

Minutes: Finance Committee May 2023

Call to order Thursday May 18 @ 5:05 PM by Chair Paula Hepinstall via ZOOM

Members Present: Paula Hepinstall, Board Contact Terry Nibarger, Kevin Euston, Flint Hibler, Donna Archibald, Tony Conforti, Steve Danner, Michelle Sullivan, Lake Manager Jeff Ferguson, and Troy Lesan.

Agenda Discussion:

April 2023 Financial Documents No questions on P&L line items. Paula explained that line-item 1625 – Land Improvements on the Balance Sheet is comprised of Expenditures over \$5,000 and will be depreciated rather than expensed.

Morgan Stanley Investment Account Terry Nibarger reported net income up \$6,274 for month.

Five Year Plan 2018-2022 Reviewed and agreed on looking at similar plan going forward to continue to build deferred maintenance accrual that resulted in \$50,000 - \$60,000 per year.

Bad debt write-off Collection procedures continue to be reviewed. Consensus was that delinquent accounts will be sent to collection agency after 12 months and that any collections aged over 10 years be written off to be consistent with state statutes on collections.

ERC Update Paula did extensive investigation on VVA eligibility for additional Employee Retention credits from final COVID stimulus fund distributions. Lake Viking did not meet the revenue shortfall requirement.

Sale of VVA owned lots: Lake Manager reports sale of 4 lots @ \$18,660 already exceeds budget income projection.

VVA Sale of Lot 717: Contingent on membership approval, this waterfront lot will be offered by accepting sealed bids from membership starting at \$275,000. Anticipated expenses on prepping the lot will be \$5,500 with additional anticipated tax liability for capital gains after sale. Stated reason for sale of this lot is to finance amenities to membership. Per request from board, these are recommended in following order of priority:

1. Playground equipment with rubberized mat @ Beach #1
2. Rebuild & repair beach shelter houses.
3. Pickleball Courts
4. Exercise equipment in basement of clubhouse.
5. Snack bar in basement of clubhouse
6. Dog Park
7. Jetty with dock for 11 boats in Beach One/Restaurant area.

Other recommendation is for a \$5,000 threshold for line-item expense before items become capital expenditure.

Additional Unbudgeted Expenses: \$6,500 for water hydrant on Goose Court. \$10,000 - \$15,000 in seed money for Annual Gala fundraiser with suggested date at end of summer.

Change of Annual Meeting date: If passed will result in a budgeting process beginning in July. Changes in billing process of Annual dues and assessments are recommended as follows: Due date for 2024 remains the same with 2025 and years following featuring a process for semi-annual payment of dues and assessments with first installment due on January 31 and second installment due on March 31.

Status of Campground Electrical Upgrade (per special assessment) Phase One completed. Committee agreed to Flint's recommendation of re-evaluating in July before initiating phase 2. At present, there are 37 CG spots open mostly non-sewer with 12 of these openings in CG #2.

Campground Septic Lake Manager reported that DNR is involved in designing an irrigated system.

Clubhouse Septic Lake Manager reports an additional \$15,000 in projected cost due to perk test results. More dirt will have to be brought in to achieve compliance.

Exploratory Restaurant Committee Now that expense projections have come in from Restaurant Committee at over \$1,000,000, Finance Committee would like more details on expected income & ROI from this proposed expense to membership. Restaurant Committee is asked to produce Profit & Loss projections. Feasibility of restaurant facility in clubhouse basement was again mentioned by several members.

S" Lot 131 Remains unsold. There is a prospective buyer. Recommend leaving lot @ current asking price & evaluating next month. Beach renovation from S Lot sale: Selby Construction completed berms at beach 1 and Beach 2. Beach 2-bathroom completed. Playground equipment installed at Beach 2 – ready for Memorial Day.

Other/New Business Steve Danner suggested possible advantages in working with USDA. Jeff has already started this. More next month.

With no further business, meeting adjourned at 7:08

