
MEDFORD LAKES COLONY
THE BOARD'S ANNUAL REPORT TO MEMBERSHIP
2024 – A YEAR OF PROGRESS

Many of our 2024 member-communication initiatives were about the summer liability insurance crisis and its effect on our short-term finances. With the high volume of related information that followed from that time to date, it is possible that an appreciation



for all the year's positives could be overlooked. In fact, this year was one of many impressive achievements that should be acknowledged and appreciated. The purpose of this report is to put the year in a proper perspective: **2024 was a year of progress.**

Colony Auxiliaries

We classify our auxiliary organizations as those that have their own governing committees but operate within the Colony's corporate and tax-exempt structure. They are an integral part of the Colony mission. Our auxiliaries are financially self-sufficient and, in many ways, supplement our general operations with purchases and contributions.

The Medford Lakes Women's Club: This organization entered 2024 with renewed energy and continued its prominent role in the Colony's recreational life while providing fellowship opportunities for its members.

- *Breakfast with the Easter Bunny, Easter Egg Hunt, and Story Time* programs delighted hundreds of our children.
- The Club's supporting role in *Medford Lakes Day* and sole operation of *The Amazing Pace* were highlights on the Colony's social calendar.
- Funds raised from Club activities were used to benefit the community-at-large. Their annual grant program included a \$10,000 allocation to the Medford Lakes Lions Club for an addition to its lodge so that it may better serve the community. They also gave \$10,000 to the Colony's Capital Expenditures Fund to be used in our long-term playground restoration program.

Medford Lakes Athletic Association: The Colony's mission statement is about improving quality-of-life in the community through recreational opportunities. To that end, we turn to the M.L.A.A. for athletic programming. In addition to operating our youth baseball, softball, quick ball, basketball, pickleball, volleyball, and soccer programs, this Colony

auxiliary offered a range of adult programs including beach volleyball, men's basketball and volleyball, and women's volleyball. M.L.A.A. also sponsored successful youth and adult tournaments and several clinics. A beach-based corn hole league was new for 2024.

Outside of their programming activities, the Association has taken a pro-active leadership role in maintaining Colony facilities. Here are some of their 2024 projects.

- A new basketball scoreboard, padding, gym floor resurfacing, and safety renovations at Vaughan Hall
- A new log cabin-like field storage box at Brooks Field
- New soccer goals at Wilson Field
- A financial contribution to the Brooks Field Hard-Surface Restoration Project
- A leadership role in installing AED devices throughout the Colony

Canoe Carnival: There are few single events that define our uniqueness more than Canoe Carnival Week. Even though this year's festivities were weather challenged, there can be no doubt that this year's carnival was a success. We asked the Committee to absorb additional security costs in 2024, and they met that challenge with new profits from additional merchandise sales.

Mardi Gras and Carnival took place without major incident – a credit to outstanding Committee planning. Not only was the event financially self-sufficient, the group purchased an additional set of bleachers, which is also in active service in many other Colony activities.

Special Purpose and Restricted Funds

Within the Colony financial operating and accounting system are several funds that are restricted as to their use. These entities are financially supported by their own unique funding streams. The Lake Restoration (long-standing) and Capital Expenditures Funds (new in 2024) receive allocations from each member dues payments.

Figure 1: Distribution of Member Dues		
	Regular	Over 65
Lakes Restoration Fund	\$ 145	\$ 145
Capital Improvement Fund	55	55
Major Projects Fund	55	55
General Operating Fund	370	270
Total	\$ 625	\$ 525

Lakes Restoration Fund: This fund is restricted to the purpose of cleaning and maintaining the Colony’s lakes and its supporting infrastructure including dams, bulkheads and spillways. Fund operations are overseen by a board-appointed volunteer committee. Annual member contributions from dues to this fund are about \$210K. Significant 2024 projects and accomplishments included:

- Restoration of deteriorating bulkheads in the Mirror Lakes ensuring the future integrity of that lake sub-system
- Installation and operation of multiple lake aeration systems, which are designed to oxygenate water and improve its overall quality and create a healthy ecosystem
- Engineering studies necessary to meet New Jersey regulatory requirements and safe and effective operation
- Liquidation of long-term debt in the amount of \$150K. This debt originated from two major projects: (1) flood recovery (2004) and (2) Ballinger Dam rehabilitation (2013). This scheduled liquidation requirement will be substantially reduced in 2027 when the larger debt (flood recovery) will be fully paid.

Capital Expenditures Fund(s): These funds were created by overwhelming member-vote in 2023 and came into existence this year. This initiative represents a major change in the way the Colony addresses its non-lake infrastructure planning. With restricted annual contributions from member dues of

approximately \$164K annually, major project-funding responsibility was removed from the General Operating Fund along with the practice of enacting special assessments for major needs. This new approach proactively addressed deteriorating and neglected buildings and recreational facilities, which suffered from inadequate funding in the past. The Board sub-divided the Capital Expenditures Fund into two sub-entities, each with its own set of restrictions.

Capital Improvement Fund: This Fund received \$82K from dues allocations plus contributions from the Women’s Club (\$10K), the Medford Lakes Lions Club (\$5K), and support for projects targeting accessibility from the Colony’s Nimmer (Turkey Trot and Memorial Day Run) Fund. The board planned an aggressive 2024 program, but put a temporary hold on its full execution until the liability insurance crisis was solved. Nevertheless, the following project needs were addressed this year.

- Emergency repairs to the Brooks Field basketball surface (completed)
- Restoration of the Beach 1 and Beach 3 boardwalks (completed)
- Rebuilding the swimming docks at Beach 3 (completed)
- Playground improvement program (started)

Approved but deferred 2024 projects (e.g., parking lot improvements, fencing, and beach structure replacement) will be carried over to 2025.

Major Projects Fund: This sub-fund also received \$82K in member dues allocations, but this fund’s purpose is to accumulate monies for future projects so large that their cost would exceed one year’s allocation. If project financing is required, debt-service payments would come from this fund.

Currently, there are no approved “major projects” in place. However, the Board is well-aware that “something” must be done about the advanced stage of deterioration to Brooks Field hard surfaces and fencing. To that end, the Board moved forward with planning for a major renovation and restoration project there. Plans and specifications are currently under review at the Pinelands Commission, the last step before finalizing specifications and determining final pricing.

General Operations

Our general operations – those activities paid from our general operating budget – include payroll costs, utilities, insurance, supplies, repairs, maintenance and general operating costs associated with five beaches, three major recreational complexes, five playgrounds, pavilions, Vaughan Community House, dock complexes, service buildings and sheds, parking lots, and 21 lakes. The Colony owns 20 real estate parcels which represent about 20% of the Borough’s surface area.

Much of the Board’s “routine” responsibilities involve overseeing this infrastructure and the activities it supports. The 2024 liability insurance crisis added to that burden. However, we never lost sight of our responsibility to affect progress.

Arguably, our most significant achievement was a Joint Services Agreement with Medford Lakes Borough, which resulted in the Colony being named as an “additional named insured” on the Borough’s policy, which meant participation in the Camden County Municipal Joint Insurance Fund. This action removed the Colony from the volatile and expensive private-sector market. This was both a short-term and a long-term solution. Without the Borough’s assistance, there was a very real threat to our ability to continue as an independent entity.

But in the area of “general operations,” there were many other accomplishments that should be recognized. Here are some of them.

Administrative and Financial Operations: The operating departments worked in partnership to affect positive change in many areas. Our achievements included:

- A General Operating Budget development process with participation from all operating departments
- A long-term Capital Improvement plan that identified and prioritized non-lake projects within the framework of the newly created Capital Improvement Fund
- A new accounting system and financial records rollover
- A cash flow projection and investment program that significantly increased interest earnings Colony-wide for funds and auxiliaries
- Purchase of a new copy machine

- A new payroll accounting system that includes electronic payment for all employees
- Internal procedure documentation including an annotated chart of accounts and an employee handbook
- An aggressive lake cleanout program made possible by an increase in that general budget line-item from \$20K to \$50K. This additional funding was made possible by last year’s dues increase
- Securing a line-of-credit, facilitating ongoing Colony operations in the event of emergencies or temporary cash shortfalls

Member Communications: We worked hard to keep our members informed of Colony financial affairs by implementing several new communication strategies including:

- Five video presentations on special topics made available to members via YouTube
- Informational forums on special topics including Brooks Field, insurance, and the “Lake Leaders” series
- Increased use of the “E-Blast” system
- Newsletter inserts and distribution of “Frequently Asked Question” supplements

Social Activities and Clubs: Our members continued to enjoy Exercise Class, Mahjong and Pinoche Clubs, and Sewing Circle. We added the following activities to our inventory in 2024.

- The Medford Lakes Stage group presented a well-received production of the radio play *It’s a Wonderful Life* in Vaughan Hall. The group’s “Page-to-Stage” traveling group performed adaptations of *Charlotte’s Web* and *Radium Girls*.
- Also new in 2024 was the Medford Lakes Chess Club, which includes both instructional and competitive opportunities for members of all ages and skill levels.
- The Fishing Club (which restarted in 2023) hosted two successful events. Its Carpe de Carpe Tournament was fun for all. The Club also held an informational “fishing funday” that included knot tying instruction, casting games, and prizes. They also maintain a Facebook page (*Medford Lakes Fish Tales*) for Colonists to share their catches and tips.

Colony Day Camp: Participation in our day camp program and progress toward the coveted Bronze Shield defines the summer for most young Lakers. This year’s camp was no exception to a long history of high-quality programming. Over 500 youngsters participated in the range of camp including preschool, upper, lower, and extended hours camp. Here are some of our improvements.

- The pre-school program moved to Nokomis with extended hours.
- An expanded Lunch program served over 1,600 meals.
- Extended hours camp operated in both July and August.
- We introduced three new activities into the curriculum: Kayaking, Pickleball, and Sailing.
- We held three “open” Camp Council meetings and re-energized the Camp Council governing model.
- We conducted “customer satisfaction” and suggestion surveys for all camps. This input will result in improved programming for 2025.

MEDFORD LAKES COLONY				
CONDENSED STATEMENT OF NET ASSETS				
<u>Assets</u>	12/31/2022		12/31/2023	
Cash Accounts:				
General Operating Fund	\$ 119,220		\$ 106,590	
Day Camp	3,250		13,858	
Lakes Restoration Fund	534,756		553,739	
Colony Restricted Funds	51,046		33,419	
Nimmer Fund	65,105		71,382	
Canoe Carnival	33,223		31,573	
Medford Lakes Athletic Association	166,936		183,958	
Medford Lakes Women’s Club	<u>35,335</u>		<u>35,505</u>	
Total Cash	\$1,008,871		\$1,030,024	
Interfund Receivable – (Lakes from General)	<u>157,976</u>		<u>151,390</u>	
Total Assets		\$1,166,847		\$1,181,414
Liabilities				
Loan Payable – State of New Jersey	\$ 723,820		\$ 579,781	
Interfund Payable – General to Lakes	<u>157,976</u>		<u>151,390</u>	
Total Liabilities		\$ 881,796		\$ 731,171
Net Assets (Equity)				
General Operating Fund	\$ (38,756)		\$ (44,800)	
Day Camp	3,250		13,858	
Lakes Restoration Fund	(31,088)		125,348	
Colony Restricted Funds	51,046		33,419	
Nimmer Fund	65,105		71,382	
Canoe Carnival	33,223		31,573	
Medford Lakes Athletic Association	166,936		183,958	
Medford Lakes Women’s Club	<u>35,335</u>		<u>35,505</u>	
Total Net Assets (Fund Equity)		285,051		450,243
Total Liabilities and Fund Equity		\$1,166,847		\$1,181,414
<i>Information presented here is extracted from audited Colony books and records. The annual audit was conducted by Haefele Flanagan, Certified Public Accountants. The most current audit was dated July 22, 2024. The undepreciated book value of property and equipment on the audit report was \$3,196,092 (2022) and \$3,122,823 (2023).</i>				