FINANCE COMMITTEE MEETING MINUTES

April 17, 2018

Motion made and carried to approve the attached Agenda for April 17, 2018, which includes a list of the participants.

Motion made and carried to approve the Minutes for the March 20 meeting.

The Board of Directors were invited to hear the preliminary report from our independent auditors, Botz & Deal, who were represented by Lindsey Ruhr. A written preliminary report was provided to all present and Ms. Ruhr went through it and pointed out the highlights and answered questions. Botz & Deal provided an “unmodified” or “clean” opinion on our financial statements. Regarding the balance sheet: cash, current assets, total assets, and total liabilities and members’ equity all increased over last year. The three designated reserves (dredging, emergency and assessment) were all funded, and both the dredging and assessment reserves increased during the year. Heather Malone explained that a change had been made in the vacation accrual policy, with a 39 day maximum carryover limit put into place. Regarding the income statement: both assessment and user fee revenue were up from last year, but expenses were also up. After depreciation was taken expenses exceeded revenue by $158,569, which was less than last year’s shortfall. Members’ equity was a little less than last year. The cash flow statement was also reviewed. Notes to the statements were also reviewed. In Note 5 the amounts of the required reserves were clearly set out again, however this year a special report on the adequacy of the assessment reserve (to delay a required assessment increase) was not requested by Heather because of the added cost of a special engagement ($2,000). The Committee thought that such a report was beneficial, and suggested that it should be arranged next year at a more favorable cost to the CA. Supplementary information was also presented, and Heather explained that the salary total for the bar and grill was significantly higher because Brian insisted on overstaffing that operation. Botz & Deal presented a recommendation letter as well as a table explaining the 7 audit differences they discovered and corrected during the audit. Because of the number and nature of those differences they were also required to give us a Material Weakness letter pointing these out. Ms. Ruhr felt that all of these could be easily corrected next year, and she complimented the staff on their cooperation during the audit. Ms. Ruhr left the meeting.

Motion was made and carried to approve the Audit Report.

Month end and year to date income statements for January and February 2018 were reviewed. Heather explained that the comparison to budget was not especially enlightening because the budget was not seasonally adjusted, but each month was just 1/12 of the total year. Rather comparison to last year’s finances seems to be a better indicator of performance.

Motion made and carried to adjourn the meeting.