

Finance Committee Minutes August 2023

Call to order 5:05PM Thursday, August 10, 2023(on ZOOM) By Chair Paula Hepinstall

Other Committee Members present: Jeremy Lillig, Terry Nibarger, Steve Danner, Lake Manager Jeff Ferguson, & Troy Lesan recording minutes

1. July 2023 Financial Documents– Question: why are closed out CD accounts still listed on Financial Summary report? These are retained for comparative 2023 vs 2022 & will fall off soon. Numerous lines for Morgan Stanley bucket designations were pointed out and it was agreed that the two classifications will now be “Invested Funds” and “Money Market Account.”
2. Morgan Stanley Update – Terry reported that this fund is up \$18,865 for July. Total value is \$1,582,222. For the year the fund is up \$98,686 for annualized return of 6.89% compared to annualized rate 14.98% for the monthly gain.
 - A. Discuss moving more money into investment accounts. Paula had asked for a review of current investing levels of VVA funds with Morgan Stanley. Committee agreed to keep Morgan Stanley for long-term reserves. Committee agreed to recommend adding \$150,000 into the fund’s the stock market sector.
3. Sale of Dredge – Dredge Committee recommended and the BOD has approved the sale of our dredge, to Dredge America for \$300,000. The dredge was purchased in 2016 for \$295,000. It is fully depreciated, so the tax liability to recapture depreciation will be 25%. After paying taxes of \$75,000, paying back the advance for the rock weirs- \$40,000, the additional days for Dredge America to dredge the south end- \$45,000, and fuel overage of \$25,000, the Dredge Retained Earnings Account will have approximately \$115,000. Expect \$50,000 of this will be spent in 2024 purchase of additional “free rock” @ \$155/load. Going forward, the Lake will rent a dredge from Dredge America that is better suited for the smaller coves at about the same cost as dredging the coves with our dredge. This is due to the increased maintenance cost to VVA for our dredge over the last several years
4. Audit – Getting additional quotes on a full audit proving to be difficult – 3 so far. Looking for more recommendations on local CPA firms.
5. Sale of lake owned lots – 2 lots sold in July totaling \$9,500. YTD lot sales total \$47,362.69
6. Sale of lot 717 – No member bids received – listed with Tanya Burns @ \$295,000
7. Jetty/Dock Project – Start date has been pushed back
8. Rock Weir Project/South End Dredge America Project –
 1. 3 rock weirs were installed in the silt creeks on the south end between 7/10 & 7/14. There were 240 to 250 loads of rock delivered and set by volunteer labor at a cost of \$155/load. A normal load of rock hauled to the lake is approximately \$550/load.
 2. South End Dredge America Project – Dredging was completed on 7/20, one day earlier than scheduled due to the silt containment ponds being full

9. Finance Committee is seeking a new member with an Accounting background. Donna Redden has submitted her resignation after many years of volunteer service, and Tony Conforti will leave when his house sells.
10. 2024 BUDGET reviewed. Going forward non operational income & expenses will be accounted separately. Membership will note that the 2024 Budget is a much more thorough accounting than in past which provides greater transparency. Budget calling for a 12% increase was approved by Committee to be recommended to Board.
11. Campground Septic Update – Jeff stated that Engineer now believes that a big enough system can be built to eliminate lagoon.
12. Clubhouse Septic Update – Jeff: more developments later in year.
13. Lake Director Reports that the possibility for VVA **Liquor** License is being reviewed
14. Beach Renovation - “S” Lot 131- Sold for \$21,000
15. Credit and Debit Card payments – Update – Steve reports more paperwork needed
16. Update on working with the USDA on additional revenue streams – Steve reports that he has learned of additional contacts in USDA which will be helpful.
17. Other Business: **Finance Committee Town hall will be Sat, Sept 16. 2 PM @ Clubhouse.**
Adjourn: with no other business Meeting adjourned at 6:32 PM