



Treasurer's Report 2023 Annual Meeting

- 2023 Year in Review
- 2024 Budget
- 2024 LCRF Projects



2023 Year in Review

- Commentary
- Summary
- Balance Sheet
- P&L
- LCRF Spend



Commentary – Balance Sheet

► **Balance Sheet**

- Operating Bank Account is used to pay Day to Day expenses and is funded primarily through unrestricted dues.
- Contingency Bank Account is a rainy day reserve in the event of extraordinary and unforeseen expense
- LCRF (Longterm Capital Reserve Fund) Bank account is used to pay for Capital projects voted on by the community. Primary sources of income come from restricted funds as a portion of dues, new member fees and earmarked tax savings achieved by past transfer of taxed community lots to green acres (outlined in by-laws)
- Fixed Assets are community tangible assets. All but land is depreciated over time



Commentary –P&L

- **Profit and Loss (P&L – Budget of \$267,700 vs Actual \$260,149*)**
- **Expenses**
 - Administration – Primary contributors include Property taxes, professional fees (tax prep) and insurance
 - Beaches and Docks – water treatment
 - Grounds – Tree Removal, Fall cleanup, Lawn maintenance, tennis court.
 - Clubhouse – Operations, Repairs and Maintenance.
 - Roads – Snow removal, Operations (ongoing repairs etc.)
 - Dam – weed wacking and inspection
 - Water – QC, utilities, repairs
 - Lakeshore Rental Payments – repayment of Dam Loan from the state.

*Excluding one-time transfer from Lake shore of \$22K



Commentary – LCRF

► LCRF (Long Term Capital Reserve Fund)

- Income and expenses for LCRF are NOT included in the operating budget
- Projects >\$10,000 are identified by the board and voted on by the community
- Yearly contribution comes from restricted dues (\$38,400), Earmarked Tax Savings (\$36,476) and New Member fees (budgeted \$9,100 in 2024)
- Total Contribution per annum approx. **\$84,176**
- Projects per year are identified in the LCRF spreadsheet as are projected bank balances

2023 Summary

- ▶ **Balance Sheet** - Operating Account balance (Day to Day Operating Account) \$36,930 (flat with 2022 because of one time transfer of \$22K from Lakeshore Dam payments overage), (\$37,765 in 2022, \$74,120 in 2021, \$73,531 in 2020, \$94,307 in 2019), LCRF (Longterm Capital Reserve Fund) \$184,403, Contingency \$109,696
 - ▶ **Note:** Operating account usually decreases each year as expenses outpace income. 2023 excluding one-time transfer from Lakeshore is also negative
 - ▶ **Recommendation is an increase Q2 2024 to dues by \$125 per quarter or \$500 per year which covers our deficit (additional income of \$48,000 per year). New quarterly dues would move from \$775 to \$900. To be voted on by the community.**
- ▶ **Total Spending (P&L and LCRF)** \$356,284
- ▶ **P&L** - Total Operating Spend \$260,145. (97% of 2023 budget \$267,700)
- ▶ **LCRF** projects at 52% of budget (budget of \$184,003 vs spend of \$96,134)
 - Clubhouse renovations – \$40,000 (budget) vs \$44,434 (actual)
 - Note: Overage paid by MKCC
 - Lake Health Remediation - \$30,000 (bud) vs \$26,220 (act)
 - Dredge pond and repair Pipe under road - \$50,000 (bud) vs \$15,480 (act)
 - Backup well Engineering study - \$25,000 (bud) vs \$0 (act) cancelled

Mount Kemble Lake Association

Balance Sheet

	12/31/2023	12/31/2022	2023 vs 2022		12/31/2023	12/31/2022	2023 vs 2022
ASSETS				LIABILITIES AND EQUITY			
Current Assets				Liabilities			
Bank Accounts				Total Liabilities			
100 Operating Bank Accounts	36,930	37,765	(835)	0			
1030 Contingency Bank Accounts	109,696	105,734	3,962	0			
200 LCRF Bank Accts	184,403	198,063	(13,660)	0			
Total Bank Accounts	\$ 331,029	\$ 341,562	(10,533)	Total Equity			
Accounts Receivable				\$1,173,056			
1231 Accounts Receivable - MKLA	(10,032)	(5,167)	(4,865)	\$1,202,672			
Total Accounts Receivable	(10,032)	(5,167)	(4,865)	(29,616)			
Other Current Assets				TOTAL LIABILITIES AND EQUITY			
1441 Undeposited Funds	8,258	3,100	5,158	\$1,173,056			
Total Other Current Assets	8,258	3,100	5,158	\$1,202,672			
Total Current Assets	\$ 329,256	\$ 339,495	(10,239)	(29,616)			
Fixed Assets							
1261 Clubhouse, beaches & docks	183,481	168,001	15,480				
1262 Roads	332,547	332,547	0				
1361 Lakeshore Equipment	36,725	36,725	0				
1362 Water System	355,602	355,602	0				
1366 Dam	68,490	57,490	11,000				
1369 Land	50,380	50,380	0				
Accumulated Depreciation	(183,424)	(137,568)	(45,856)				
Total Fixed Assets	\$ 843,800	\$ 863,176	(19,376)				
TOTAL ASSETS	\$ 1,173,056	\$ 1,202,672	(29,616)				

Mount Kemble Lake Association Budget vs. Actuals: 2023 Operating Budget - FY23 P&L

January - December, 2023

	Actual	Budget	over Budget	% of Budget
Income				
4211 MKLA Base Dues	222,724	222,724	-	100%
4214 Bad Debt	-		-	
Total 4211 MKLA Base Dues [\$2450/yr]	222,724	222,724	-	100%
4221 Restricted Dam Assessments			-	
4222 Restricted LCRF Assessments			-	
4223 Restricted LCRF New Member Fees			-	
4241 Clubhouse Private Rentals	3,150	3,600	(450)	88%
4250 Interest Income	4,123	1,560	2,563	264%
4261 Misc Income (MKCC for reno)	2,000		2,000	
4261.1 Late Fees	295	180	115	164%
4265 Snow Removal Rebate	7,907	12,000	(4,093)	66%
4300 4300 Boat Registration	1,400		1,400	
Total 4261 Misc Income	11,603	12,180	(577)	95%
Total Income	241,600	240,064	1,536	101%
Expenses				
Total 5210 Administration	44,676	47,000	(2,324)	95%
Total 5220 Beaches & Docks	17,920	22,000	(4,080)	81%
Total 5250 Grounds	56,022	61,500	(5,478)	91%
Total 5270 Clubhouse	37,903	16,200	21,703	234%
Total 5280 Road	16,624	31,000	(14,376)	54%
Total 5330 Dam Operations	10,040	5,000	5,040	201%
Total 5340 Water Operations	26,856	35,000	(8,144)	77%
5350 Lakeshore Rental Payments	49,631	50,000	(369)	99%
5370 Bank charges	(23)		(23)	
7000 Income Tax Expense	500		500	
Total Expenses	260,149	267,700	(7,551)	97%
Net Operating Income	(18,451)	(27,636)	9,087	-67%
Plus: One Time transfer from Lake Shore	22,000			
Net Operating Income including transfer	3,451			



Commentary – Proposed Budget 2024 & LCRF Long-term Projects

➤ **Budget 2024**

- Exceeds 2023 budget +0.3% and 2023 actual \$8,266 (Excl one-time transfer from Lakeshore)
- Increases primarily in Insurance Premiums and Lake returning to normal expense levels

➤ **LCRF**

- 2021 Projects slightly over budget
- 2022 projects under budget at 60.5% of budget
- 2023 projects under budget at 52.2% of budget
- 2024/2025 future projects of note
 - Clubhouse deck re-staining - Projected cost \$7,000 for 2024
 - Lake Permits – Projected cost \$30K
 - Lake Dredging – 2025 Projected cost - \$520,000

LCRF 2023, Total Spend \$96,134

Mount Kemble Lake Association Budget vs. Actuals: 2023 LCRF (over 10,000)

January - December, 2023

	Total		Over (Under) Budget
	Actual - 12 mos	Budget - full year	
Income			
Starting Balance	198,063	198,063	-
4222 Restricted LCRF Assessments	74,907	74,876	31
4223 Restricted LCRF New Member Fees	3,100	9,300	(6,200)
4225 Restricted LCRF interest income	4,468	2,000	2,468
Total LCRF Balance	280,538	284,239	(3,701)
Approved Projects			
- Dam Repair - Carryover from prior year	11,000	11,000	-
- Clubhouse renovation	44,434	40,000	3,434
- Clubhouse drainage & doors		8,715	(8,715)
- Dredge Lagoon & Pipe Repair	15,480	50,000	(34,520)
- Lake Study	26,220	30,000	(3,780)
- Water System automation (2020 carryover)		19,288	(19,288)
- Water System back-up well project (<i>cancelled - volunteer work replaced need for study</i>)		25,000	(25,000)
Total Spend	96,134	184,003	(87,869)
Remaining Balance	184,403	100,236	84,167

2024 Budget P&L

	2024 Budget No Dues Increase	2024 Budget with \$125 per quarter starting Apr-2024
Income		
Total 4211 MKLA Base Dues	222,724	258,724
4241 Clubhouse Private Rentals	3,600	3,600
4250 Interest Income	3,000	3,000
Total 4261 Misc Income	5,600	5,600
TOTAL INCOME	234,924	270,924
Expenses		
Total 5210 Administration	48,350	48,350
Total 5220 Beaches & Docks	25,500	25,500
Total 5250 Grounds	58,000	58,000
Total 5270 Clubhouse	16,000	16,000
Total 5280 Road	31,000	31,000
	-	-
Total 5330 Dam Operations	6,500	6,500
Total 5350 Lakeshore loan payments	47,565	47,565
Total 5340 Water Operations	35,500	35,500
Total Expenses	268,415	268,415
Net Operating Income	(33,491)	2,509

LCRF Project Plan

Category	Project Name	Year (Est)	Cost (Est)	Frequency (years)	Description / Notes
1. Capital expenses expected in the next 10 years					
Lake, Beaches & Docks	Alum Treatment	2025	110,000	-	Lake Study \$30,000 in 2025; Treatment \$80,000 in 2026
Lake, Beaches & Docks	Dredge Lake	2025	520,000	20	
Lake, Beaches & Docks	Dredge Lake Permits	2024**	30,000		** Will only be spent if approved with Dredging in a future inform meeting
Lake, Beaches & Docks	Dredge forepond	2028	30,000	5	
Roads	Chip and Seal	2027	85,000	6	
Roads	Drain Repair	2025	2,000	5	Drains on the side of the roads will likely need to be update over time
Water	Arsenic Filter	2026	48,000	3	Operating expense. Only included for planning and transparency
Water	Paint Water Tanks	2026	20,000		
Water	Replace Pump House Controls	2032	10,000		
Clubhouse	Deck Refinishing	2024	7,000		Last refinished in July 2020
Clubhouse	Clubhouse Sound System	2025	3,500		Modernize system
Clubhouse	Upgrade Commercial Kitchen Range	2025	7,750		Modernize Range
2. Capital expenses that may be needed in the next 10 years depending upon condition					
Clubhouse	Replace Copper Turret		12,000		
Clubhouse	Floor replacement Ballroom		35,000		Can be sanded 1x. Replacement needed likely beyond 10 years
Clubhouse	Floor Replacement Bar & Kitchen		6,000		Can be sanded 1x. Replacement needed likely beyond 10 years
Clubhouse	Handicapped bathroom renovation		50,000		Expect to be required beyond 10 years
Clubhouse	Kitchen Refresh		15,000		
Clubhouse	Replace Ceiling Tile		3,000		
Clubhouse	Replace skylights (from 1990)		10,000		
Roads	Parking at Tennis Court		15,000		
Grounds	LTE Stair and Drainage Repairs		45,000		The stairs, drainage and grading all need to be addressed
3. Large Capital projects with unpredictable timing					
Water	Replace Well 1		300,000		Likely within the next 10 years
Water	Replace Well 4		>300,000		40-50 years
Water	Replace Street Mains		4,000,000		Will be 140 years old in 2060-2070
Water	Water Tank - Interior Seal Maint & Repair		100,000		TBD
Water	Replace Water Tank 1 (10-20 years?)		50,000		10-20 years
Water	Replace Water Tank 2 (10-20 years?)		50,000		10-20 years
Water	Replace Water Tank 3 (10-20 years)		50,000		10-20 years

LCRF 10-year projection

Mount Kemble Lake Association LCRF - Capital Project 10-year forecast

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Starting Balance (Prior Year Ending Balance)	184,403	232,704	185,264	80,729	39,195	52,661	48,126	89,592	133,058	208,390
Annual Income	85,301	85,676	133,332	133,332	133,332	133,332	133,332	133,332	133,332	133,332
Contributions from Dues and New Member Fees	85,301	85,676	85,676	85,676	85,676	85,676	85,676	85,676	85,676	85,676
Contributions from Dam Payment repurpose	-	-	47,656	47,656	47,656	47,656	47,656	47,656	47,656	47,656
Annual LCRF/Spending total	(37,000)	(133,116)	(237,866)	(174,866)	(119,866)	(137,866)	(91,866)	(89,866)	(58,000)	(115,000)
Year End Balance	232,704	185,264	80,729	39,195	52,661	48,126	89,592	133,058	208,390	226,722

Assumptions

Dredging is funded through a loan. Interest rate of 5% for 7 years (actual terms may be different)

Dam Repurpose applied to LCRF - to be voted on in a future annual / special meeting

Expected projects only

Includes minor impact from dues increase related to initiation (per Bi-laws home transfer matches annual dues)

Note: 2024 Includes cost for Dredging Permits. This will only be spent if approved with Dredging in a future inform meeting

Detailed Board / Resident Volunteer Services Provided

Estimated \$50,000 - \$75,000* or ~\$1000 annually per house in costs provided free of charge

Accounting and collections – billing quarterly dues; processing payments received; paying outside vendors and contractors, maintaining financial records; annual financial reporting to members; providing member dues status for residential property transfers

Administration – interface with outside attorneys, CPA, insurance agent, banks, etc. for business of the Association; attend to tax filings and corporate registration filings; management of Dam/Dredge loan from the State; conduct community surveys and organize various committees for financial and long-term planning; community record-keeping

Water system operation – day-to-day oversight of operations; daily collection of system data at the pumphouses by team of Vital Statistics Analyzers (VSAs), interface with our outside professional Licensed Operator; retention/oversight of contractors for construction and repair projects

Community communications – MKL Website management; various notices, minutes and communications prepared and distributed to residents

by hand, electronically and call-'em-all systems; community newsletter

Road DPW-type services – monitoring road conditions; retention/oversight of outside contractors for repairs and resurfacing projects and for water main leak repairs; retention/oversight of winter salting, sanding, and snow plowing services; file for Town reimbursement of certain snow plowing costs

Grounds maintenance – resident fall and spring roads and grounds cleanups, and spring beach cleanup; retention/oversight of outside lawn services, arborists and tree services; Environmental Stewardship Committee (ESC) monitoring of conservation easement properties and invasives control

Clubhouse maintenance – monitoring of structure, systems and utilities; retention/oversight of repair contractors, cleaning services, pest control, utilities, trash pickup, etc.; volunteer construction, painting and cleaning projects; creation/maintenance of history archives room for MKL records; purchasing supplies to equip kitchen and bar

Recreational facilities management – retention/oversight of outside testing and treatment contractors to manage Lake water quality; interface with Town Health Dept. for annual beach inspection; supervision of community garden; repairs to playground; retention/oversight of tennis court services

Dam management – retention/oversight of outside engineers for biannual State-mandated inspection; management of periodic lake lowering; retention/oversight of repair and landscaping services to maintain dam condition

Community Safety – resident summer road patrol

Social Activities – planning and organizing a year-round calendar of parties and social events at the Clubhouse; managing the Bar and the Country Club's liquor license; stocking the Bar; processing sales tax payments to the State

*Property management benchmarks 10-20% of income (polled Nov-2023) and MKL bookkeeping proposal received of \$30,000; costs likely to be higher since services provided unique vs typical HOA.

What services does MKL provide?

MKL LAKE, BEACH, DOCKS AND DAM

\$79,565

Maintenance of Lake, Beach, Docks and Dam (built 1929). Includes lake water quality testing and treatments. Dock and swim float maintenance. Emergency equipment. Dredging for lake and ponds. Maintenance of Dam, cutback of foliage as mandated by DEP and State required bi-annual inspections. Includes Dam/Dredging Loan payment of \$47,565

Note: Dam is separately reported in the P&L

MKL PROPERTIES

\$58,000

Maintenance of 35 Community-owned properties and undeveloped lots. Includes Tennis Courts, Playground, Community Garden, Dog Park, Clubhouse Lawn, Beach Lawn and Wilner Park. Includes tree maintenance.

PROPERTY MGMT & BOOKEEPING \$0

Property Management and Bookkeeping minimum of \$50,000 - \$75,000 in annual costs avoided through Board and community volunteers.

DRINKING WATER

\$35,500

Daily operation of system to pump, test and supply drinking water to 96 community homes, Clubhouse and storage tanks. Includes inspections.

ADMINISTRATION

\$7,850

Professional fees (legal, CPA, tax prep, etc.)

MKL CLUBHOUSE (87-years old) \$25,000

Clubhouse building maintenance, repair and upkeep of heating and cooling systems; plumbing and septic system; kitchen appliances; commercial fire suppression system.

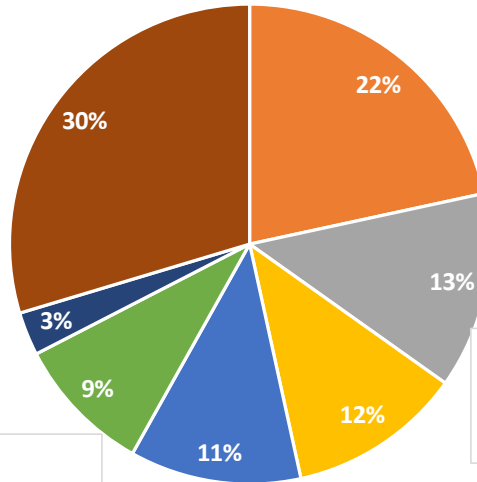
Note: Includes \$9,000 in Utilities and Supplies which are reported in the P&L under Administration

INSURANCE

\$31,500

Liability and Property Insurance premiums

Note: Insurance is reported under Administration in the P&L



MKL PRIVATE ROADS

\$31,000

Maintenance of Community's Private Roads. Maintain 7 Roads, 3 Parking areas and 2 Fire Lanes. Includes repairs, resurfacing, snow management, leaf and debris cleanup and maintenance of drains and riprap.

*Property management benchmarks 10-20% of income (polled Nov-2023) and MKL bookkeeping proposal received of \$30,000

Note: Expenses based on Proposed 2024 Budget

Detailed listing of services

Lake, Beach and Docks

- Beach swimming area weekly quality testing during summer
- Monthly lake-wide testing for algae and water quality
- Algae and weed treatments
- Docks and swim float maintenance
- Beach Sand replenishment
- Emergency equipment and phone at Beach
- Dredging of lake, lagoon and breeder pond

Dam (built 1929)

- Includes Loan payment of \$47,565
- Structure & spillway repairs and maintenance
- Vegetation management on back of Dam
- State required bi-annual inspections

Community-Owned Properties

Maintenance of 35 Community-owned property and undeveloped lots

- Tree maintenance and removal
- Fall Clean-up
- Tennis Court, Playground, Community Garden and Dog Park maintenance
- Lawn mowing for clubhouse, beach & Wilner Park

Drinking Water

- Daily operation of system to pump water to 96 community homes, Clubhouse and storage tanks
- System includes 4 wells, 2 pumphouses, 3 water storage tanks, pumphouse emergency generator, chlorination system and arsenic treatment system.
- State required monthly testing
- Licensed Operator to monitor system and to file required reports to State
- Street water main maintenance and repairs

Insurance

- Liability and Property Insurance premiums

Community's Private Roads

Roads (Primrose, LTW, LTE, Alpine, Trail End, Elm Trl and Beach Trail), Parking (Beach, Clubhouse and Tennis Courts) and Fire Lanes (2 on West side)

- Maintenance, repairs and resurfacing
- Snow sanding, salting and plowing
- Leaf and Debris Cleanup 2x per year
- Drains and riprap area maintenance

Clubhouse (87-years old)

Clubhouse building maintenance, repair and upkeep including heating and cooling systems; plumbing and septic system; kitchen appliances

- Utilities, garbage and pest services
- Commercial fire suppression system and alarms
- Equipment and supplies for kitchen, bar, social events
- Furnishings

Community Administration

- Professional fees (legal, CPA, tax prep, etc.)

Other Administrative **VOLUNTARY**

- Property Management and Bookkeeping

BACKUP

Clubhouse renovations details

\$40,000 (budget) vs \$44,434 (actual)

Clubhouse Renovations Detailed				
Carpeting	\$ 9,407.06	Installation and Disposal	4,330.00	LCRF
		Carpet	5,077.06	
Wood Floor	\$ 5,557.30	Sand, Finish with Stain	5,557.30	
Lighting	\$ 8,248.74	Ballroom Fixtures (4) + Foyer Fixtures (2)	4,076.31	
		Bar Pendants (3)	315.62	
		Fixture Installation including:	3,209.76	
		* Bar Mirror Lights		
		* Chandelier Replacement - Ballroom		
		* Fixture Replacement - Foyer		
		* Pendant Lights over Bar		
		* Track Lighting Installation		
		* Hang Two New Chandeliers on Center Beam		
		* Undercounter Lighting in Bar		
		Track Beam Lighting - 12 ft track, 5 fixtures/track	647.05	
Wallpaper Removal/Paint	\$ 10,929.06	Wallpaper/Walls/Trim Addition, Ballroom Trim	7,410.44	
		Foyer Ceiling and Trim	693.06	
		Ballroom Ceiling	2,559.00	
		Paint Electrical Boxes and Wire Covers	266.56	
Chairs	\$ 3,410.06	Repair	-	
		Fabric	1,335.06	
		Chair backs - Hi-Tops (12) Labor	840.00	
		Chair Backs - Bar (3) Labor	195.00	
		Chair Seats Labor	1,040.00	
Bar	\$ 1,571.02	Backsplash	364.75	
		Wallpaper in Cabinets	140.02	
		Backsplash Installation	1,066.25	
Bathroom	\$ 1,334.95	Paint Ceiling, Walls, Stall Doors	1,334.95	
SUBTOTAL			40,458.18	
Clubhouse Renovation Budget	\$ 3,996.23	Dividers for Storage	2,402.79	Country Club Contribution
		Bathroom Fixtures and Accessories	1,350.25	
		Under Counter Light Fixtures	243.19	
TOTAL			44,454.41	