

# Newslette

## HIGHLAND LAKES COUNTRY CLUB & COMMUNITY ASSN

ISSUE NO. 5

VERNON, NEW JERSEY

JULY 27, 1963

### THE PRESIDENT'S CORNER

A number of our members have questioned me about the progress we have made in our efforts to obtain relief from paying Federal Excise Tax on our club assessments. So let me bring you up to date. Over three years ago we approached the Internal Revenue Service for relief from the 20% tax on club assessments since we were operating as a Community Association, a non profit organization, providing the facilities that would normally be supplied by the Township and covered by local taxes. As you probably remember, we were denied this classification on the basis that The Grantor Corporation had the right to grant membership in the Community Association if the Club failed to act on an application. And since they had the right to grant memberships in the Club, we were therefore considered to be part of a profit making organization and subject to tax. This decision by the Internal Revenue Service was later appealed, and in August of 1961 much information and detail was presented to show that the Grantor Corporation did not control the Association in any way. In 1962 a New Constitution and By Laws were ratified by the membership. This Constitution clearly shows that the Highland Lakes Country Club and Community Association is entirely controlled by the membership. In 1961 we approached the tax problem in two ways. First by applying for exemption as a Community Association, and second by showing in our tax return the money spent on community services versus the money spent on recreational activities. Upon advice of council we paid tax on the portion used for recreation etc. and placed the balance in an escrow fund to be held there until a final decision could be obtained from the Internal Revenue Service. Although a final decision has not been handed down, we feel we are on firm ground, since the cost of a Police Department, road maintenance and repair, and garbage collection, etc. are certainly not taxable items. To eliminate any question as to the escrow fund, this money belongs to the membership, and when it is decided that we are correct and entitled to the deductions taken, each member will be asked to cast his vote and tell the Officers whether the fund should be invested in community improvements or returned to the membership. Two months ago the Internal Revenue Service replied to the August 1961 letter. The letter stated that before the Commissioner could give consideration to our application under 501 (4) of the Internal Revenue Code (Community Associations) two provisions would have to be met. First, the Association must have the sole right to grant membership, and second, the Association must have title to the property it operates. The first requirement has been met. The second still in the process of negotiation, has therefore, not been met. I sincerely hope that before the General Meeting in August an agreement satisfactory to Highland Lakes Inc. and benefiting the position of the Club can be reached.

--Norman B. Murphy--

### FIRE DEPARTMENT

The Highland Lakes and Vernon Township Fire Departments will continue their joint drive next Sunday afternoon, July 28. Your contributions are needed to maintain and improve the facilities of the two fire departments that protect you and your property from heavy damage. Please give generously to the volunteer who will visit your homes. If you should not be home when the Fire Department calls on you, please either mail your donations to Treasurer, Ken Cleveland at Highland Lakes or leave it at the Club Office. Remember, fire protection costs money.

### COMET DANCE

The Annual Comet Dance will be held Saturday, August 10th. Get your tickets from any member of the fleet.

## WATER SAFETY

Instruction is available each week day at every beach and at the swimming lanes. You are welcome at eleven in the morning. Advanced swimmers are urged to see Rick at the lanes below the Clubhouse. "Ta" offers a junior and senior life saving course beginning Monday, August 12, Beach #1 at 2 p.m.

Lyndel Schramm earned her A.R.C. Senior Life Saving certificate to lead this week's parade of successful swimmers. The Junior Life insignia was awarded Michael Dowling, Leo Kreitz, Michael Leen, Larry Reilly, Susanne Reed and Edward Strube. Intermediate cards go to Claudia Kelly, Diane Tulp, Patricia Kane, Mary Beth Smith, Judy Montgomery, Steven Schaeztle, Michael Moroney and Steven Lepkowski.

Advanced Beginners to join the ranks are Petrochka, Margaret Dougherty, Christine Koprowski, Gale Heiss, Anne Barton, Kathleen McCabe, Jo Ann Ferreri, Raymond Haering and Susan Magee. In addition we have Kathy Burk, Jo Ann Della Rocco, Rochelle Della Rocco, Debbie Izzo, Barbara Rienzo, Janet Rienzo, John Paulik, Harry Western, John Western, Diane Naylor, Sharon Heim, Margie Burk and Doug Walker. Look for a list of Beginners next week.

--Ed Kennedy, Water Safety Director--

## WOMEN'S AUXILIARY

Covered dish luncheon Tuesday, August 13, at noon. Forget about your waist line and calories this once! Price of admission is a covered dish or platter containing your favorite recipe. Before you make your contribution, please check with Jo Gianetti, chairlady, so that she can keep the menu well balanced.

## BALI HI!

ADULT SEMI FORMAL: Lefty "Luau" Gordon and Fred "Diamond Head" Dunne Productions, Inc. present to the lucky 150 ticket holders and their lovely WAHEENIES--"AN EVENING IN HAWAII"-- August 24, 1963. Subscription \$5/ couple. We absolutely guarantee this show will have a record run at Highland Lakes. All star musical performance under the direction of "FUGIAMI GOLD" featuring "PRINCESS DORISINI" and her all girl piano. Doors open 8 p.m., dancing 9 p.m. to 2 a.m. Tickets go on sale TODAY August 10, from 1-5 p.m. on the porch of the Clubhouse and sale will continue August 11, 17 & 18 at the afore mentioned time and place unless the supply has been previously depleted--which this reporter feels certain will be the case. So-o-o-o get down early today with cash or check to assure yourself and your best girl of a glorious evening in "KEALLAH KAKUA HAWAII" Until next week... BANZAI!!!  
"Duke Kohanamoku" Lesch

## BLUE JEANS

The Blue Jeans' Annual Sale will be next Sunday, August 18th, Election Day, at the Clubhouse. The proceeds will go toward their Annual Movie Outing.

## SAILING NEWS

Territorials: Highland Lakes had a good representation at the Territorials held last weekend at Lake Hopatcong. None of our sailors qualified for the International, but Doug Slade held a good position until he capsized in the last race to knock him out of the running.

Stay at Home Regatta: While part of our fleet was at the Territorials, the remainder of the fleet participated in a Stay at Home Regatta. There were three races in this regatta. The winning skippers were: 1st, Ched Madison, 2nd, Norm Murphy and 3rd Monroe Taranto.

Under 21 Comet: The results of last Tuesday's race saw Ray Luce & Eileen Foley, first Dave Rounds and Gerry Fitzgerald, second, and Diane Zak and Pat Foley, third.

## FIRE DEPARTMENT

The members of the Highland Lakes Division of Vernon Township Fire Company Number 1 wish to thank the residents of the Mountain Top area for their generous support in our fund drive. All residents are requested to attend a demonstration of fire fighting equipment at the Clubhouse Sunday, August 18th.