

# WALKER LAKE SHORES LANDOWNERS ASSOCIATION

## Annual Financial Report for July 15, 2023 General Membership Meeting

Walker Lake Shores Landowners Association had 502 property owners on its assessment rolls on 1-1-2022 with varied rights and responsibilities to Walker Lake.

264 in Pennsylvania Lakeshores (250 Road Assessed)

134 in Walker Lake (24 Road Assessed)

58 in Maple Park

456 total properties assessed

+46 in Hinkel Estates (optional assessments begin in 2021 per settlement agreement).

502 total properties as of 1-1-2022

Of the 502 total, 274 property owners were assessed Road Assessments.

Of the 502 total, 303 were members by 12-31-2022.

Audit procedures for the Fiscal Year 2022 are about to begin. The figures provided below have not yet been subject to audit. Professional, outside audits have been done annually since fiscal year 2016.

\$323,895 total income for 2022

\$219,803 total expense for 2022

\$104,092 Net Income

\$ 24,898 Loan Principal

\$ 79,194 Net effect with considerations to loan principal

Lake/Road/Member Reporting: the single most significant financial control...

Income and expense for every transaction is classified on an ongoing basis as Lake, Road, or Member, maintaining these funding streams.

Reported monthly to the board & to the community (as posted on our website).

To assure that assessment levels are appropriate, any overages or shortfalls are determined at year end and carried forward to the following year within the same funding stream.

Lake/Road/Member reporting assures that the funds are used for the purposes for which they were collected.

Additional important financial controls..

All expenditures are authorized by the Board of Directors.

The Finance Committee sees the bank statements for our accounts each month.

Our first ever Reserve Study was done in Dec 2021. Though the scope was limited to our buildings, this is an important step forward in planning for necessary repairs & replacements. That we have lacked a Reserve Study has been cited each year by our auditors since our 2016 audit, and recommended for corrective action.

# WALKER LAKE SHORES LANDOWNERS ASSOCIATION

## Annual Financial Report for July 15, 2023 General Membership Meeting

### What fiscal challenges remain?

*Optional membership* – of 503 total property owners on the rolls for 2023, 280 are paid Members as of 7-13-2023.

Inhibits our ability to raise funds for Member items & restricts our growth as a community, limiting common area development & maintenance.

*Adequately funding our reserves* – now that we have a reserve study, we need to work to implement its findings to ensure that we are ready for planned repairs & replacements. Funding projects through reserves is a lower cost method vs borrowing, and can make our dollars go further.

*Road maintenance* – our ability to raise funds for Road repair is inhibited by the fact that only about half of the community is assessed for Road Assessments.

The last of our Road loan was paid in full – in fact, WLLA is debt free across all funding streams at this time.

A Special Road Committee has been working toward creating a longer term plan.

*Varied rights and responsibilities* – unlike other communities that have a single arrangement with all property owners, we don't. Assessments vary as a result.

*Board & Committee vacancies* challenge our ability to be a self-managed community.

*Accounts Receivables* are being actively pursued in court.

Court is finding in our favor, but collections processes are slow and few judgements have been paid to date.

Following a judgment from the local Magistrate, sheriff sales are the collection methods available to WLLA in accordance with PA Planned Community Act. Several personal property executions and real property executions (foreclosures) are in process to collect these debts.

Property owners who don't pay are a burden on those that do.

*Dam repair* – Costs cannot be determined until plans are approved by DEP.