Fargo High Yield account has been a little over \$60K. Once an amount for the CFR is established by the Board of Directors and approved by the membership, any excess of built up funds over 5% will be transferred back to the regular operating account.

Since operating reserves are most valuable if they are reliable, an important factor in using reserves is also having a realistic plan to replenish them. It is the intention of Lava Ranch Property Owners Association for CRF funds to be used and replenished within a reasonably short period of time (a minimum time frame may be 12 months). Depending on the amount used, a replacement schedule will be developed to replenish the fund back to agreed levels. The Reserve Funds are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

### AUTHORITY

Authority for use of the CRF is delegated to the President and LRPOA Board of Directors. The use of reserves requires approval of a quorum of the Board and two (2) authorized signatures to withdraw funds. Any withdrawal from the CRF will be reported to the full membership in the next quarterly report to the membership, the annual LRPOA newsletter, and at the next scheduled annual meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the CRF to the target minimum amount.

### REVIEW OF POLICY

This Policy will be reviewed every other year, at minimum, by the Board of Directors or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Board of Director. Changes to the minimum amount to be designated as CRF will be established in an amount sufficient to maintain ongoing operations and programs measured for a set period of time. Changes to either the policy or the minimum amounts will be presented to the general membership at the next scheduled annual meeting for approval.

**THESE MINUTES WILL BE VOTED ON AND APPROVED  
AT THIS YEAR'S ANNUAL MEETING**

**MINUTES OF THE 2013 ANNUAL MEETING (Last Year)**

**Held @ Frank May Pavilion 11:00 a.m. July 13, 2013**

Layne Barber – Association President opened the meeting and welcomed attendees.

Annual Meeting minutes were approved for the years 2011 & 2012

Layne made several announcements: Website work is in progress

Asked for email addresses to facilitate better communication with the membership

4th of July fire restrictions from Bannock County lifted

Pond has been stocked with fish

Deb Hahn listed numerous projects completed in the past 12 months:

Cleaned pavilion area, pumped restrooms, placed boulders, updated the bulletin board, Various signage posted (well & pond, cleared dam area, sprayed dam for vegetation, worked with Bannock County on patrols, disposed of a goat!

Future projects: Upgrade to pavilion (lights, fire pits & grills, re-do power)

Asked for volunteers for a "Lava Clean-up Day" August 24th Free breakfast after.

Adrienne Buckley went over budget for 2013/2014

Fence Budget was questioned in relation to a motion 5 years ago the stated \$10,000.00 would be spent annually until fence was completed. This year's budget was for \$3000.00. A motion was presented by Curtiss Frost (lot 371) to rescind the old motion and declare the fence completed so that funds in the future could be apportioned according to the discretion of the board. Motion was seconded by Harry Scott. Vote was unanimous. Upon that item being cleared, a motion was made to approve the budget. Motion was seconded and voted unanimously in the affirmative.

Scott Campbell discussed the following:

Power project impact and proposed remedies

Fencing status (see treasurer's note)

Proposal for second water source for upper lots from well on Wolverine. Proposal was enthusiastically supported by the membership in attendance.

Compliance was discussed – particularly about the shed policy.

Harry Scott went over the road plan for the association.

An explanation for the brush clearing last year. Members were advised that it is just a plan, and that situations can cause changes but that we are still moving forward on the plan as put forth

Members were reminded about their participation in the installation of needed culverts.

Elections for the three openings on the board.

Three nominations: Melinda Haycock, Matt Groll, and Dan Heiner

No other nominations submitted

Don Babinchak made a motion to make the three nominated board members by acclamation. Motion was seconded and voted in the affirmative unanimously.

Layne Barber adjourned the meeting.

Lunch was served

**IF YOU WILL BE ATTENDING THIS YEARS ANNUAL MEETING,  
PLEASE BRING PAGE 9 - 10 WITH YOU**

