

Agenda



- Welcome
- 2018 Audit Review
- 2019 Financial Year to Date
- Garbage Update
- Planned Maintenance Activities
- Clubhouse Siding
- Tax Proxy Vote
- September Elections
- Q&A

IPVA Special Membership Meeting

June 22, 2019 1PM

Welcome

- Summer update meeting was requested at last Septembers' Annual meeting to provide an update on resort status and issues.
- Additionally, there are one item requiring Membership approval; Tax Proxy Vote



Meeting Rules

- If you want to ask a question, please raise your hand and wait to be recognized by the presenter. Then stand, identify yourself including your lot number and ask your question.
- Please limit yourself to one question, until everyone has had a chance to ask one question.



2018 Audit Review

	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
Assets		
Cash, including interest-bearing deposits	\$ 623,723	\$ 605,859
Cash in bank - restricted	18,491	9,613
Accounts receivable, net	655	55
Prepaid expenses	-	346
Property and equipment, net	261,190	281,432
Interfund balances	-	-
	<u>\$ 904,059</u>	<u>\$ 897,305</u>
Total assets		
Liabilities and Fund Balances		
Accounts payable	\$ 21,482	\$ 18,184
Accrued expenses	18,533	16,500
Income taxes payable	1,524	-
Prepaid assessment	896	75
	<u>42,435</u>	<u>34,759</u>
Total liabilities		
Fund balances	<u>861,624</u>	<u>862,546</u>
Total liabilities and fund balances	<u>\$ 904,059</u>	<u>\$ 897,305</u>

2018 Audit Review

	<u>2018 Total</u>	<u>2017 Total</u>
Revenue		
Member assessments, net of discounts	\$ 105,153	\$ 105,278
Water assessments	30,362	30,262
Golf course and clubhouse	180,560	137,059
Golf surcharge income	8,878	8,949
Interest income	11,450	3,001
Other income (schedule)	31,146	17,392
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Total revenue	367,549	301,941
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Expenses		
Golf course and clubhouse Facilities	160,998	160,193
Maintenance (schedule)	37,298	37,899
General and administrative Services (schedule)	75,785	80,013
Income taxes	2,054	508
Water system expenses	25,151	8,679
Utility expense (net of rebate)	4,085	2,550
Depreciation expense	20,242	19,604
Repairs and replacements	42,858	41,392
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Total expenses	368,471	350,838
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Excess revenue (expenses)	(922)	(48,897)

2019 Financial YTD – thru May

- YOY Cash position:
 - May 2019693.4K
 - May 2018630.3K
 - +63K
 - Trash Adjustment 7.0K
 - Adjusted cash position + 56K



2019 Financial YTD – thru May

- Net Income YOY change:
 - 201914K
 - 2018 (2K)
 - Trash Adjustment 7K
 - Adjusted Income position 9K

16K

9K



Garbage Update –

- The “Ark” is completed – Used all 2018 assessed dollars **THANKS GARY!!!!**
- Total signups = 60
- Total Revenue = \$14,400
- Total Costs as of End of May = appx \$6500
- Projected 2019 Surplus = appx \$4000
 - Rolled into next year with new calculated assessment fees
- Learnings
 - The projected weight of trash is lower than projected (during the winter, summer tbd)
- Talking Points – Lock, Bear Proofing personal cans



Maintenance Activities

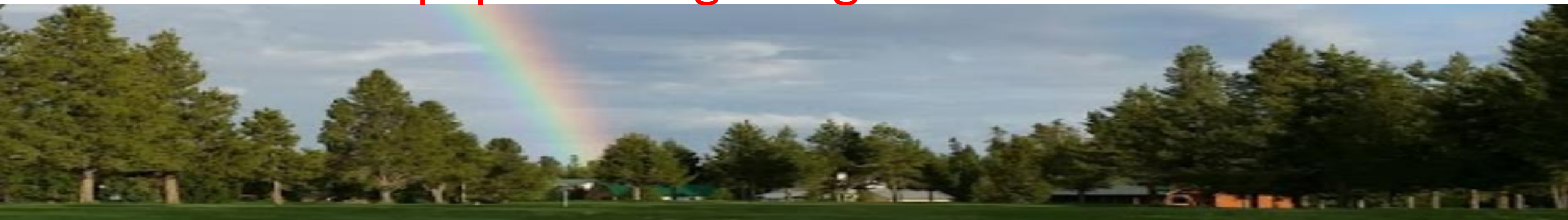
- Completed
 - Golf Shop
 - Carpet
 - Painting of entries and outbuildings, pump stations, deck
 - Ceiling Repair in golf shop
 - Signage on Clubhouse



Maintenance Activities

- MUST be done
 - Snow Equipment Maintenance \$12-\$15k
 - Road Repair \$15-\$20k
 - Roof Repair \$20K-\$??K
- RANGE TOTAL \$47-\$55K?
- Under Evalation
 - Street Signage \$1K - \$4K
 - Golf Sprinkler Upgrades from restricted cash \$18K

RISKS – All Equipment is getting older



Clubhouse Siding - Agenda

- Gary will cover explanation
- Mike C will cover financing options
- Mike K will facilitate Q&A

Please hold Questions until the end.



Clubhouse Siding - Problem

- Must maintain facilities
- Condition of Club House Exterior
- Bring to membership to resolve
 - Step 1: Agree to pursue estimates ← TODAY
- Current Recommendations
 - Steel siding
 - Advantages
 - Matter of time (Pay it now, pay it later)



Clubhouse Siding – How to pay for it

- High Level Assumption
 - Approximate Cost of siding = 100K
 - 25K to be paid from golf course excess cash flow over 4 years
 - 75K to be paid from membership special assessment
 - Interest Free Financing
 - Individual terms (0-4 years)
 - \$463 per lot



Clubhouse Siding – Q&A

Step 1: Agree to pursue estimates ← TODAY

Step 2: During summer will get estimates and provide options

Step 3: Proxy Mailing with details

Step 4: September vote

Step 5: Chose your financing package



Tax Proxy Vote

Internal Revenue Code Section 277

The association is subject to Federal income tax only on income derived from non-member sources such as interest, rental, golf course.

- 2018 Tax Liability appx \$10K
- Calculated on appx \$38K Profitability
- Appx 90% Golf Revenue is derived from non-members



Tax Proxy Vote

- **Board Options**

- A – Pay \$10K Federal Income Tax

- B – Refund \$38K to the membership

- C - Defer the \$10K tax liability into 2019

- **IRS requires a majority vote to defer tax liability into 2019**

- **The board strongly recommends deferring the tax liability**

- Will consume this cash on special maintenance needs (see Maintenance Slide)

- MikeC, CooperNorman, Auditor have a plan to manage future tax liabilities



Tax Proxy Vote

LETS VOTE



September Election

- Mike Klassen Seat is up for re-election (3 year term)
- Date for Submissions is due on July 31st, 2019
- Submit to Gary Lewis
- Future Election Seats
 - Michael Caughlin – 2020 (3yr Term)
 - Tryge Sympson – 2021 (3yr Term)
 - Sandee Gilmore – 2021 (3yr Term)
 - Gary Lewis – 2021 (3 yr Term)



Q&A

