



1993

ANNUAL REPORT

as presented to the members
at the Annual Meeting
Saturday, March 26, 1994



Staff Recognition

Do you know who cleans your cabin or lodge room before you visit *the mountain*? Who handles the registrations that you send or call in? Who maintains the facilities? Who designs and leads our many and varied programs? Who balances the books? Who keeps track of our computer systems? Who prepares that wonderful food? Who put this Annual Report together?

the mountain is ... because of the work of our staff, faculty, and volunteers. To all those who served *the mountain* in 1993: Your talent, your commitment, and your caring is most appreciated!



Toddy Machler
Nancy Mackowiak
David Manifold
Kay McGonnell
Shannon McNally
Michael Mercer
Susan Mills
Ramona Moore
Lillian Morton
Chad Nielsen
Deborah Novak
Tracie Papamortos
Nicholas Parker
Steven Pond
Braupri Preston
Peter Rasoul
Siobhan Rigg
Joanne Shirley
Claire Smith
Sonny Tankley
Mark Taylor
Joe Tomczyk
Libba Turnbull
Jonathan Turner
Jane Warth
Tom Warth
Benjamin Watterson
Jonathan Watterson
Lois Westphal
Dick White
Susanne Whitehead
Sally Wigginton
Dorthe Winett
Jack Winett
Melinda Womack

Megan Ahlborn
Richard Arends
Rachel Arends
Mary Beth
Arends-Whithoff
Nina Benedetto
Crist Betz
Laura Black
Stephanie Black
Barbara Blythe-Arends
Rachel Brash

Buddy Brown
Carolyn Burleigh
Peter Bury
Michele Clements
René Cline
Don Cook
Shaun Cox
Gillian Denham
Joy Denham
Ian Denham
Megan Denham

Shelley Denham
Melissa Elliott
Ethan Fesperman
Martha Fowler
Michelle Frost
Erick Gaffum
Pat Gnagay
Peter Gross
Glenn Guffey
Doug Hotch
Jim Ingram

Amy Ingram
Ben King
Jenny King
Dan King
Jeff Kishpaugh
Lee Knight
Sean Korb
Ken Kortemeier
Floyd Livers
KC Livers
Rachel MacCleery

NEW LIFE MEMBERS IN '93

Mary Alm
Linda & Rick Bloodau
Helen Brandt
Virginia Carver
Tom & Diane Chulak

René Cline
Ethel Duffett &
Paul Bowie
James Lawrence &
Elizabeth Ellis
Dr Ben Goodwin
Kate Griffin
Lind & Ernie
Hollingsworth
Meg Hudson

Keith Kenry
Jenny King
Joseph LeBlanc
Priscilla & Steve
Phillips
Nick Prosch
Hank Raichle
John Rakestraw &
Mary Katherine
Morn

David Salman &
Nancy Mayer
Ann Staley
Cathie & Anthony
Stringer
Stephen Sullivan
David & Linda
Vanderhaan
Nick & Susan Washil

Beverly Cox &
Charles West



From the Executive Director

Tom Warth

My column in last year's Annual Report ended with a quote from Mel Hoover of the UUA staff that read, "we can't control the future, but we can shape it and enhance the possibilities for our children and grandchildren." I'm pleased to report to you that this is what 1993 was all about at *the mountain* - we did shape our future through changes in governance, by attention to our fiscal responsibilities (see Finance and Development reports), dedication to our programs of Transformation and Consequence, commitment to service quality and staff competence, and continued focus on the vision and the major renovation of our REC Hall.

All of these efforts - governance, finance, programs, staff, buildings - are undertaken to insure *the mountain's* long-term viability. And to underscore our belief in its "foreverness", the Board, as reported in the January edition of *The Mountain Matters*, authorized the establishment of a Mountain Endowment Fund. What a wonderful way to honor all of the energies, dollars, hopes, and dreams of our early visionaries, founders, staffs, Trustees, and members. And what a significant statement today of our shared commitment to ensure that *the mountain* will grow and prosper for generations to come.

The cover of this year's Annual Report was specifically chosen to represent what I believe was our most significant accomplishment in 1993, the beginning of the renovation of our REC Hall. It speaks loudly to our efforts to "enhance the possibilities for our children and grandchildren." For sure, the building will be used for congregational retreats, ELDERHOSTEL classes, men's and women's gatherings, dances, and indoor activities of all types. But most importantly, it will be used by our youth. Whether they are here for summer camps, fall and spring "cons," Earth education weeks, or family weekends, they will enjoy quality, safe, youth-focused space (Did you know we will have a built-in climbing wall inside the building?) - and the building is **on top** and in the very **center** of *the mountain*. There is no stronger way to say we value them!



But what made the Rec Hall project so special this past year, was that we committed to do this project with current funds, no new debt, and we have. People responded with gifts toward the REC Hall renovation exceeding \$100,000, in addition to making general development contributions of \$150,000. Also, our own maintenance staff did a significant amount of the work, we kept the building open and occupied throughout construction, and we had no serious accidents or injuries.

In summary, the Board displayed vision and the ability to make timely decisions, the staff provided their skills in a safe manner, and our members financially supported the undertaking. That says an awful lot about this *mountain*.

A special note of appreciation is due our Trustee Bill Pulgram. He has been the architect for this project, contributing many hours of volunteer time to conceptualize, engineer, draw, and re-draw plans that have allowed us to build this magnificent building that we are all so proud of.

For sure, we have a long ways to go to finish it. We anticipate another \$100,000 of costs and 6 more months of work. We will continue to need your financial support, the staff's energies, and our guests' enthusiasm. But finish it we will, in 1994, and our youth will be served!

This past year also saw *the mountain* grow in the richness of its programs and in the quality of the experiences shared with our guests. We were true to our vision of offering programs on Leadership, Earth Stewardship, Spirituality, Diversity, and Intentional Community. And we

made a difference. Repeated comments from those who were here for youth camp, ELDERHOSTEL, gay and lesbian weekends, women's gatherings, and retreats underscored the significance of their time on *the mountain*. I wish I could share many of the letters that we have received from guests throughout the year, but space doesn't permit, so I'll share but one. It reads: "*the mountain* has been much in my thoughts recently. It truly 'reaches far beyond...' The unbelievable caring, supportive atmosphere you provided gave us a chance to develop a depth of commitment to one another and to our church community that had been missing from our congregational life." This is the very essence of *the mountain's* mission and vision.



Let me conclude my remarks about 1993 by acknowledging the quality of work, the significant energies, and the deep dedication to this Mountain that was displayed by the staff throughout the year. They are professional in all that they do, they take their responsibilities seriously, and they care! Without them we have no *mountain*.

And the Board of Trustees deserves recognition, too. They have shown a willingness to take risks to grow *the mountain*, insight to know the right things to do, and an energy to improve the quality of their governance. We are served well by these dedicated Trustees.

The year 1993, by almost all measurements, was a strong one for *the mountain*, its members, and its guests. However, there is still much to do, opportunities not to be missed. We need you, our members, to come to *the mountain* this next year, to see all that we are doing, to experience all that is here, to support this very special place, this undertaking, this state of mind. It is *your mountain* - hear its call!

Tom

President's Report

Carole Light

1993 was an excellent year at *the mountain*. The visioning that took place in 1992 produced a programmatic direction that came alive in the year's activities. Testimonials from participants continue to affirm that *the mountain* makes a difference in people's lives, and making that difference nourishes both staff and Board and inspires the commitment each person makes to the community.

At General Assembly in Charlotte, NC, this past summer, *the mountain* offered a program that included a presentation about two groups of fifth graders from Fowler School. These fifth graders had visited *the mountain* for a week with their science classes to learn about Earth stewardship. They clearly learned about Earth stewardship - and so much more. The audience at G.A. was filled with young people, many of whom had attended camp at *the mountain*. That moment, for me, highlighted what *the mountain* is about - our commitment to diversity, to building community, to living our values, and to developing leadership for the future.

This year, too, we began the project to reconstruct our Recreation, Education, Community Hall (REC Hall), and it is magnificent. It has been planned as a space that will further our mission to be "*a center for humankind to experience Unitarian Universalism*." The new REC Hall has classrooms, wonderful recreational space, and a connection to the beauty around us. It has been constructed in phases, allowing its continuous use by various groups. When the Board discussed undertaking this project, we decided - because of the fiscal value of reducing rather than expanding our overall debt - to raise twenty percent above the costs of REC Hall construction and apply this to general debt reduction. This has happened. The dedication of the REC Hall is planned for Memorial Day, 1994.

In 1993, we made considerable progress toward the long-term fiscal health of *the mountain*. We received another piece of real estate close to *the mountain* through a charitable gift annuity. We also established an Endowment Fund, the principal of which will continue to grow, untouched. Symbolically, we moved from a focus on meeting our annual budget to an effort to establish mechanisms which can ensure security in the future.

Truly, our greatest resource serving the membership and the community at large is *the mountain's* staff and volunteers. Long hours of dedicated service, all done with good spirit and commitment, pay off. It shows, it is palpable, and people return to get more of it. The staff creates a safe place for people to have fun, to learn, and to have deeply transforming life experiences.

I'd also like to recognize the multi-faceted contributions of our Director, Tom Warth. He is well-grounded, fiscally sound, and a true visionary. He is able to translate vision into practical application, and then communicate it clearly so that we can join together to create what *the mountain* can be. Speaking for the Board of Trustees, I want to say a heartfelt "Thank you" to the entire staff.

Among our goals for 1994 are to continue to develop fiscal strategies that will ensure *the mountain's* health long into the next century, and to explore ways to move beyond just fee for services, to allow more financially challenged people to gain from *the mountain*. We must not rest on our laurels, nor sink into complacency. We will be working on putting into place secure policies for succession in both the Board and key staff positions, while we are in this state of good health at *the mountain*.

the mountain Board of Trustees

Officers

Carole Light, President (Mid-South District)
Liz McMaster, Vice President (At Large)
Bob Whitney, Secretary (At Large)
Randy Whitt, Treasurer (Appointed)
June Cravens Sholin, Rec. Secretary (Appointed)

Board Members

Betty Green (Florida District)
Bill Pulgram (At Large)
Anthony Stringer (Appointed)
Mary Leta Tolleson (SUUSL; resigned 11/93)
Lewis Walker (Thomas Jefferson District)

Treasurer's Report

Randy Whitt

Fiscally, 1993 was a very good year at *the mountain*. Total Assets, Excess of Revenue and Support over Expenses (the "bottom line"), and Fund/Equity balance all increased over the previous year. Please read the Financial Summary on the back cover of this year's Annual Report. Detailed financial notes are available by writing *the mountain*.

Upon reading this summary, you may note that the numbers appear in a different format from previous years; this new format is known as "fund accounting." As *the mountain* continues to grow and mature and we move into different areas of development (Charitable Gift Annuities, an Endowment) and are taking on more special projects such as the REC Hall, a more detailed accounting of our financial activities is warranted. This will allow us to account for fund raising and expense activities by related category, affording our members, financial institutions, Trustees, and staff a more complete understanding of our financial performance.

Now for the numbers themselves. As you will note, operating revenue increased 3% over 1992, with a gain of approximately 19% from all sources other than ELDERHOSTEL. That program was down significantly from 1992, as it was at most sites throughout the country.

Operating expense increased 8% over 1992. This is attributable to a payroll which increased by 14%, the introduction of 10% of store sales going to the scholarship fund, and offsets realized from decreases in other operating expenses. The payroll increase includes our commitment to paying competitive rates to our staff so that we can attract and retain the quality so critical to our ongoing success.

The 69% decrease in board expense was due to the nonrecurring costs incurred in 1992 for the 1991 financial audit and the long range visioning process. I would be quick to note, however, that the visioning costs of 1992 began paying dividends in 1993. That process helped identify program themes that were right for *the mountain* and in large measure helped offset the "shrinking" ELDERHOSTEL market mentioned above.

Development support was 13% above 1992. This is in addition to the \$123,000 donated for the REC Hall. Combined, total gifts for 1993 were 93% greater than the previous year. Development costs were 19% of revenue, certainly in line with other eleemosynary entities.

Interest expense was down 6% from 1992, reflecting an improving "cost of money." That results from a restructuring of our long-term bank note, renewal of some of our member loans at a lower interest rate, and payoff of matured promissory notes (see Finance and Development column).

In summary, 1993 was a strong year financially. We have good programs and facilities to attract guests, meaningful budget controls and processes in place to ensure timely management of our finances, an accounting system that accurately reflects our activities, and a membership that supports this place. However, in the year(s) ahead we must continue to control our costs, grow our revenue, and secure more development dollars from our members and friends. The trustees and staff are committed to working with you, our members, to ensure our future successes.



Finance and Development

Joe Tomczyk

The year of 1993 will be known for building Recreation, Education and Community, three key activities at *the mountain*. They're what's meant by the acronym in the name of our "REC" Hall. It is one of *the mountain's* oldest and most warmly-remembered buildings, especially by Youth Camp alumni. It was also, by 1992, very much in need of renovation for future generations. Since late 1992, 74 visionaries have given gifts toward the REC Hall renovation - gifts ranging from \$5 to 5-digit figures. Including an ongoing challenge pledge and the Thanksgiving auction, the total is \$123,000. Those donors, the facilities staff here, countless volunteer friends of *the mountain*, including most of the staff and an architect, and to a minimal extent a small professional crew, constructed half of the project through year-end, doubling the REC Hall size. The REC Hall renovation is intended to not only be done without long-term debt, but 20% more than its estimated \$200,000 cost is being raised for overall debt reduction. Since the work began in early 1993, the REC Hall continues to be available for most needs of guest groups. Many who recall the original REC Hall are amazed by the transformation that has already taken place and by what it will look like when it is finished. Come see it to believe it, and help make it become a "Done Deal" with your name on the givers plaque for Memorial Day!



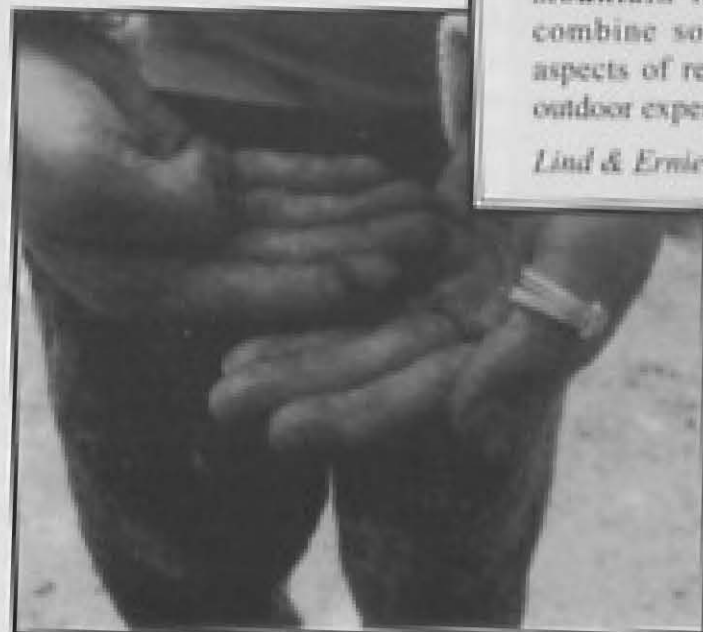
While that proceeds, the usual development needs of *the mountain* continue. The financial summary and Treasurer's Report herein show that net development support met current fiscal obligations. Nevertheless, its prognosis indicates that until our RBG (Rrrreally Big Giver) appears, the need for new and renewed support persists. (Dear RBG: renewing the road/trace here could put your name on the map.) Most contributions *the mountain* receives (in their various forms) come from members. These include 26 new Life Memberships in 1993 (half as many as in 1992) and payments by annual and sustaining donors. While pledge payments received were down from 1992, it's encouraging that so many charter founders and early members responded to the year-end appeal. Of the \$151,204 in promissory notes matured or disposed of in 1993, some including accrued interest, 22% was gifted, 36% renewed, 3% converted to a gift annuity, and 39% were paid. Individual investors in these notes truly "bond with *the mountain*." *the mountain* received for charitable gift annuities (CGA) \$44,897 in cash and appreciated securities, including the amount referenced above, and nearby realty appraised at \$88,000. (Please note: CGA's are an excellent vehicle for planned giving which assures cash flow during a donor's remaining life.) Designated gifts and some "in kind"

consist of very useful items, including one lot of used kitchen and other needed equipment valued at \$10,000. Also, in 1993, members of the Birmingham Unitarian Church in Michigan gave the first \$6,650 toward a \$10,000 purchase of a lodge room in BUC's name. Please remember that *the mountain* can accommodate your donative intent now or in the future. Many mutually-beneficial and tax avoiding arrangements are available, including the recently established Endowment Fund. The reality that "*the mountain* Exists Through Its Supporters" continues, as your Board and staff strive to retain and convert your confidence and convictions into the leading "*Center for humankind to experience Unitarian Universalism.*"



the mountain is a place where we can come individually or as a family to grow spiritually and to get in touch with what we really value in life. Ernie and I are grateful that our children will grow up coming to a place where they learn the importance of community and respect for others, themselves and the Earth in such a positive way. At *the mountain* we all come in contact with so many wonderful role models. We have come to think of *the mountain* as a home with a large extended family - members both known and yet to be known. The beauty of *the mountain* is being able to combine some of the best aspects of religious life with outdoor experiences.

Lind & Ernie Hollingsworth



Visions 97 Update

Tom Warth

Our *mountain* mission to be "*a center for humankind to experience Unitarian Universalism*" was enhanced this past year through our Transformations programs. We offered programs on Leadership, Diversity, Spirituality, Earth Stewardship, and Intentional Community to guests of all types - young and old, gay and straight, African and European Americans, UUs, and those from other faiths. Our vision of facilitating a "state of mind" that encourages us all to "make a difference" became more real as we formed communities, shared our stories, ate, hiked, "crafted," and worshipped together.

As we moved through the year, we experienced tensions around the issues of balance. What is the balance between our intentionality about meaningful programming and opportunities to just plain have fun? From some we heard that there was too much "seriousness" and not enough of the "old days" when you could come to *the mountain* and "just hang out." From others we heard: "Do more diversity programs, Earth education, and leadership, and let those who want to have fun go to the resorts."

Balance - it is the key to our growth, to our successes, to "empowering" our vision. We must work to ensure that *the mountain* is a fun, safe place to come to. And at the same time, we must work to ensure that *the mountain* fulfills its potential as a place of transformation and consequence for our guests, staff, and Trustees.

The other issue we need to pay attention to is one of price. As we continue to improve the facility, develop the staff, and enhance our program offerings, we need to constantly manage our costs so that we can keep our prices "in line." For it is also a very clear part of our vision that we want to keep *the mountain* affordable to as many people as possible.

And so to move us forward in our vision, we identified the following strategies that we will introduce in the weeks and months to come:

1. Greater emphasis on volunteerism. We will be developing a formalized program for the recruitment, training, supervision, and recognition of non-paid staff to help us in all of our operations.
2. Expanded store operations. We will be offering more products for "on-mountain" and "off-mountain" use as well as more "open store" hours. And we will continue to contribute 10% of our store sales to our scholarship program.
3. Greater use of grant monies. We will pursue more sources of grant funds to support programs and facility improvements and additions.
4. More financial planning. We have empowered a "Council for Financial Planning" that will serve as an advisory council to both the Board and staff on issues of investments, development strategies, policies for debt levels and fund balances, and budgeting and pricing processes.
5. Off-mountain programming. We plan to offer more workshops and worship services for people in their local areas, expanding the utilization of the talents and energies of *the mountain* staff.

Our vision is clear, our mission the right one for *the mountain*. Often this past year we heard people talk about their experiences here, what it meant to them and what they want to do "when they go back home." We believe that this is the essence of *the mountain* as a "state of mind," this eagerness to make a difference.

This can best be summarized by the following story:

William Penn was joined by a friend one day as he attended a Quaker service. Together they sat for an hour in silence with the rest of the congregation. Finally the friend asked, "When does the service begin?" William Penn quietly turned to his friend and replied, "The service begins when the meeting ends." So it is for our *mountain* experiences. The "service" truly begins when we leave *the mountain* and return to our communities, stronger and more committed for having been here. Oh what a wonderful place, this *mountain* of ours, and our *mountain* vision!



FINANCIAL SUMMARY

Highlands Camp & Conference Center, Inc.

a not-for-profit corporation

BALANCE SHEET

December 31, 1993

	Operating Fund	Facility & Development Fund	Special Proj (REC) Fund	Gift Annuities Fund	Endowment Fund	1993	1992
Cash	\$53,046	\$	\$	\$	\$	\$53,046	\$95,485
Inventories	25,089					25,089	34,724
Prepaid expense	14,233					14,233	14,789
Interfund receivable (payable)	(28,238)	(32,644)	17,431	43,248	200	0	
Accounts receivable - various	12,571					12,571	5,820
Current assets	77,703	(32,644)	17,431	43,248	200	105,908	151,818
Property, plant & equipment - net		1,253,330	106,255	165,270		1,524,855	1,361,665
Total assets	77,703	1,220,686	123,686	208,518	200	1,630,793	1,513,483
Current portion of long-term debt		65,963	0	0	0	65,963	113,645
Accounts payable & accrued expenses	53,831					53,831	47,159
Current liabilities	53,831	65,963	0	0	0	119,794	160,804
Long-term debt - net of current part above		840,153				840,153	853,454
Total liabilities	53,831	906,116	0	0	0	999,947	1,014,258
Gift annuities				191,718		191,718	84,560
Deferred revenues/designated support	16,570	265	200			17,135	42,607
Fund balance	7,303	314,185	123,486	16,800	200	461,974	371,558
Total liabilities & fund balance	77,703	1,220,686	123,686	208,518	200	1,630,793	1,513,483

STATEMENT OF REVENUE, SUPPORT & EXPENSE

Years Ended December 31, 1993 & 1992

Operating revenue	851,273			2,750		854,023	826,577
Operating costs & expense	835,489					835,489	773,526
Operating income	15,804	0	0	2,750	0	18,554	53,051
Board expense	8,364					8,364	12,151
Depreciation		64,567		2,750		67,317	93,717
Income (loss) before development/support	7,409	(64,567)	0	(5)	0	(57,156)	(19,827)
Development support		114,367	16,723	19,062	200	150,352	132,741
REC Hall renovation gifts earned			106,255			106,255	
Less: Development expense		46,518				46,518	42,607
Financial & interest expense	1,587	59,216	(500)	2,262		62,165	68,666
Development income	(1,587)	8,634	123,486	16,800	200	147,533	21,558
Excess (deficiency) of revenue and support over expense	\$5,822	(\$55,933)	\$123,486	\$16,800	\$200	\$90,375	\$9,720

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



cover illustration by Nina Tenebrato