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● 4th Qtr ● Vol-11 / Issue-2 ● 2007 ● Editor: T.D. Burgess, Mgr.



Apple Valley Resort

the CORE

2007 Annual Membership Meeting

Sorry it's late:

This issue is the 2007 annual meeting report issue. My apology for it being so late. Unfortunately, my formerly robust body had unexpected appointments with Spinal Surgeons on July 13th, and again October 12th, and then again November 9th. During the midst of all this wonderful treatment, I unexpectedly lost my only sibling. The recovery process has been a challenge, but I am now blessed to be fully back to work, & hopefully healed.

Board of Directors:

Russ Brown, President
7700 Road 58
Galion, OH 44833

John Seiling, Vice President
1696 Woodbluff Drive
Powell, OH 43065-9296

David Landrum, Secretary
P.O. Box 615
Goodrich, Texas 77335

Jon Logan, Treasurer
1163 Nazor Rd.
Galion, OH 44833

Marva Moore, Parliamentarian
P.O. Box 466
Lumberton, NC 28359

Management
Universal Services Corporation
P.O. Box 3868
Crossville, TN 38557

The 2007 Annual Membership meeting was held at the Apple Valley Golf Course Pro Shop Conference Room on May 6th, 2007. The welcome announcements were given by Director Marva Moore. Director Jon Logan gave the Invocation. Property Manager Denzel Skaggs led the Pledge of Allegiance and at 2:00 PM, President Russ Brown called the meeting to order with a request for the Quorum Call. Vice President John Seiling reported 146 proxies had been received and 21 units were represented by 40 in attendance for a total of 167 units represented, therefore a Quorum was declared.

The Minutes of the 2006 annual meeting were read by President Russ Brown, as Secretary David Landrum had a last minute conflict preventing his attendance. The minutes were approved with a motion by member Bernice Butrick, and seconded by member Howard Moody, with all in favor. The Treasurer's report to-date was given by Treasurer Jon Logan. Independent auditor Fred Houston, CPA, had a conflict and could not attend today's meeting, so USC Controller Matt Daugherty gave the 2006 Financial Audit Report from CPA Houston's printed Audit Report. Only one question regarding the financial report was raised, regarding "Note F" of the audit. This note relates to how inventory value is determined on returned delinquent weeks.

The President called for the vote to fill the seat on the board of directors, cur-

rently held by Director John Seiling, at the end of his current term. Director Seiling was determined eligible and ran for re-election to his seat. The ballots were cast and collected for counting. After the call for the Vote, Association Manager Dave Burgess gave the Management Report. He began his report by introducing Matt Daugherty as the Comptroller for USC as well as the planner/facilitator for the growth program being contemplated. The Manager also introduced Sheila Strock and Valerie Lankford of USC.

The Management report began with a comparison of each year's financial activity, as presented graphically. The Manager discussed the Operations Comparisons of prior years and the 2007 Projections, after which a discussion session prompted a few comments from owners. After the discussion session ended, President Brown called for the vote results, with confirmation of the re-election of director John Seiling

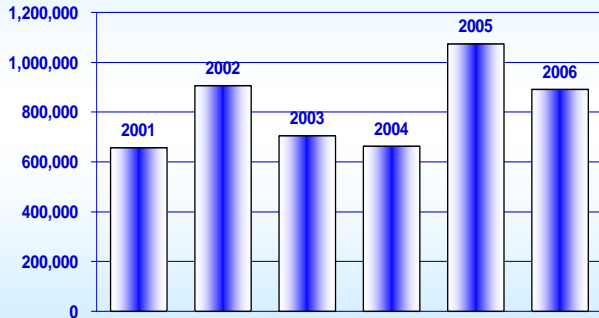
A motion and second was made for adjournment with all in favor, closing the meeting at 3:05 PM.

After the meeting ended, the board held a drawing for many very nice prizes. One drawing was for those in attendance, and another drawing was for those who sent in their Proxy only. The board then met briefly to elect new officers. All officers remained in their same seat for the year. The crowd then gathered at the resort office area & patio for refreshments with staff.

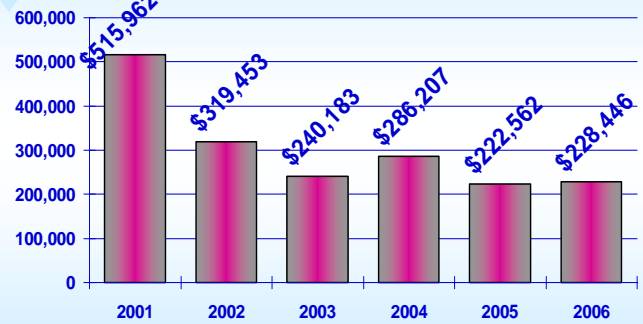


2007 Annual Report Financial Comparisons for 2006

Comparison of Total Assets, 2001-2006

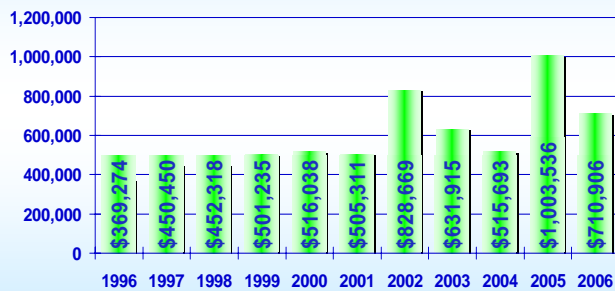


Comparison of Total Liabilities, 2000-2006*

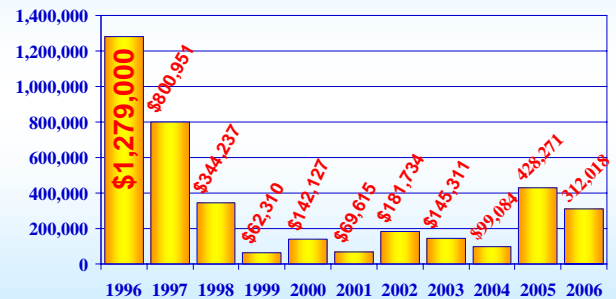


* Total Liabilities minus deferred revenue and prepaid assessments.

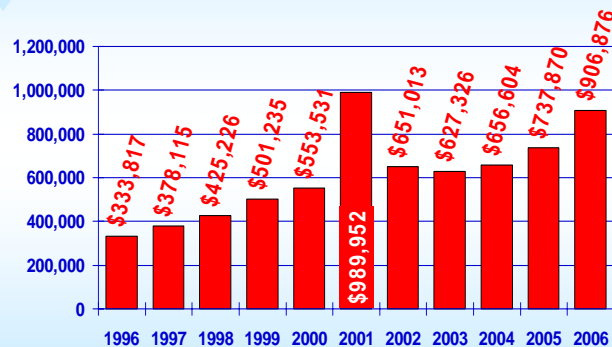
Comparison of Total Revenues, 1996-2006



Accounts Receivable 1996-2006

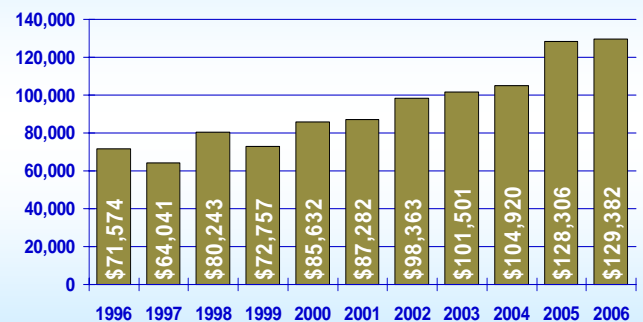


Total Expense 1996-2006



(2001 Expense included the \$438,000 IRS/ODJFS Liability.)

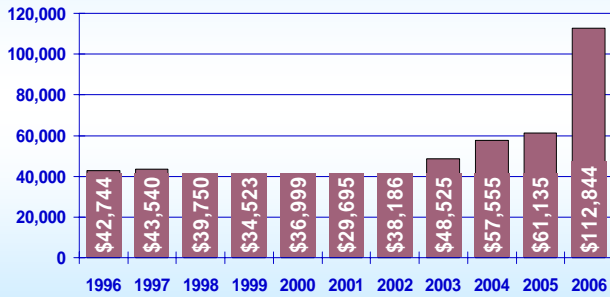
Comparison of Utility Costs, 1995-2006



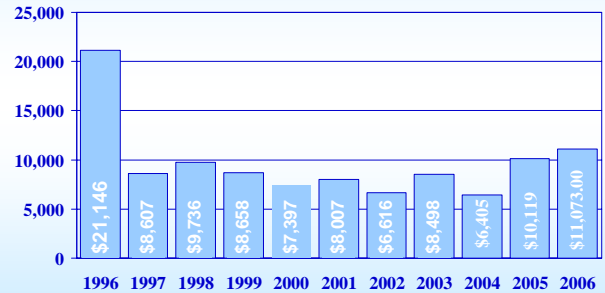
2007 Annual Report Financial Comparisons for 2006



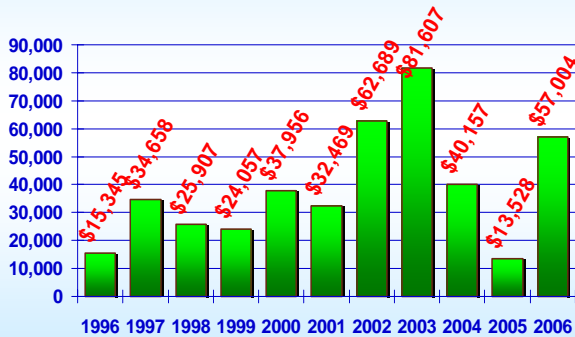
Housekeeping Expense, 1996-2006



Housekeeping Supplies 1996-2006



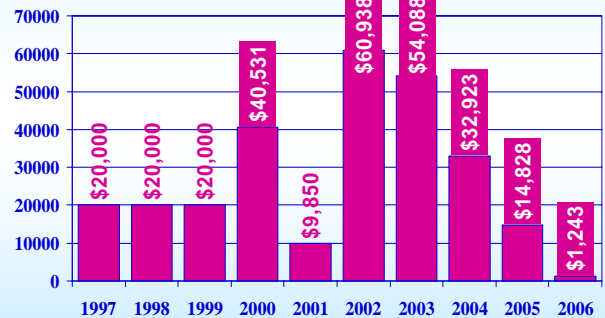
Resort Structures Maintenance & Repairs 1996-2006



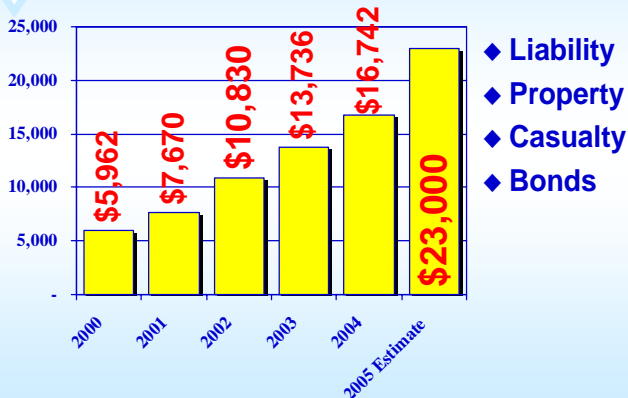
Repairs & renovations to buildings/structures, including reimbursed expenses from Insurance proceeds, not including Grounds Maintenance.



Legal Expense 1997-2006



Insurance Expense



In Review

- ▶ AVR now dual-affiliated with RCI & Interval International.
- ▶ Now pay fees On-Line.
- ▶ First year for 'heavy' maintenance of units since 2004.
- ▶ Storms destroy several roofs.

Apple Valley Resort
428 Clubhouse Drive
Howard, Ohio 43028

Owned by the membership of
'Apple Valley Resort®' Unit
Owners Association, Inc.®

www.applevalleyresort.com

FIRST CLASS
U.S. POSTAGE PAID
CROSSVILLE, TN
PERMIT NO. 45

PROXIES, Fees, Management, & Board of Directors

Mail to: AVR, P.O. Box 3868, Crossville, TN 38557

Phone: 740-397-2544 - (On-site Management. & Units)

Phone: 800-656-2395 - (Reservations)

Phone: 800-955-8531 - (Assoc. Management-Accounts)

Email: usc1@volfirst.net - (Assoc. Management)

Email: usc7@volfirst.net - (Member Accounts)

the
CORE

Two seats for the Board, May 4th meeting

The seats on the board of directors rotate each year and there is an election held during the annual meeting. There will also be an election among the board members afterwards for the officer's who will serve the following year's positions, which allows for a chance to change roles among the officers.

Two seats on the board are up for election this year, while last year only one seat was up for election. There were no résumés or biographies sent in for consideration by the published deadline last year, so the election in 2007 had director John Seiling as unopposed.

If in the future there are members of the association who would like to serve on the board of directors, and wish their name to be considered, please provide general background information by the end of the current year for the membership to consider at the meeting the following year, and a photograph is also appreciated. It doesn't have to be a professionally done photo, just any snapshot will work fine. The photo will be cropped to provide the best possible rendering of the individual, so our members will be able to

place a face with the candidate seeking election. The information and photograph will be published in the newsletter in advance of the annual meeting so a proxy vote can be cast for all those who can not attend the annual meeting.

For the 2008 meeting, Directors Russ Brown and Jon Logan are running for re-election. We also have a new candidate to consider, Mr. Kenneth Phillips. His biography and photo appears in this newsletter in the insert. His interest in the association is appreciated.

When you see any of your directors at the annual meeting, please tell them you appreciate their willingness to serve the association. It is not an easy job, and the decisions are not always easy decisions to make. They also put themselves at risk in the event they fail in their duty to appropriately 'direct' the policy of the association, and yet it is a 'non-compensated', volunteer position which is often a thankless responsibility. Since 1996, all the board members have come from within the membership, and they have represented the members very well.

**2008
Annual
Membership
Meeting
May 4th,
Next Door
at the
Apple Valley
Golf Course
Pro Shop
@ 2:00 P.M.**



Candidate for Board of Directors



Ken and Lola Phillips have been owners at Apple Valley Resort since 1987, when they purchased their first Gold week and then purchased their second Gold week in 2000. Since 1987, they have consistently spent their vacations at Apple Valley and thoroughly enjoy the atmosphere and hospitality of the resort.

Ken is a retired school administrator of the Switzerland of Ohio Local School District, a large rural district in Eastern Ohio. During his tenure in the district, Ken served in several administrative positions and from April of 1998 through July 2001, he served the district as Superintendent. When Ken assumed the role of superintendent, the district was in financial emergency status and at the end of his ten-

ure the district had returned to financial solvency. This was accomplished through developing a spirit of cooperation and an emphasis on sound financial practices.

Ken believes in the viability of Apple Valley Resort and certainly from an investment standpoint wants to see it be successful. This can only be the case if we follow sound financial principles and make reasonable and thoughtful decisions regarding the future of our resort.

Ken and Lola have two grown children and four grandchildren who often join them in their vacation time at Apple Valley.

Kenneth Phillips
54500 Kinney Road
Beallsville, Ohio 43716

2008 Annual Billing Explained

Unfortunately, a few have been confused regarding the wording used on the billing statement for the November 27, 2007 billing of the new 2008 maintenance fee. Recall the August 1, 2007 early billing letter explaining in it's final paragraph; **"When the budget is complete and approved for next year (2008), any change in the fee will be reflected on your account and you will be notified as far in advance as possible of the new amount. If there is a change, it will have no effect upon the account activity of (unit) deposit approval, reservations, etc."** At that point in time (August 1, 2007), no one had a clue what the 2008 fee was going to be. The way expenses were unfolding for the year, we felt an increase was likely, but there was no way to be sure

what the end of the year would reveal to us as far as working numbers.

That August letter explained the reasons for billing earlier in the year. A number was needed to represent the 2008 fees, but the budget was not yet created (with only seven months of the year behind us). So, the 2007 fee was used for the early billing, with an explanation that when the correct figure was arrived at for 2008, it would be billed to your account. The November billing had the benefit of the 2008 budget information, and the amount billed was the difference in what was billed in August, and what would have been billed for the 2008 budget in November. The term "Budget Billing" represented that difference billed.

The fee increase from 2005

to 2006 was 9%. The fee increase from 2006 to 2007 was 8%. The fee increase from 2007 to 2008 is 10%. Fees changing 10% (\$49.80 for 2008) is not all that unusual, but we sure feel it with above normal sensitivity in today's economic climate.

Measures to positively impact this budget are in place (primarily sales of available inventory), but it will be later in the year before the effect is felt in operations. Sales for the last six months of 2007 totaled \$50,000.00.

Special Unit Pricing Gold Season Wks. 21 - 45

\$998.88

Silver Season Wks.

\$555.95

Hurry!
This offer ends
February 29, '08

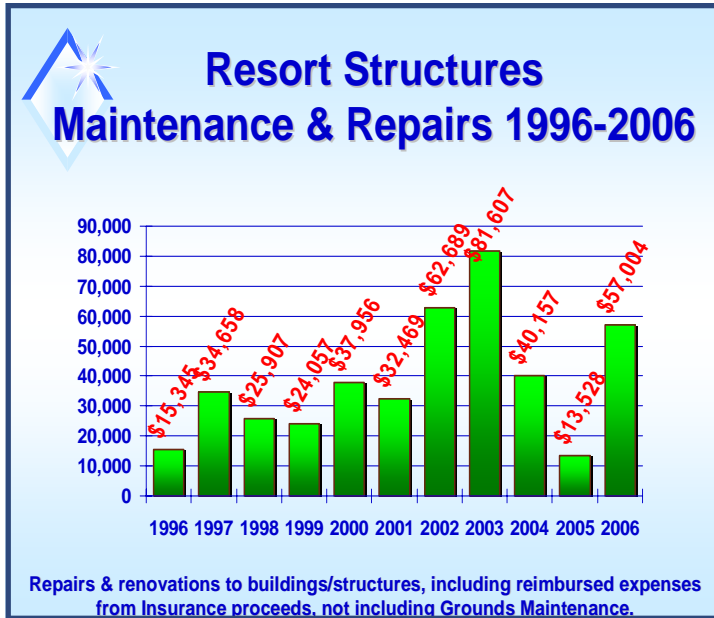
Special Unit Pricing

There may be some additional specials heading your way in 2008, so consider your needs as far as additional units are concerned. As for current inventory, it is limited in Gold season, but Silver is plentiful. **Check pricing at right for current Special! Ends 02/29/2008.** The plan is to complete our foreclosure activity in 2008 and liquidate all non-productive units by every means available to us. Notice the property taxes were less this year, which is due to having more owners to divide into the total tax amount due. The same logic can be used with our Maintenance Fees. When all units are sold, fees go down accordingly.

Fees take care of more than your unit

Some of our fees do the same thing the developer's funds would have to do if the resort was still owned by a 'normal' developer. The graph below gives an idea of what was spent on structural improvements for each of the last eleven years. Although your unit's annual maintenance fee was designed to care for only one week's portion of that unit's annual upkeep, it has also had to meet the challenge of 'common area' upkeep & improvements (which does not include anything but structures). Grounds maintenance, equipment maintenance, and any landscaping improvements are not included in this number.

When the whole picture is considered, the fees have stretched remarkably well. Since we not only started with nothing, but actually started in the hole on 01/01/1997, with EVERYTHING needing repaired or replaced. We've come a long way, and we're close to where we need to be, but we're not quite there yet.



Property taxes cost less this year **(\$37.61)**

Our property tax total was down about \$100 from last year, but the number of members divided into that total increased by more than 100 new members. The association now has 1,018 members considered as current active accounts in the association. Last year it was just under 900 active accounts. Your tax amount for this year is **\$37.61**.

There have been several prior years which had 50-100 new members over the prior year, but the total number for the association may not have changed (or even decreased). How can that happen? Each year there are several who may have been owners for many years, but find themselves in a different circumstance now. They may have lost their spouse, or on a much lower fixed income than before. They may be disabled and unable to travel. Any number of changes in our life can occur unexpectedly. When this happens, they contact us to see what can be done about giving up their unit. When it is determined to be a true hardship circumstance, management works with them to get their fees current, then a deed-back

process is initiated. Even though they have a legally binding ownership responsibility for the unit, we are an association of individuals with a common interest, and it is not our intent to be a hardship for anyone. Life happens!

Then there are others who get behind on their maintenance fees and instead of communicating with management and attempting to work out a solution, they may stop communicating altogether. This makes it very difficult on everyone, including the delinquent owner. Usually in these cases an attorney is involved in the process and a Foreclosure proceeding eventually gets the unit back into association inventory.

Due to all the possible circumstances which can effect ownership, the inventory is always fluid. It will change every year, and we will probably always be in a sales posture on some units. Just one of the many factors driving the operation's budget each year. A Budget is nothing more than a "best guess" of what the revenue and expense will be for a future period, and then we try to keep costs within our expectations.

AVR 2008 Calendar		
Week	Friday Check-in/out	
1	4-Jan	11-Jan
2	11-Jan	18-Jan
3	18-Jan	25-Jan
4	25-Jan	1-Feb
5	1-Feb	8-Feb
6	8-Feb	15-Feb
7	15-Feb	22-Feb
8	22-Feb	29-Feb
9	29-Feb	7-Mar
10	7-Mar	14-Mar
11	14-Mar	21-Mar
12	21-Mar	28-Mar
13	28-Mar	4-Apr
14	4-Apr	11-Apr
15	11-Apr	18-Apr
16	18-Apr	25-Apr
17	25-Apr	2-May
18	2-May	9-May
19	9-May	16-May
20	16-May	23-May
21	23-May	30-May
22	30-May	6-Jun
23	6-Jun	13-Jun
24	13-Jun	20-Jun
25	20-Jun	27-Jun
26	27-Jun	4-Jul
27	4-Jul	11-Jul
28	11-Jul	18-Jul
29	18-Jul	25-Jul
30	25-Jul	1-Aug
31	1-Aug	8-Aug
32	8-Aug	15-Aug
33	15-Aug	22-Aug
34	22-Aug	29-Aug
35	29-Aug	5-Sep
36	5-Sep	12-Sep
37	12-Sep	19-Sep
38	19-Sep	26-Sep
39	26-Sep	3-Oct
40	3-Oct	10-Oct
41	10-Oct	17-Oct
42	17-Oct	24-Oct
43	24-Oct	31-Oct
44	31-Oct	7-Nov
45	7-Nov	14-Nov
46	14-Nov	21-Nov
47	21-Nov	28-Nov
48	28-Nov	5-Dec
49	5-Dec	12-Dec
50	12-Dec	19-Dec
51	19-Dec	26-Dec
52	26-Dec	2-Jan