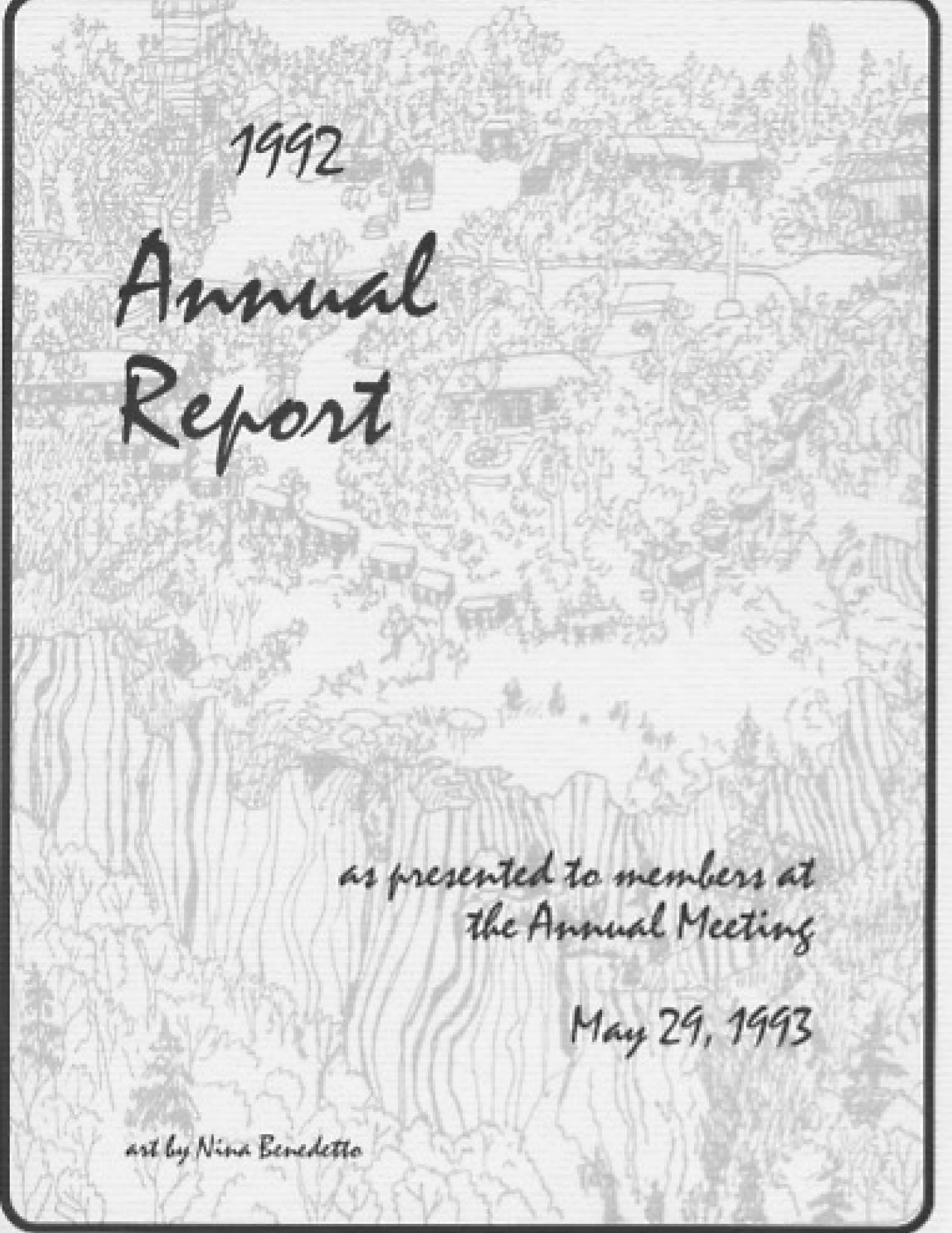




1992

Annual Report

*as presented to members at
the Annual Meeting*

May 29, 1993

art by Nina Benedetto

1992 Life & Patron Members

Patron Memberships

Mary Ellen Anderson
Nina Benedetto & Daniel King
Paula Hensinkold
Don & Jan Osgood
Phil & Linda Serner
Joe Tomczyk
Annette Walker & Kent Sidel

Life Memberships

Neal Andrew
Ellenor Artman
Dan Bailey
Jonathan & Toni Black
W.S. & Viola Brian
Arny Brooks
Laura C. Burnham
Bob & Mildred Carpenter
Marge Carrison
Les & Libby Case
Brian Clipp
Lauren Clipp
E.J. & Suzanne Derring
Erik Green
Nils Green
Ruth Green
Melvin & Edith Harland
Dr. Dorothy Haencker
David & Charlyn Jackson
Keith Kanny
Charles & Susan Kimball
Georgia Knickerbocker
Janine Laland & Tom Larson
James & Pamela Loney
Bill Loomis
Kurt & Cindy McCurney
Ray & Carol McCann
Krystyra Miller
Sandi Palmore
Amanda Plummer
Dick & Sandy Parley
Bob & Suzanne Schlotter
Curry Shukles
Richard B. Sharpe
Claire Smith
Michael Stoppa
Jerry Sullivan
Heather Tinkale &
Thomas Pritchford
Alex Untine
Dave Vosper
Janine & Melissa Walker
Nathaniel & Marcella Weyl
Bruce Whitney
Randy & Barbara Whit
Joe & Virginia Wilson

Staff Recognition

To design and offer the many programs that we do, maintain the facility, prepare and serve the food, register, check-in and account for over 5100 guests, *the mountain* community is well served by its trained, professional staff, faculty and countless volunteers.

Whether behind the scenes or out in front and well known to you, they all have given of their time, talents, and energies to make *the mountain* the enriching, cared-for place that it is. To those staff listed below and the faculty and volunteers who were a part of *the mountain* in 1992, a hearty bravo. THANK YOU!

Full Time Staff:

Paul Allen	Ken Kottmeier
Barbara & Richard Arends	Floyd & R.C. Livens
Nina Benedetto	Laura Miller
Mark Benson	Kay McConnell
Buddy Brown	Shannon McNally
Renee Cline	Peter Rasoul
Peg Collins	Beauregard Preston
Shelley & Ian Denham	Jack Slater
Martha Fowler	Sonny Tankosky
Doug Hatch	Joe Tomczyk
Jim Ingram	Jane & Tom Warr
Dan King	Dick White
Jenny King	Suzanne Whitehead

Summer, Seasonal, and Part Time Staff:

Peggy Holly Aarbo	Laura Grooms	Mike Mann
Denise Andrew	Terry Hubbard	Chad Nielson
Rachel Aarbo	Toni Hilson	Pat Pohl
Clint Bits	Ben King	Alexis Rutherford
Stephanie Black	Eileen King	Harry Rasmussen
Bobby Butler	Karen Kleber	Hilary Sherrill
Nickie Chapman	Susan Korb	Jeanie Shilly
Michelle Clements	Jimmy Lauer	Helen Tankosky
Dan Cook	Sylvia Larson	Jennifer Selaway
Bill Cox	Adam Lark	Michael Stoppa
Gillian Denham	Rachel Mackinney	Maria Wallace
Megan Denham	Teddy Mactier	Bryce Watkins
Joy Denham	John Mullen	Jonathan Waterson
Laurel Freigly	Mike Moner	Lee Wierphal
Ethan Fesperman	Susan Mide	Nelly Wierphal
Jodi Fry	Bill Moore	Wiggonson
Erin Galtun	Lilly Moore	Dean Zach
Pat Graggy		



From The Executive Director

Tom Warth

Dear Stakeholder: As I sat here today, reflecting upon 1992 and writing my comments for this annual report, I was reminded that it was four years ago, to the date, that our lodge burned. What a traumatic time that must have been for the staff, our Trustees and members. I'm sure many were heard to have asked, "what will become of *the mountain* now?" We now know the answer as here, four years later, our *mountain* has never been stronger. As you read through this annual report you will see that 1992 was a year of growth (19% operating revenue, 26% in development), of leadership maturity (see governance), of membership interest (45 new Life and 7 new Patron), and the beginning of long range planning (see Visions). All speak of a healthy, growing enterprise in which we all have a very large stake.

The photos used in this report also speak of our successes in 1992. The lodge in winter - a breathtaking scene, a **year-round** facility we rebuilt. The group on the deck talks to us about the uniqueness of this place that allows us all to enter into, and become part of a special **community** whether we are here for a weekend, a week or longer.



UUs, children and seniors, groups of men and women, gays and straight, ministers, congregations, boards, and school groups, all joined together at *the mountain* at some time in 1992 and experienced the richness of living in community with one another. And the climbing picture (appropriately placed with our Visions 97 article) reminds us that *the mountain* is a place that encourages us to **challenge ourselves** to reach for personal new heights, in a very safe, supportive environment.

And lastly, and maybe most significantly representative of 1992, are the six smiling fifth grade youth on this page, all students of Fowler Elementary School in Atlanta, GA. These students, along with 54 others and their teachers, were here at *the mountain*, for two, one week sessions of building self esteem through Earth Education. They were here as a result of the efforts of Life Members Walt and Alica Hodges, working with members of their church in Atlanta, UUCA, and *mountain* staffers and supported by a grant from the UUA.

What a wonderful opportunity for *the mountain* to play a part in **making a difference** in the lives of these young boys and girls. Not only did we share with them our UU values, but were able to teach environmental stewardship and help them experience the richness of living in community with one another, with us and with our wonderful earth. And we have repeated the program in 1993.

All our programmatic themes run thru this Fowler program: diversity, leadership, spirituality, earth education and intentional community. Seeing and hearing about the impact these weeks have on these youth and on our staff, validates for us all the richness of our Mission. So we can proudly say, four years after our fire, by almost any measurement, *the mountain* is safe, *the mountain* is strong, *the mountain* is making a difference in people's lives.

And yet there is a "but" in all of this. For if we are to remain healthy, as an institution, into the 21st century, if *the mountain* is to be all that we want it to be, we must have the **courage to make changes**, even when every-

thing is "going so well." Martha Graham once said, "nothing is more revealing than movement." It will be the movement of this place that will reveal who we really are. We must evolve our mission, communicate our visions and plan our future. We must be flexible but focused, excited AND patient.

As you know from our new Program Guide, we introduced "Transformation" programs in 1993. But the economy has already inserted itself into our plans. Individuals and congregations don't have as much discretionary money as they once had; consequently, our enrollments are down. Yet, the programs we offer are the right ones, right for *the mountain* and right for the Mission. We will "stay the course," we just need to promote more and reduce costs where we can.

And we need the quality space that our new REC Hall will provide. This is the right year to undertake this project but it won't be easy, either.

In closing let me comment on the cover of this Report - Nina's drawing of *the mountain* from a distance, a panorama of sorts. We chose this in the spirit of consciousness raising, challenging each one of us, we the true stakeholders of *the mountain*, to step back, look at *the mountain* in its entirety, and envision all that it can be. We must be clear about who we are and who we serve and in that process recommit to our investment by giving of our time, our monies and our faith. We need ALL THREE if *the mountain* is to change and grow.

As Mel Hoover, currently of the UUA Staff wrote, "we can't control the future, but we can shape it and enhance the possibilities for our children and grandchildren.... In the spirit of the pioneer, let us now go forth." Come see us in 1993!

President's Report

Allie Gooding

With this report, I will be completing my fourth year on the Board of Trustees, the last two as President. Elected as a Trustee "at large" it has been truly rewarding for me to work to balance the interests of all of our members and the needs of *the mountain*. Thank you all for supporting me in my efforts.

Your Board of Trustees this past year might be metaphorically compared to Janus, the Roman guardian of portals. Janus had two faces; one looking into the past and one focused on the future. Like Janus, *the mountain* Board has looked at the successes and difficulties of the past to help us answer an important question about our future: How can we position *the mountain* to meet the challenges of tomorrow to assure its long term viability?

To address this question, the Board authorized the formation of an ad hoc advisory committee. In August, 18 specially-recruited UU leaders from throughout the continent, including *mountain* charter members and Board representatives, agreed on five primary program themes (outlined as VISIONS 97 elsewhere in this Annual Report) in furtherance of the vision of our founders. After reviewing these themes, the Board then refined a restatement of the mission of *the mountain* to clarify our message to the world. We believe the brief declaration, offered for your review at the 1993 Annual Meeting, says it all! "The mission of *the mountain* is to be a center for humankind to experience Unitarian-Universalism."

As you review the Treasurer's Report, our financial statement, and our development report, our successes are apparent: attendance at *the mountain* continued to increase in 1992, and consequently revenues have increased. But we still carry a large indebtedness. The goals of our ongoing development program include gradual reduction or elimination of bank loans as well as reducing our total debt so that more resources can be used for innovative

the mountain Board of Trustees

Officers

Allie Gooding, Pres.	(Appointed)
Carole Light, V. Pres.	(Mid South District)
Betty Green, Sect.	(Florida District)
Randy Whitt, Treas.	(Appointed)

Board Members

Wink Lucas	(SUUST)
Rev. Liz McMaster	(At Large)
Bill Pulgram	(At Large)
Jane Cravens Sholin	(Appointed)
Phil Sterner	(T. J. District)
Tom Warth	(Ex Officio)
Bob Whitney	(At Large)

programs and capital improvements. Our Development Office has been instructed to call on each of us to invest further in our *mountain* through annual financial support, gift annuity, will bequest, or other options. I know you will continue to support *the mountain* in 1993 in every way you can, especially by participation in our programs, but also with your financial help.

We are pleased to report that our Recreation, Education, Community Hall (the REC Hall) is already in the process of renovation. Thanks to extensive pre-planning by Trustee Bill Pulgram and Facilities Coordinator Ian Denham, this reconstruction is being done in phases to minimize interference with our ongoing programs. In addition, we are not only committed to completely funding this project with gifts (no debt) but we are committed to raising an additional 20% of the costs to be applied to general debt reduction. A truly exciting project for *the mountain* in 1993.

Finally, the Board has taken a long look at major "governance issues" related to its own structure, including refining the selection process to include an analysis of the skills needed to successfully conduct our business. As we continue this process, the Board may recommend that the membership approve certain bylaw changes to enable the Board to better reflect our mission and conduct business more effectively.

On a personal note, I want to specifically commend our volunteers and staff for the outstanding job they do in providing the programming and services that make *the mountain* a wonderful place to experience again and again. We are confident that our members will continue to support the Board in the efforts it takes to move *the mountain* forward in its mission "to be a center for humankind to experience Unitarian-Universalism."

Board Governance

Carole Light

The Board of *the mountain* began a process of reevaluating its basic ways of functioning, becoming a Board of Trustees rather than a Board of Directors trying to run the day-to-day operations. It is important that we engage in this process as we have the abilities to do it now and the necessity if we are to insure *the mountain*'s future. We must reexamine and reaffirm our basic values in order to establish policies that will be with us into the next century.

There are many questions to be considered. In 1979, we were set up as a "Camp and Conference Center" by the SUUSI Board, essentially to serve the summer family and youth camp needs of UUs in three districts: Thomas Jefferson, Florida, and Mid-South. Now we have become a year-round center committed to programs for children and youth, leadership training, community building for UU communities throughout the movement, and programs promoting Earth Stewardship, Spirituality, and Diversity. We must continually revise our concept of our constituency and develop policies and a governing structure that reflects today's realities and tomorrow's dreams while honoring structures that continue to work.

Thus, we are "shifting paradigms" making *now* both an exciting time and a confusing time to be a Board member. For example, because the staff is an experienced and professional staff that requires a different kind of monitoring and support than was required in the start-up years, we as a Board are forced to make clear what kinds of decisions are best left to the staff and what kinds of issues and responsibilities belong to the Board.

Many of our Board meetings in 1993 will sound like exercises in values clarification as we attempt to set real policy to reflect those values we believe will effectively carry us into the twenty-first century, and as we figure out what is the staff's responsibility to execute. Examples include: How do we really move toward increasing diversity? Are we living our values of Earth Stewardship to our fullest potential? Does our governance and Board representation reflect the realities of our present and future constituencies? Does endorsing the goal of becoming a UU spirituality center imply a high priority for building a chapel?

These and many other questions are getting focused consideration, all within the time constraints of overseeing a complex business. Please communicate your interests, your excitements, and your comments to Board members or to Tom Warth so we can effectively address your concerns in our deliberations.

Treasurer's Report

Randy Whitt

Financially speaking, 1992 was a fine year at *the mountain*: our Total Assets, Excess of Revenue & Support over Expenses, and Equity/Fund Balance all increased. This was primarily made possible because operating revenue increased 19% from 1991, and operating income grew from 1.62% of operating revenue in 1991 to 6.45% in 1992.

Also, our general cost of money was improved as a result of the prime interest rate decline,

affecting our refinance of high-interest loans with a comprehensive bank financing package as well as the renewal of our maturing promissory notes at 0.5% above the lower prime rate.

All activities generated a positive cash flow for the year; however, long-term debt increased to cover capital improvements, and the increase in deferred revenue/restricted gifts consists mostly of contributions received for the REC Hall renovation project which did not begin until March 1993.

As this report is prepared, our first quarter results for 1993 show operating revenue and development receipts below projections. We believe this is attributable to unusually bad weather and our stagnant economy, among other factors, which will require careful management of expenses and more aggressive marketing of our programs for the remainder of the year.



Finance & Development

mountain Staff

"the mountain exists through its supporters." A sign in the dining hall with this message was erected in 1992 to help make sure that all our guests know that we have no institutional funding and that guest fees cover only 75% of our total annual costs. We must continue to emphasize to all of our guests the necessity and importance of continuing membership support.

We began this year with the volunteer leadership of Walter Hodges and Manley Allen in our *Bold New Foundations* annual development campaign. Thanks to their initiative, caring, and commitment, supported by the staff, we significantly enhanced pledges and receipts. According to our records, we can count 45 new *Life Memberships* and 7 new *Patron Memberships*, very close to the targets set early in the year. And speaking of new memberships, the Board recognized the importance of recruiting and retaining young adults (ages 18-35) as *Life Members of the mountain*, and in 1992 created a new category of membership. The \$2,000 Young Adult Life Membership can be paid over 9 years, with minimal payments in the first 4 years and accelerated payments over the last 5 years. Please call *the mountain* for more details. Total development receipts (mostly member pledge payments) compared to 1991 grew by 26% (excluding the 1991 grand piano gifts for the lodge.)

Further exploration of alternative gift methods has resulted in another exciting new category of receipts for *the mountain*: in exchange for a Charitable Gift Annuity ("CGA"), a long-time *Patron Member* couple was enabled to donate a substantial residence nearby which was immediately suitable for needed year-round staff housing. While long-term value appreciation is also expected, the short-term result includes keeping good cabin space on our *mountain* available for paying guests.

Other CGA proposals made during 1992 have already resulted in nearly \$45,000 in 1993 commitments, including one Promissory Note ("Bond") conversion. Altogether in 1992, of \$133,000 maturing "*mountain Bonds*", 23% were converted to gifts, while 39% were renewed at the lower prevailing interest rates. We were pleased to be fully capable to pay in full all the remaining 38% of our "bondholders" at maturity as their needs required. We continue to actively solicit new or renewing investors at highly competitive interest rates 0.5% above the commercial prime rate.

With more direct staff responsibility for development in 1993, we look forward to your continued contributions to growth and financial stability for *the mountain*.

"Visions 97"

mountain Staff

In the late 1970's, visionaries from the southeast dreamed into reality the entity and institution that we all know today as *the mountain*. In August of 1992, another extraordinary group of visionaries dared to dream in what we call our "Visions '97" Committee Weekend. Participants included UUs from all over the Continental U.S. - professional and lay leaders, UUA staff, *mountain* members, trustees, and staff. They were all asked to envision what *the mountain* could be to them, to UUism, and indeed, to the world.

With our Visions '97 Committee, we began a process through which we will be creating and recreating the definition of what *the mountain* is now and might become in the years ahead.

Also out of this process evolved a new statement of mission: "*the mountain is a center for humankind to experience Unitarian Universalism*". We believe this is a first step toward a more global vision which will allow us to make a difference in the lives of many people.

During our Visions meeting, it became clear that there are five themes in support of which we should develop meaningful programs: Diversity, Earth Education, Intentional Community, Leadership Training, and Spirituality. From these five themes our 1993 "Transformation" offerings were created. The Visions process also reinforced that we must continue to focus our attention on programs for youth of all ages, congregations, older adults, and individual members; our commitment to these remains strong.

We believe that the visions '97 is so important that we're going to devote a special June edition of *The Mountain Matters* to the events and philosophies of this process of long-range planning which we believe has only just begun. Please watch for your copy and join us on our continuing journey.



FINANCIAL SUMMARY

HIGHLANDS CAMP & CONFERENCE CENTER, INC.

A Not-For-Profit Corporation

Balance Sheet December 31, 1992 & 1991

	1992	1991
Current Assets	\$ 151,818	\$ 78,208
Land, Buildings & Equipment - Net	<u>1,361,665</u>	<u>1,288,495</u>
Total Assets	<u>1,513,483</u>	<u>1,366,703</u>
Current Liabilities	160,804	287,292
Long-Term Debt - Net	853,494	695,114
Gift Annuities Payable	84,980	4,980
Deferred Revenue	42,607	11,438
Fund Balance	<u>371,598</u>	<u>367,878</u>
Total Liabilities & Fund Balance	<u>\$ 1,513,483</u>	<u>\$ 1,366,703</u>

Changes in Fund Balance Years-ended December 31, 1992 & 1991

	1992	1991
Beginning Fund Balance	\$ 367,878	\$ 379,131
Prior Period Adjustments:		
Notes Payable Adjustment		6,735
Pre-moratorium Interest		(3,699)
FICA on 1990 Accrued Salary		(1,300)
1987 Mountainshare Costs		(11,732)
Excess (Deficiency) of Revenue and Support over Expenses	<u>3,720</u>	<u>(1,257)</u>
Ending Fund Balance	<u>\$ 371,598</u>	<u>\$ 367,878</u>

Revenue, Support & Expenses Years-ended December 31, 1992 & 1991

	1992	1991
Elderhostel	\$ 254,306	\$ 198,363
Retreat/Conf Center	212,244	189,229
Youth Programs	164,441	145,889
Mountain Programs	78,215	63,854
Drop In	45,027	37,187
Store	53,010	43,945
Other	<u>19,733</u>	<u>16,088</u>
Operating Revenue	826,977	694,555
Operating Expense	<u>773,636</u>	<u>683,236</u>
Operating Income	53,341	11,319
Board Expense	12,151	11,991
Depreciation	<u>60,717</u>	<u>47,945</u>
Income (Loss) Before Development/Support	<u>(19,526)</u>	<u>(48,617)</u>
Development Receipts	132,741	126,687
Lodge Gifts		12,841
Less Expense:		
Development	42,607	24,435
Interest	<u>66,888</u>	<u>82,733</u>
Development/Support - Net	<u>23,246</u>	<u>47,360</u>
Excess (Deficiency) of Revenue and Support over Expenses	<u>\$ 3,720</u>	<u>\$ (1,257)</u>

For a complete copy of the financial statements including cash flows and footnotes, write to:

Financial Development
the mountain
PO Box 1299
Highlands, NC 28741

