



**Audited
2020
Annual Report**

Fairfield Bay Community Club, Inc.
P.O. Box 1370
Fairfield Bay, Arkansas 72088
(501) 884-6010

**A MESSAGE FROM THE BOARD
RESORT & COMMUNITY HIGHLIGHTS 2020**

Dear Members:

A year ago, the Board of Directors approved the 5 year plan to address not only infrastructure needs but also the long term growth and the financial health of the Resort. In this calendar year we are adding 144 new slips at the Marina that will generate a potential \$540,000 a year in revenue. Depending on the weather, we have plans to repair and upgrade 15 miles of roads this calendar year, and continue at that rate until all roads are upgraded. We have budgeted 1.2 million dollars for sewer repairs and upgrades this year and some of the upgrades will begin as soon as the bidding process is over. Last year when we passed a dues and fees increase, it was designed and planned to pay for the line of credit secured to pay for the 5 year plan. Our goal is to take care of long term needs that have been deferred for way too long.

The second part of our approach is to control expenses and increase revenue throughout the Resort to generate as much profit as possible to help pay for the needs in the 5 year plan. Our plans are working and revenue is at an all-time high. There are fewer houses available for sale now than in many years. Fairfield Bay is booming and making the biggest comeback in 30 years. We also passed incentives to get new homes built on vacant lots, which is more important than anything else that we can do. We waived replat fees when someone is building a new house, we waived sewer hookup fees, other than those from the property line to the new home. This alone saves an average of \$6,000 per new home. We are doing our best to create demand for vacant lots so those that own and have no plans to build will have a better chance to sell their lots going forward.

When we passed the 5 year plan in 2020, we also passed a 2% increase in dues and fees in each of the next 5 years to fund the necessary upgrades of infrastructure and the Marina.

The dues and fees on vacant lots and adjacent lots are frozen until 2025. Also the road maintenance fee has been waived on all vacant and adjacent lots.

Below is a list of upcoming dues and fee increases this year effective August 1, 2021. Any fee that is not listed will increase 2% per last year's approval.

- Vacant lots will remain \$48.
- Adjacent Lots will remain \$28.
- Wyndham Condos will remain \$96.
- Regular dues will increase from \$50 to \$51.
- Residential garbage will increase from \$18 to \$18.36. Non-member rates are 1.75% residential member rates.
- Road Maintenance will increase from \$13 to \$13.26.
- Sewer fees, if applicable, will increase from \$54 to \$55.08. Non-member rates are 1.75% residential member rates.

If you don't have sewer your monthly total for dues and fees will go from \$81.00 per month to \$82.62, an increase of \$1.62 per month.

If you have sewer your dues and fees will increase from \$135 a month to \$137.70, an increase of \$2.70 per month.

Statement fees for those that receive printed statements will increase from \$2.00 to \$2.50.

We urge anyone that gets a printed statement to convert to ACH or email statements to avoid this \$2.50 charge and reduce paper usage.

The Fairfield Bay Resort is now being run like a business to benefit the members. The more profits we can generate from our entities, the less need there will be for future dues and fees increases, which is our number one goal.

We urge all members to join the Facebook Page Fairfield Bay Members Forum, to get daily updates on all Resort operations. You can also ask questions and get answers from not only the Board of Directors, but also other members. Things are going better in Fairfield Bay now than in many years and we will continue to make decisions that benefit the member's long term.

The Resort has operated without a general manager for the past year, saving the members the salary of a general manager that exceeds \$120,000 plus per year including salary and benefits. The Board of Directors, through an acting general manager, the current president, and also Board Member Liaisons, manage and oversee each department of the Resort. We work many hours per week, all at no compensation, to do our best to continue making daily decisions that benefit the members. We are committed to not only improving the infrastructure and amenities, but also creating member value. Once the 5 year plan is complete and the line of credit is paid off, we want to keep our dues and fees as low as possible for as long as we can.

On behalf of the entire Board of Directors.

Sincerely,

David Byard, President Fairfield Bay Resort

Shelley Dent • Vice President	Tom Welch • Secretary
Ernie Campbell • Treasurer	Bill Fisher • Director
Jim Lites • Director	Diana Venable • Director

FAIRFIELD BAY COMMUNITY CLUB, INC.
AUDITED CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash	\$ 519,528	\$ 226,268
Accounts receivable, net	317,647	336,074
Inventory	164,748	197,680
Prepaid expenses	139,706	133,661
Total Current Assets	1,141,629	893,683
Other Assets		
Real estate acquired through foreclosure, net	580,504	592,625
Property, plant and equipment, net	7,828,670	6,720,014
Goodwill, net	92,196	110,124
Other assets	990	990
Total Other Assets	8,502,360	7,423,753
TOTAL ASSETS	\$ 9,643,989	\$ 8,317,436
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 118,948	\$ 145,112
Accrued expenses and other liabilities	395,503	295,117
Note payable	-	1,141,453
Line of credit	142,887	-
Current portion of capital lease obligations	-	34,794
Current maturities of long-term debt	235,410	203,445
Deferred revenue	344,192	302,696
Total Current Liabilities	1,236,940	2,122,617
Long-term Liabilities		
Deferred income taxes	356,848	380,933
Long-term debt, less current maturities	2,687,234	677,080
Total Long-term Liabilities	3,044,082	1,058,013
Total Liabilities	4,281,022	3,180,630
Members' Equity	5,362,967	5,136,806
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 9,643,989	\$ 8,317,436

FAIRFIELD BAY COMMUNITY CLUB, INC.
AUDITED CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES
For the Years Ended
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Member assessments	\$ 2,593,546	\$ 2,377,656
Sales and service	2,760,933	2,284,191
Utility user fees	1,894,662	1,897,259
Tapping fees	2,400	4,850
Finance charges	1,502	1,894
Other income	720,073	509,126
Gain (loss) on disposal of assets	37,254	(42,439)
Total Revenues	<u>8,010,370</u>	<u>7,032,537</u>
EXPENSES		
Direct cost of sales	1,098,811	918,869
Salaries and wages	2,766,330	2,402,772
Employee benefits	343,476	322,669
Outside contracts	126,866	103,147
Insurance	385,390	382,179
Interest	111,443	111,071
Utilities	335,443	382,487
Repairs and maintenance	770,058	601,061
Rent	46,096	49,721
Depreciation and amortization	637,729	719,527
Professional fees	185,708	161,674
Other general and administrative expense	1,000,944	1,031,598
Total Expenses	<u>7,808,294</u>	<u>7,186,775</u>
Revenues Less Expenses before Income Taxes	202,076	(154,238)
INCOME TAX (EXPENSE) BENEFIT	<u>24,085</u>	<u>(15,085)</u>
REVENUES LESS EXPENSES	<u>\$ 226,161</u>	<u>\$ (169,323)</u>

FAIRFIELD BAY COMMUNITY CLUB, INC.
SCHEDULES OF OPERATIONS BY
FUNCTIONAL ACTIVITY

For the Years Ended
December 31, 2020 and 2019

	2020	2019
MEMBER ASSESSMENTS	\$ 2,593,546	\$ 2,377,656
MARINA AND CAMPGROUNDS		
Revenue	1,810,112	1,358,522
Expenses	(1,255,257)	(1,188,296)
	554,855	170,226
LITTLE RED		
Revenue	275,940	231,749
Expenses	(521,959)	(482,050)
	(246,019)	(250,301)
GOLF COURSE AND UTV RENTALS		
Revenue	311,022	268,907
Expenses	(727,333)	(702,626)
	(416,311)	(433,719)
RECREATION AND COOL POOL		
Revenue	358,277	242,997
Expenses	(852,238)	(642,706)
	(493,961)	(399,709)
PUBLIC WORKS		
Revenue	859,325	875,289
Expenses	(1,507,689)	(1,116,568)
	(648,364)	(241,279)
WASTEWATER SYSTEM		
Revenue	1,151,672	1,068,672
Expenses	(1,176,932)	(1,110,202)
	(25,260)	(41,530)
NEWSPAPER		
Revenue	103,946	129,106
Expenses	(173,167)	(182,448)
	(69,221)	(35,900)
OTHER INCOME AND EXPENSES, NET		
Administration	(797,525)	(974,575)
Public Subsidies	(57,641)	(92,062)
Owner Services	(66,918)	(60,457)
Marketing	(123,485)	(168,974)
Condominiums	(1,620)	(3,614)
REVENUES LESS EXPENSES		
BEFORE INCOME TAX	202,076	(154,238)
INCOME TAX (EXPENSE) BENEFIT	24,085	(15,085)
REVENUES LESS EXPENSES	\$ 226,161	\$ (169,323)

Please Help Us Serve You!

We want to stay in touch with you and keep you informed of everything at Fairfield Bay.

Please send an email to Owner.Services@ffbresort.com and let us know your current e-mail address and phone number. We will NOT share this information and you can choose what, if any, communications you want to receive through e-mail.

If you're not already a member and you have a Facebook account, go to <https://www.facebook.com/groups/156429535303269/> and join our member Facebook group, *Fairfield Bay Members' Forum*.

The *Fairfield Bay Members' Forum* is the one place for members to communicate with other members, to find the latest information from the Board of Directors, and to keep up with everything happening at Fairfield Bay. Please join us today.

Thank you for helping us.

In order to avoid the \$2.50 statement fee, you may set up your account on automatic draft and/or have your statement emailed to you instead of receiving a hard copy. Please call our Owner Services Department at 501-884-6010 if you would like to save this \$2.50 (as of Aug, 2021) on each statement.

**NOTICE OF ANNUAL MEETING
OF MEMBERSHIP
TO BE HELD ON JULY 15, 2021**

Notice is hereby given that the annual membership meeting of the Fairfield Bay Community Club, Inc. will be held on Thursday, July 15, 2021 at the Conference Center at Fairfield Bay, Arkansas beginning at 5:00 p.m. for the following purposes:

1. To elect two (2) Directors to serve a term of three (3) years.
2. To transact such other business as may properly come before the meeting.

The Board of Directors fixed the close of business April 1, 2021, as the record date for the determination of members in good standing entitled to notice of, and to vote at, the annual meeting or any adjournment thereof.

Please promptly return your ballot in the enclosed envelope, which requires no postage if mailed in the United States. Members who expect to attend the meeting in person are nevertheless asked to return their ballot. The ballot must be postmarked no later than June 24, 2021, and received by July 1, 2021 to assure they are represented at the meeting.

Fairfield Bay, Arkansas
May 27, 2021

Tom Welch
Secretary, Board of Directors
Fairfield Bay Community Club, Inc.