

Treasurer's Report

Annual Meeting Jan 2016

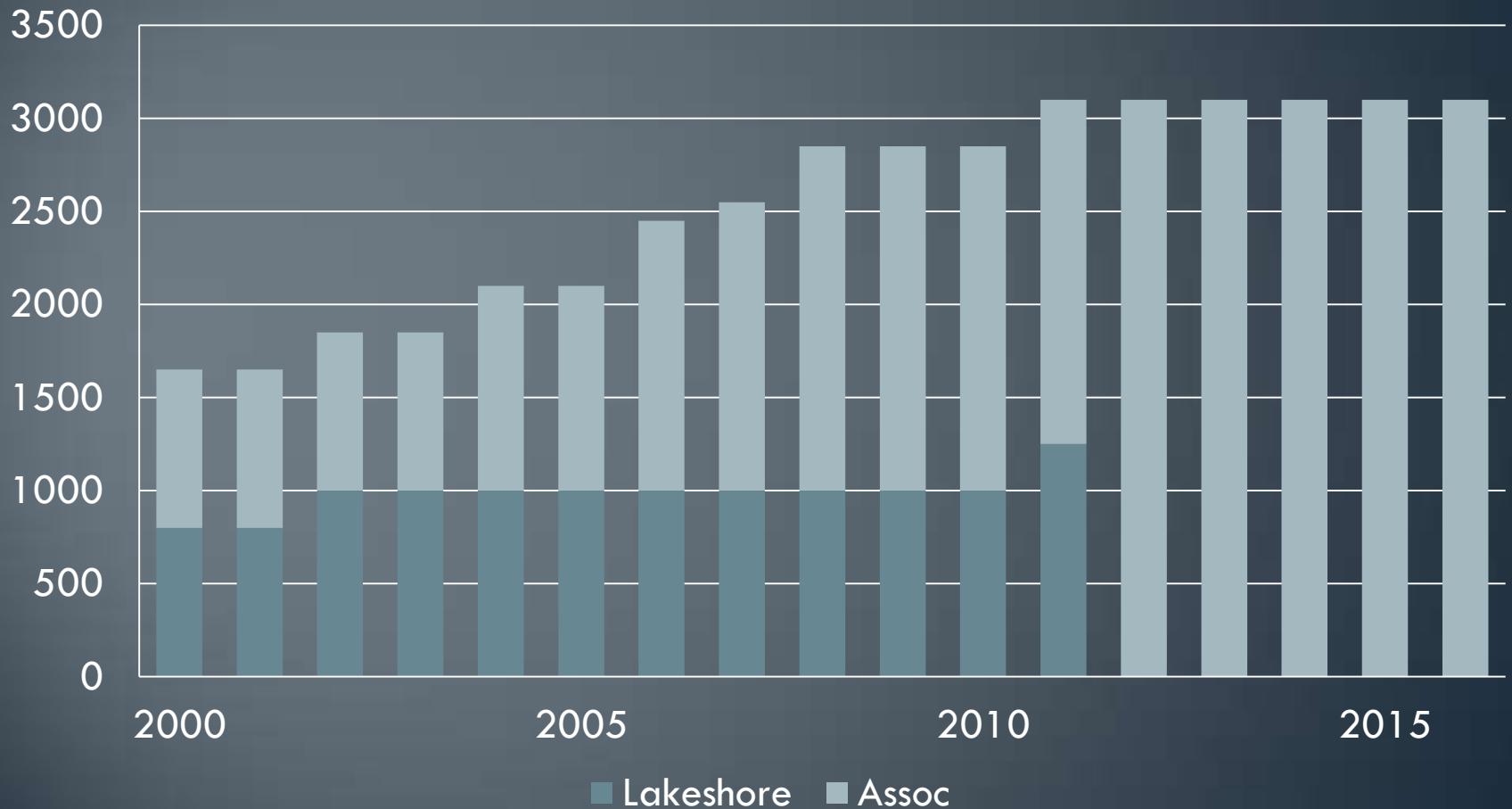
Combined MKLA & Lakeshore

These first few slides give the big picture of where our money is coming from, how we're spending it and what the trends over time have been. They are done on a CASH and ALL IN Basis. That is, they don't distinguish between Operating Expenses, Capital Investments, Reserve Projects, Lakeshore vs. Association or any other of the many distinctions that rule our standard Financial Accounts.

I've attempted to make some very broad brush observations on each chart's major "take away"

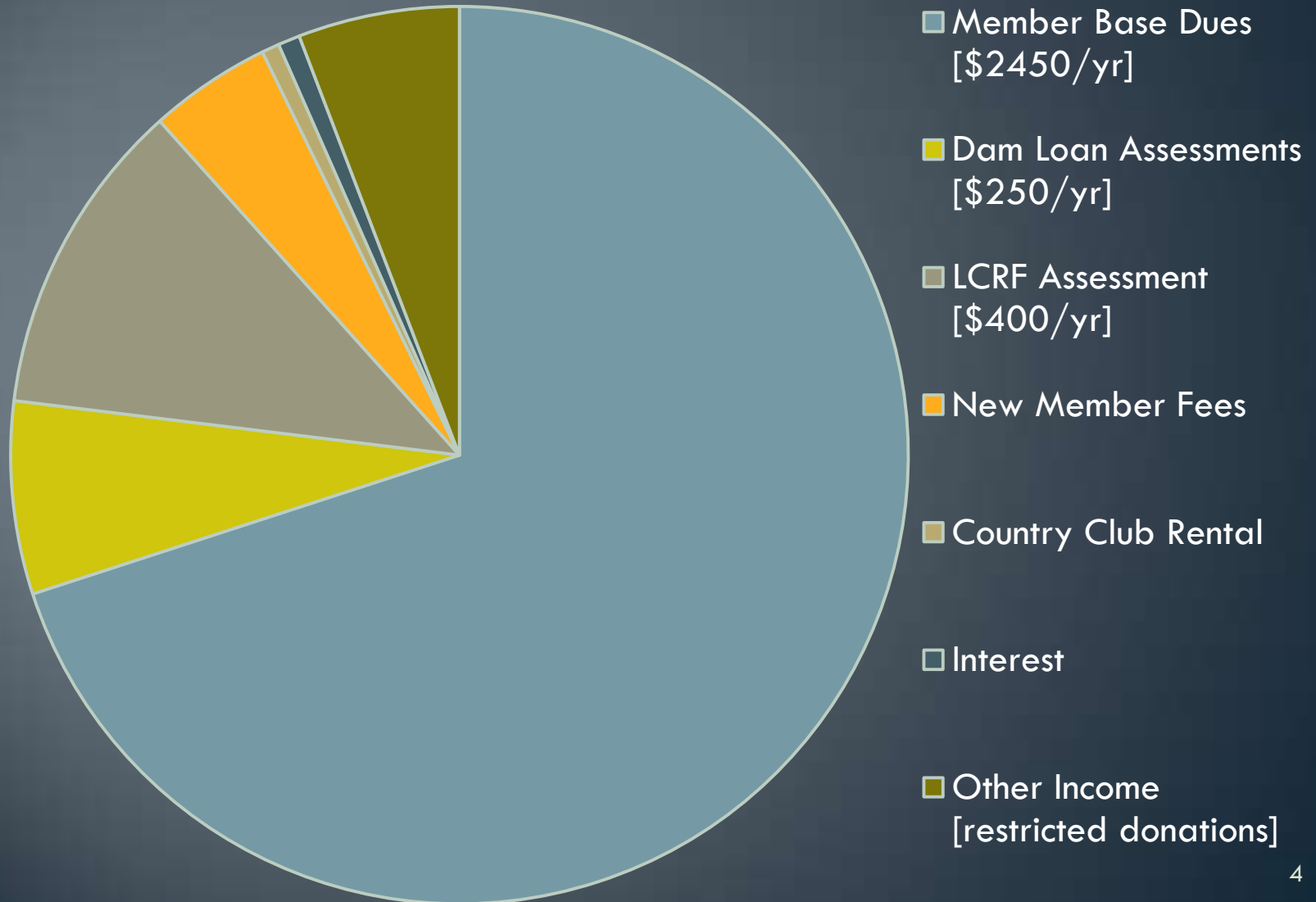
Dues & Assessments

after a period of sharp increases, our dues have been relatively flat for nearly a decade



Income Details – 2015

(in 000s)



Thousands

Cash Expenditures

(incl capital & loan pmts)

Our spending levels have been relatively flat for some years.

Most of your money is spent on Dam repairs, Water System and Roads

\$400

\$300

\$200

\$100

Water

Lakeshore Rents

Dam

Road

Clubhouse

\$0

2004

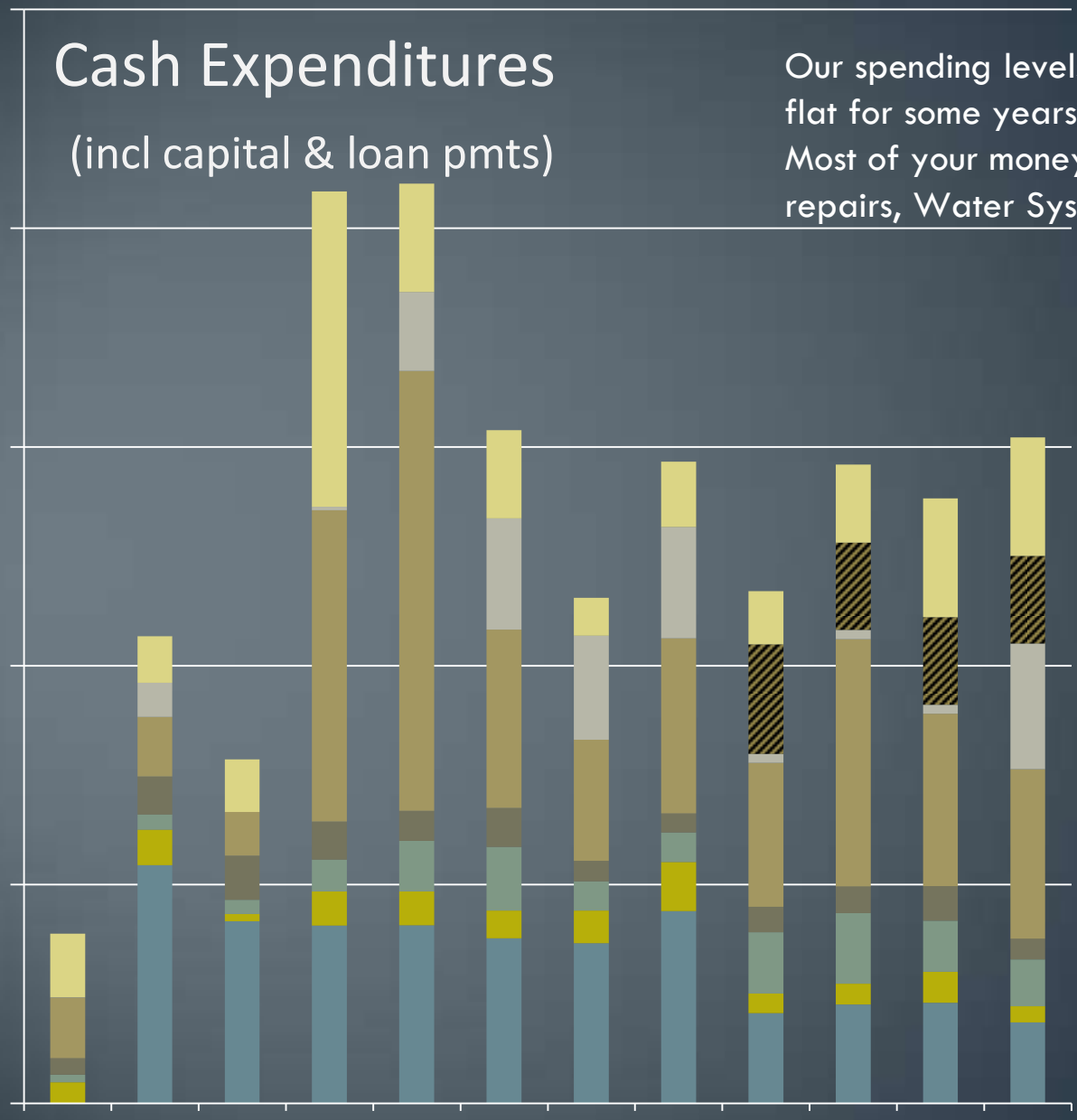
2006

2008

2010

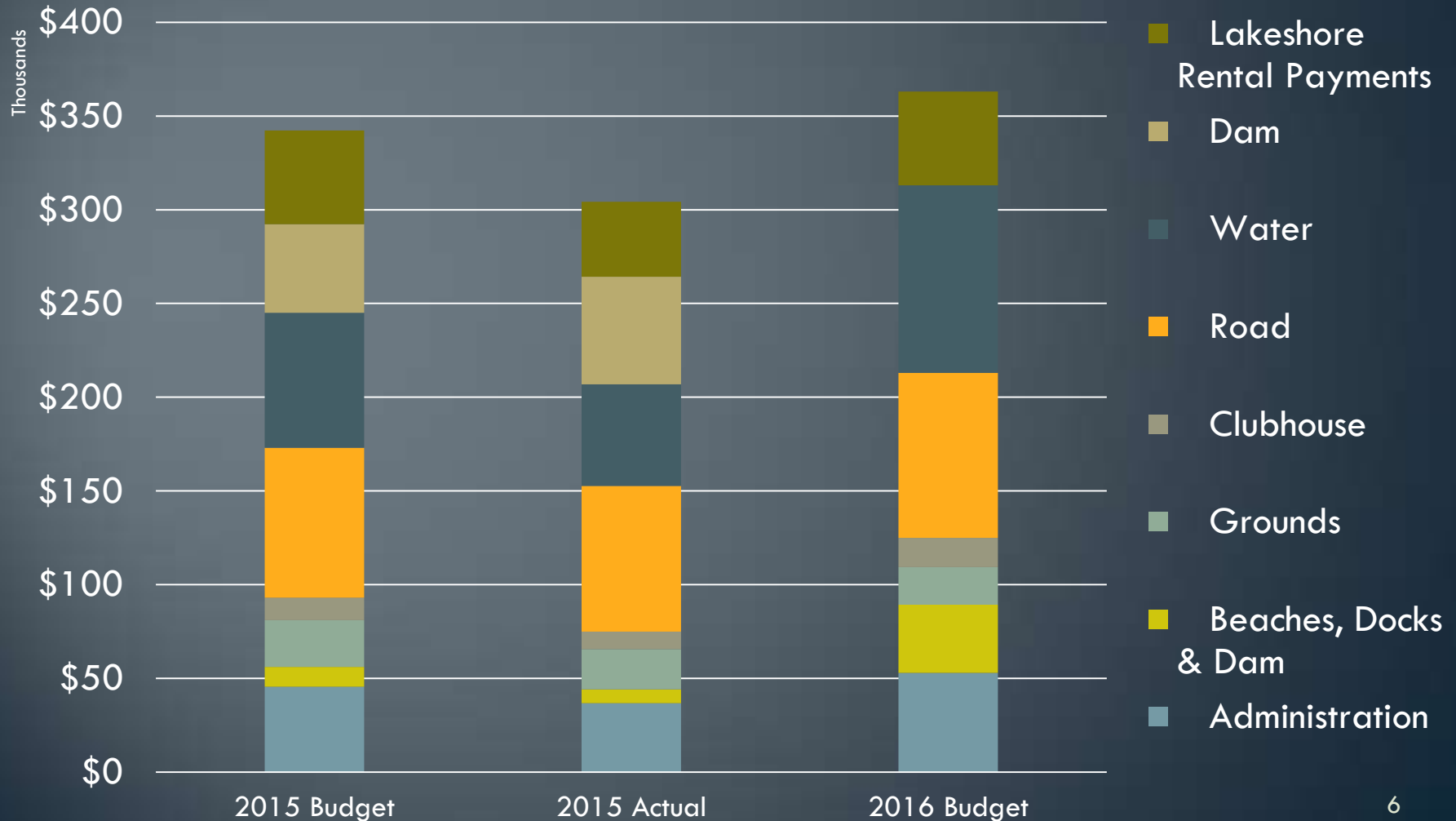
2012

2014



Spending Details

(in 000s) in 2015 we came in under budget, mostly because we didn't finish Tank Repair Projects. Snow Removal and Dam Repairs were both more costly than planned.



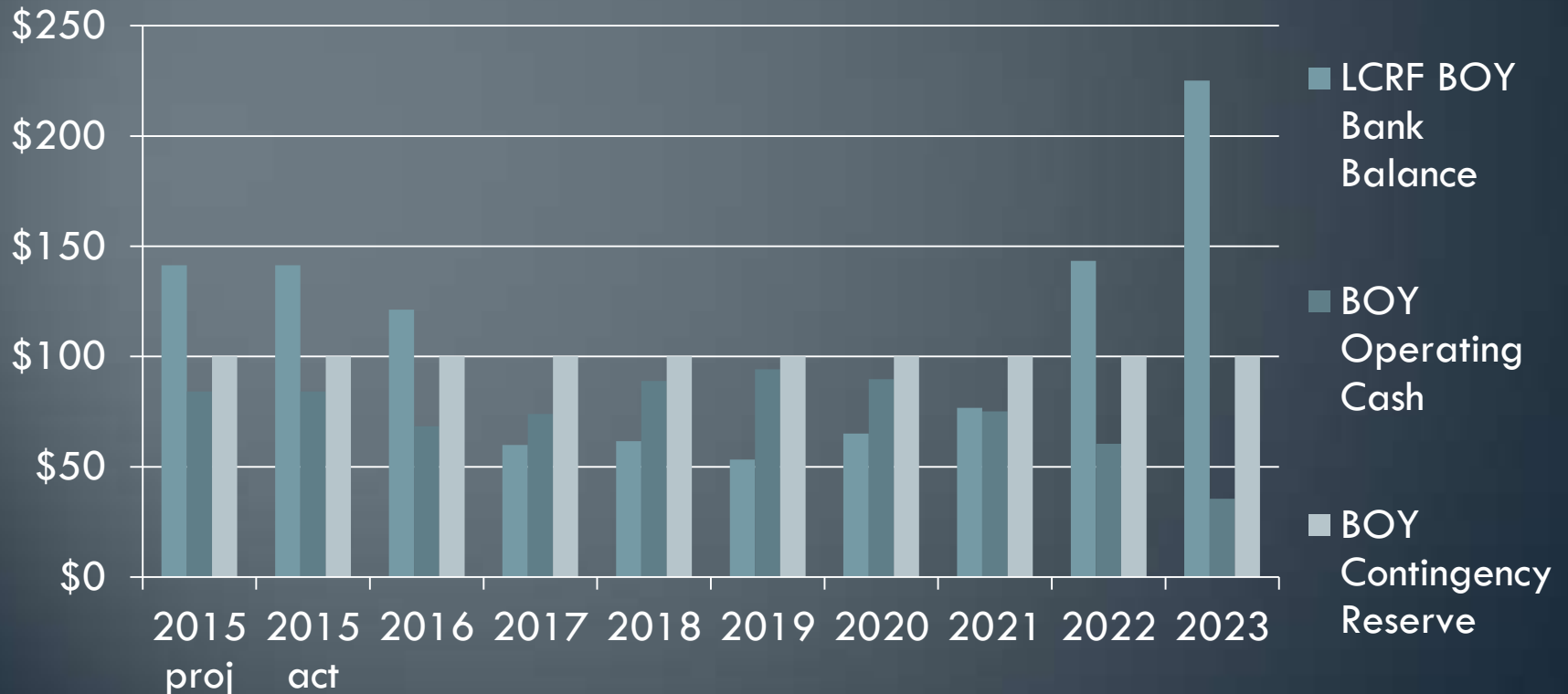
Bank Balances

(@ 3% inflation on recurring budget)

We try to keep \$100K in reserve for emergencies.

After years of having very large Balances, we're going to have somewhat less extra Operating Cash and Reserve Funds on hand for the next few years

Cash Balances (in 000s)



These next exhibits provide the standard Financial Schedules followed by the Board's proposal for 2016 Operating Budget and 2016 Reserve Projects. These last two items are presented at the Annual Meeting and require vote for Member approval.

Those with accounting savvy will notice some anomalies on the P&L in the "Other Income" and "Net Income" lines. Our General Ledger application, Quickbooks Online, does not handle Restricted/Unrestricted Income and Asset entries well. Until this improvement is added (or we find a better application) we have followed our Accountant's advice about how to force fit the handling of Restricted/Unrestricted entries. Apologies for the unconventional presentation.

Mount Kemble Lake Association
Profit and Loss
January 2014 - December 2015

	Jan - Dec 2014	Jan - Dec 2015
Income		
4211 MKLA Base Dues [\$2450/yr]	\$ 214,398	\$ 209,605
4220 Restricted Income		\$ 14,437
4221 Restricted Dam Assessments [\$250/yr]	\$ 21,863	\$ 20,799
4222 Restricted LCRF Assessments [\$400/yr]	\$ 34,879	\$ 34,221
4223 Restricted LCRF New Member Fees	\$ 10,075	\$ 13,175
4241 Clubhouse Private Rentals	\$ 2,800	\$ 1,900
4250 Interest Income	\$ 1,913	\$ 2,383
4261 Misc Income	\$ 11,235	\$ 2,647
8007 Unapplied Cash Payment Income	\$ 14	\$ 245
Billable Expense Income		\$ 75
Total Income	\$ 297,176	\$ 299,486
Gross Profit	\$ 297,176	\$ 299,486
Expenses		
5210 Administration	\$ 45,740	\$ 36,917
5220 Beaches, Docks & Dam	\$ 14,149	\$ 7,373
5250 Grounds	\$ 23,357	\$ 21,480
5270 Clubhouse	\$ 15,713	\$ 9,317
5280 Road	\$ 35,450	\$ 37,646
5330 Dam Operations	\$ -	\$ 2,018
5340 Water Operations	\$ 26,183	\$ 22,713
5350 Lakeshore Rental Payments	\$ 40,000	\$ 40,000
Total Expenses	\$ 200,591	\$ 177,463
Net Operating Income	\$ 96,585	\$ 122,022
Other Income		
70000 Net Restricted Income	\$ (67,337)	\$ (83,021)
Total Other Income	\$ (67,337)	\$ (83,021)
Other Expenses		
5393 Depreciation	\$ 36,689	\$ 41,982
7000 Income Tax Expense	\$ 4,000	\$ 1,601
Total Other Expenses	\$ 40,689	\$ 43,583
Net Other Income	\$ (108,026)	\$ (126,603)
Net Unrestricted Income	\$ (11,441)	\$ (4,581)



see note in previous page regarding unusual treatment

Mount Kemble Lake Association
Balance Sheet
As of December 31, 2015

	Total		
	As of Dec 31, 2015	As of Dec 31, 2014 (PP)	Change
ASSETS			
Current Assets			
Bank Accounts			
100 Operating Bank Accounts	\$ 83,304	\$ 72,341	\$ 10,964
1030 Contingency Bank Accounts	\$ 100,000	\$ 100,006	\$ (6)
200 LCRF	\$ 124,256	\$ 141,478	\$ (17,222)
Total Bank Accounts	\$ 307,561	\$ 313,825	\$ (6,264)
Accounts Receivable			
1231 Accounts Receivable - MKLA	\$ 1,678	\$ 1,803	\$ (125)
Total Accounts Receivable	\$ 1,678	\$ 1,803	\$ (125)
Total Current Assets	\$ 309,239	\$ 315,628	\$ (6,389)
Fixed Assets			
1262 Roads	\$ 364,825	\$ 363,565	\$ 1,260
1362 Water System	\$ 69,018	\$ 39,929	\$ 29,089
1366 Dam	\$ 62,592	\$ 7,648	\$ 54,944
Total Fixed Assets	\$ 496,435	\$ 411,141	\$ 85,293
TOTAL ASSETS	\$ 805,673	\$ 726,769	\$ 78,904
LIABILITIES AND EQUITY			
Liabilities			
Total Liabilities			\$ -
Equity			
2280 Restricted Net Assets [formerly Reserves	\$ 279,240	\$ 279,635	\$ (395)
3110 Unrestricted Retained Earnings	\$ 531,014	\$ 458,575	\$ 72,439
Net Unrestricted Income	\$ (4,581)	\$ (11,441)	\$ 6,860
Total Equity	\$ 805,673	\$ 726,769	\$ 78,904
TOTAL LIABILITIES AND EQUITY	\$ 805,673	\$ 726,769	\$ 78,904

Wednesday, Jan 20, 2016 08:41:29 AM GMT-8 - Cash Basis

Lakeshore Loan from NJDEP	429,703	468,108	-37,648
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MKLA Simple Sources and Uses Statement

2015

Opening Bank Balances

Operating Cash	72,341
Contingency Fund	100,006
LCRF	141,478
Total	<u>313,825</u>

Sources of Cash

Dues & Assessments	292,236
Other Income	5,350
Rentals	1,900
Total Income	<u>299,486</u>
Changes in Undeposited Cash & A/R	<u>(258)</u>
Total Cash	<u>299,227</u>

Uses of Cash

Operating Expenses

Admin	36,917
Beaches	7,373
Grounds	21,480
Clubhouse	9,317
Road	37,646
Dam	2,018
Water	22,713
Lakeshore Rents	40,000
Total Oper Exp	177,463

Capital Spending

LCRF Spending	95,231
non-LCRF improvements	32,044
Change in A/P	-
Income Tax	1,601
Total Uses	<u>306,339</u>

Ending Cash Balances

Operating	83,304
Contingency	100,000
LCRF	124,256
	<u>307,561</u>

LCRF Sources and Uses Details

Opening Bank Balance	141,478
Deposits to correct underfunding in previous period	(261)
LCRF Contributions	
Member Assessments	34,221
New Member Fees	13,175
TaxSavings	34,005
Interest	390
Total Sources	<u>81,790</u>
LCRF Projects	
Road	40,000
Dam	42,352
Water	12,879
Total Uses	<u>95,231</u>
Closing Bank Balance	124,256
Plus Money transferred to Oper Bank Acct	2000
but unspent at year end pending pmt on Roads	126,256

Proposed Operating Budget 2016

	budget 2015	prelim actual 2015	budget 2016
BOY Operating Cash	\$ 84,162	\$ 84,162	\$ 68,367
Member Dues and Assessments	\$ 294,500	\$ 264,625	\$ 294,500
Less Restricted Income:			
LCRF Assessment	38000	34221	38000
Earmarked tax savings	34400	34005	34400
Misc		6540	
Unrestricted Income	222,100	196,399	222,100
OPERATING EXPS	204,100	209,165	220,025
Admin	45,600	37,000	45,000
Water	27,000	41,166	27,000
Roads	30,000	37,646	38,000
Clubhouse	12,000	9,317	12,200
Beaches & Docks	10,500	7,373	16,325
Dam	4,000	15,183	0
Grounds	25,000	21,480	20,000
Lakeshore(Dam Loan) Rents	50,000	40,000	50,000
Additional Requests:			
for standpipe on LTE			8,000
for Ovens			3,500
EOY Operating Cash (proj)			\$ 70,442

Barbara C. Coulter:
includes Lakeshore Cash
approx \$12K in BOY15
approx \$3K in BOY16

Barbara C. Coulter:
plus \$16K of restricted
income (Corr and ovens),

Barbara C. Coulter:
Some 2015 dues were
collected and deposited in
Dec 2014

Barbara C. Coulter:
includes Alpine main

Barbara C. Coulter:
Includes Dam valve overage

2016 Proposed LCRF Budget

	2015		2016	
		Actual		Projected
BOY Bank Balance		141,478		126,234
New Member Fees		19,375		9,300
Member Assessments		43,421		38,000
Tax Savings		34,005		34,200
	Carried Over	Approved Actual	Carried Over	Proposed
WATER				
Generator	853.35	1596		
Maintenance to Tanks	10,094			
Maintenance to Tanks and Valves		45,000	-	
Refurbish all tanks		11,283		73,000
ROADS				
Paving & Drain Improvement Alpine & LTW		50,000	40,000	5,012
Sealing & various drainage improvements				50,000
BEACHES & DOCKS				
Dredge Lagoon				20,000
DAM				
Repair Valves	36,259	42,352		
Total Project Spending		<u>95,231</u>		<u>143,000</u>
EOY Bank Balance		\$ 126,234		\$ 59,722

Barbara C. Coulter:
includes \$2K currently sitting in Oper Checking acct pending pmt to Allward

Barbara C. Coulter:
Approximately \$44K unspent WILL NOT carry over. Previously approved tank projects will be closed out.

Barbara C. Coulter:
Overages of about \$20K were paid out of Operating Cash

Sum of Amount	Column Labels											
Row Labels	2016	2017	2018	2019	2020	2021	2022	2023	2026	2027	2028	2029
WATER	73,000	40,000	20,000	20,000	20,000	15,000			85,000	25,000	10,000	10,000
LTE & LTW steel pipes			10,000	10,000								
Replace pump in PH1			10,000								10,000	
Replace pump in PH2				10,000								10,000
Run PH2 off generator		15,000										
Tank Circulation		25,000										
Refurbish Beer Tank	39,000								45,000			
Refurbish Vert Tank	34,000								40,000			
Paint outside tanks					20,000					25,000		
Replace plumbing in PH2						15,000						
ROADS	50,000	40,000	15,000		50,000			50,000				
Primrose South to Elm		20,000										
South side LTW (entrance)			15,000									
Primrose North to TrailsEnd		20,000										
Alpine Pavement		0										
Drain Improvement LTE	10,000											
Sealing/Maintenance	40,000				50,000			50,000				
CLUBHOUSE				50,000								
new roof				50,000								
BEACHES & DOCKS	20,000		55,000									
breeder dredge			55,000									
Lagoon dredge	20,000											
Grand Total	143,000	80,000	90,000	70,000	70,000	15,000		50,000	85,000	25,000	10,000	10,000

LCRF BOY Bank Balance \$121,234 \$59,934 \$61,634 \$53,334 \$65,034 \$76,734 \$143,434 \$225,134 \$256,834

Major Accomplishments

With the Financial Review Committee and our Accountant, revised and restated Financial ledger and reports from 2012 forward

- All Reserved Amounts booked according to GAAP on both the P&L and the Balance Sheet
- Dues cycle aligned w/ fiscal year
- Fixed Assets cleaned up to correct errors introduced when we merged and unmerged Lakeshore and MKLA balance sheets
- Depreciation corrected and booked at Asset category level (e.g. Roads, Water)
- Updated Treasurer's Manual to reflect all revisions to procedures

Resolved last of our big AR disputes

Served as pro-temp Webmaster and upgraded website

And all the Routine Accomplishments

Invoiced and collected dues

- Work w/ attorney on delinquencies

Paid all the bills

Maintained the General Ledger

Provided monthly and annual financial reports

Ensure integrity of Reserves

Supported four house sales/closings

Manage Private Party applications

Handled all tax and 1099 requirements

Managed annual budgeting and project planning process