

An aerial photograph of Walker Lake, a large body of water surrounded by a dense, lush green forest. The lake is the central focus, with its dark blue water contrasting against the vibrant green trees. The forest extends to the horizon under a clear blue sky with a few wispy clouds. The text is overlaid on the lake and forest.

Walker Lake Shores Landowners Association

2025 BUDGET

Adopted by the Board of Directors at its November 16, 2024 meeting

Photo credit, Scott Rando

A budget is
really just our
best estimate...

- at what we will do

and

- how much money
we will need to do it.

A budget is...

- A financial plan for the upcoming fiscal year.
- An estimate of income & expense.
- A tool for being financially ready for what we need or want.
- Assurance that our assessments are set at the right amount.

A budget is not a commitment...

- Actual income & expense are almost always over or under the amount budgeted (but our budgets have been close!).
- All expenditures are subject to board authorization (even expenses included in our budget will be put to a vote).

Key Reports for 2025 Budget Development:

- 1) 2024 Projected to Year End in Lake Road Member Format ⁽¹⁾**
 - Estimated year end surplus/deficit
 - Projects planned for 2024 that were not completed, are being forecast for completion in 2025
 - Carry overs specific to those projects were estimated and those dollars are carried forward in the Reserve portion of the 2025 budget (at the bottom, after the net).
- 2) 2025 Budget Working Document YOY (Year Over Year) ⁽¹⁾**
 - Provides a great historical view from 2017 to 2025, and includes the 2024 Projections to Year End.
- 3) 2025 Budget Working Document ⁽²⁾**
 - current version is “to BOD 10-19-2024”
 - Introduced today for discussion and feedback
 - November 16 BOD meeting is target date for vote

⁽¹⁾ “2024 Projected to Year End” & “2025 YOY” are available upon request.

⁽²⁾ “2025 Budget Working Document_to BOD 10-19-2024” provided and presented at the 10-19-2024 BOD meeting.

2025 projects and aspirations:

In addition to the everyday expenses that keep the lights on, we have several special projects in the works for 2025

- ✓ Increase funding for Road Repair
- ✓ Replace flooring in the Clubhouse
- ✓ Bring in technological enhancements for Security
- ✓ Tennis court repair
- ✓ Add sand at West Shore Beach (plan for 1 load in case of erosion at Clubhouse Beach)
- ✓ Salt tent installation
- ✓ Fish stocking
- ✓ Continue to work on readiness for the Dam project (urgency is reduced given news that we could have several years before we would hear back from PA DEP)
- ✓ Continue to work on readiness for Building repairs
- ✓ Explore potential ADA upgrades
- ✓ Repair parking lot at Clubhouse/Office
- ✓ Cleanout drainage feature between Clubhouse & Clubhouse Beach

Keeping an eye on Reserves

The Reserve Study is a planning technique that provides a pathway to assurance that funds are available when repair or replacement of a common element is necessary.

✓ Lake Reserve

- \$287,829.08 total as of October statements
- Latest news from PA DEP is that our application review could be several years down the road
- \$500,000 cost of the dam improvements (rough, “don’t quote me” guess from our engineers)
 - a couple years old now (before the inflation jump)
 - that guess would probably be higher today.
- We can borrow up to \$500,000 from the Dam Assurance Program, but it will require...
 - 50% matching funds
 - repayment within 10 years
 - interest rates equal to 5 year US Treasury Note at time of application.
- We must also plan for construction overruns
- *so we’re close, but we should continue to save, taking advantage of our long lead time*
 - 2024 Projected to Year End: possible \$16,081 contribution to Lake Reserve.
 - 2025 Budget plans for \$11,836 contribution to Lake Reserve.

✓ Road Reserve

- \$40,782.71 as of October statement
- \$20,295.98 surplus is requested to be carried over from 2024 to 2025
- \$15,000 = targeted retention as emergency fund
- 2024 brought substantial improvement in conditions, and that progress will continue in 2025.

Keeping an eye on Reserves

The Reserve Study is a planning technique that provides a pathway to assurance that funds are available when repair or replacement of a common element is necessary.

✓ Building Reserve

- \$38,928.65 as of October statement
- \$19,500 roof replacement done in '23
- \$10,000 Clubhouse flooring replacement budgeted in the '24 was not completed. Request carry over to 2025, and add \$3,000 to include Office flooring
- \$10,000 budgeted in 2025 for ADA upgrades
- \$20,000 for parking lot repair
- *2024 Projected to Year End: possible \$20,000 contribution to Building Reserve.*
- *2025 Net activity for Building Reserve = -\$28,814*
 - *\$39,000 anticipated 2025 draw*
 - *\$10,186 anticipated 2025 year end contribution*
- Our Reserve Study included only our building components (Lake & Road, excluded, as replacement cost was unknown).
 - *2022 study: 31.5% funded*
 - *2023 study: 58% funded*

✓ Tennis Court Savings

- \$5,137.76 as of October statement
- *2024 Projected to Year End: possible \$6,666.40 contribution to Tennis Savings*
- *2025 anticipated 2025 year end contribution = \$1,000*
- Players report dead spots and urgent need for repair
- Program Committee Chair requests additional lines to support more pickle ball play
- Tennis court repair specialist needs to be secured
- **2025 Tennis Court Budget = \$8,889**
 - Tennis court stairs need repair & re-staining, budgeted at \$879
 - Monthly tennis court cleanings were recommended by Crafco in 2020 (following last resurfacing) from April through November each year. Find a provider for these cleanings, budgeted @ \$510
 - \$7,500 budgeted for tennis court repair

Keeping an eye on Reserves

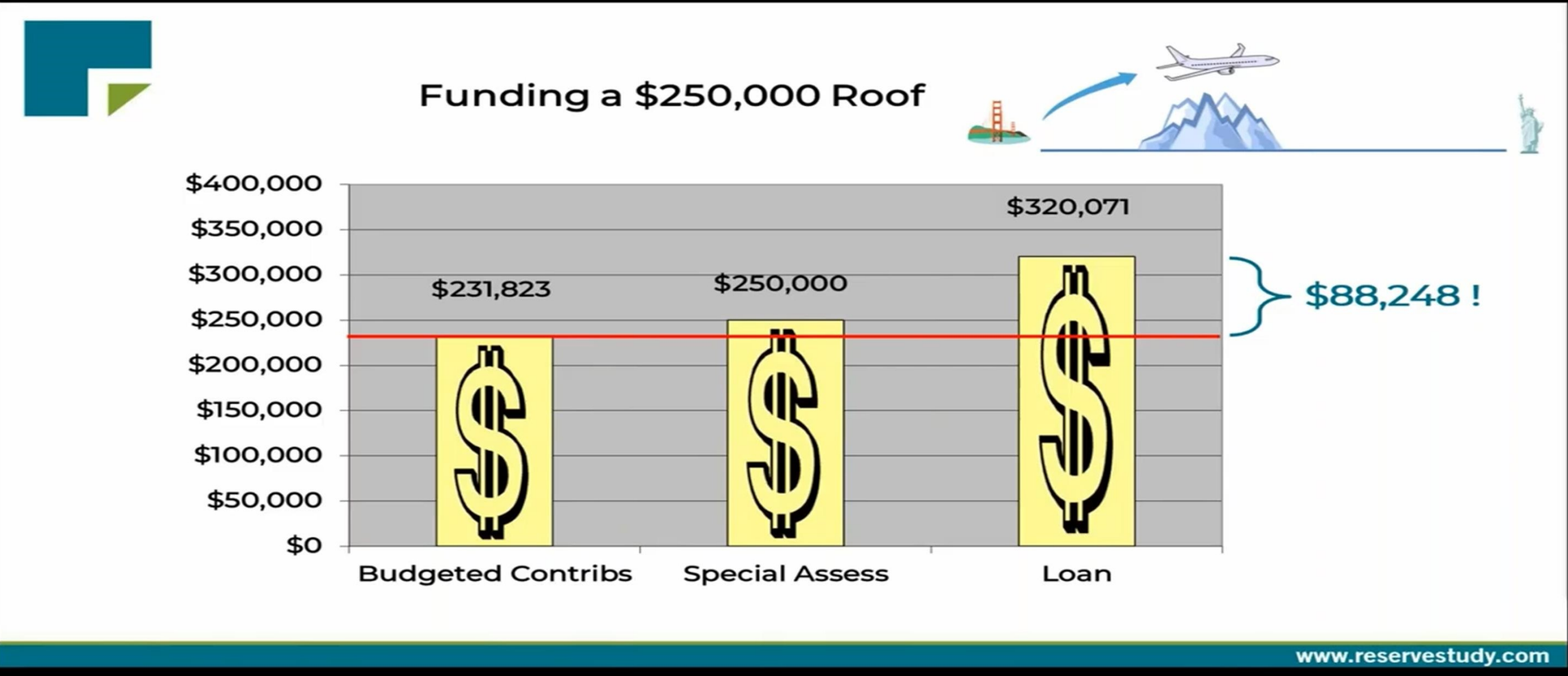
The Reserve Study is a planning technique that provides a pathway to assurance that funds are available when repair or replacement of a common element is necessary.

✓ Capital Improvement Fund

- Funds cannot be co-mingled
- Use is restricted to new common areas or complete replacement of an existing common area.
- \$45,123.02 as of October statement
- \$8,135.09 expended in '24 for additional mailboxes, funded through '24 Cap Imp Income.
- *Projected '24 growth in Cap Imp Fund = \$6,045.66*
- \$35,000 budgeted in '25 for salt shed installation, funded with \$20,370 in reserved Cap Imp Fund, and \$14,630 in '25 Cap Imp Income

This is a demonstration of purchasing power when funding through Reserve Study methods. It is a slide from a video by Association Reserves using a roof replacement as an example. The same would apply to any project, including our roads or our dam.

Please note the increased value when funding through reserves vs funding through a loan.



Summary of our silos... Lake Road Member

- ✓ Lake funding is ok.
 - Cautionary note that pipe repair costs and reserve planning are pending
 - Based on what we do know, continued saving can be at a more relaxed pace due to backup at DEP and relative low priority of our dam's issue.
- ✓ Road funding is improved.
 - We have increased funding each year
 - We continue efforts to meet the need.
 - Contributions to Road Reserves should continue to be deferred until we achieve adequate results in conditions. In other words, Road is almost entirely funded through annual operating budget, not Reserve Study methodology.
- ✓ Member funding is challenged by the fact that Membership is optional for much of the community.
- ✓ Capital Improvement Fund is ok.
 - Property sales grew Cap Imp Income to surprising \$24,046.25 in '23, but normalized in '24, with a 14,137.50 year end projection.

Closing thoughts

- ✓ This is a strong budget that prepares us well for 2025 and has the potential to accomplish much.
 - Committee budget requests are funded.
 - Projects that are just coming into view are anticipated (ie: parking lot repair, Security upgrade costs, drainage cleaning, tennis court repair...).
 - Reserves are growing at a slow pace, improving our long term fiscal condition without large increases in assessments.
 - No assessment increase is proposed for 2025.