



TINK-WIG

TINK-WIG MOUNTAIN LAKE FOREST POA

2024-2025 Budget Proposal Review
Revised June 1, 2024

Background

- ▶ Past and current Boards have been building up reserves over the past 4 years to help offset bridge replacement costs
 - ▶ \$198,282.36 In Reserve as of April 2024
 - ▶ \$103,563.20 T-Bill Short-term investment (Reserves)
 - ▶ \$94,719.16 (Reserves)
 - ▶ \$40,000 Planned input to reserves for 2023-2024 budget cycle
 - ▶ \$52,044.68 Capital Improvement Fund as of April 2024
- ▶ Our Full-Time Executive Director has been hired to execute a more formal short- and long-term strategy, keep up with several required administrative tasks and bring us into stronger compliance with HOA and Board Practices
- ▶ The pool has been upgraded into environmental compliance no longer requiring backflushing
- ▶ 30+ year old lake dock replaced with a new lower maintenance floating dock
- ▶ Other upgrades to the Playground, Clubhouse, Office, Communications, and Dam areas have been completed through mostly volunteered time and resources
- ▶ Good progress made recovering late payments, however continued work and legal action required

Key Inputs and Assumptions

The cost of maintaining our community continues to rise due to **inflation** seen in Pennsylvania and across the country in excess of **8%**.

- ▶ The **bridge replacement of** @\$324,000 now has a solid plan in place for completion in 2025.
 - ▶ Budget includes anticipated loan payback interest (Actual figure to be confirmed once loan is secured)
 - ▶ Partial bridge funding will come from reserves that have been saved for this purpose.
 - ▶ Overall dues still remain below \$100.00 per month for a 1+ acre lot, with trash pick-up, private lake, pool and clubhouse facilities in a wooded mountain community of over 800 lots and over 600 owners.
- ▶ Our **17.5 miles of roads** which include the ditches, culverts, road-side crests and brush, need much more attention and funding.
 - ▶ We are shifting more spending to improve our roads, which requires some **cuts** in **Lake** and **Pool** spending.
 - ▶ Road improvements will continue to be our top priority for the coming years and the board continues to work to a formal year-over-year sustainable plan.
- ▶ **Insurance** costs anticipated to be up almost **20%** this coming year.
- ▶ Trash removal at each improved lot will continue to be supported for our homeowners. We will be in the 2nd year of our 3 year set contract.
- ▶ Other requirements and amenities covered in our covenants will continue to be prioritized and supported based on critical need.
- ▶ The community will continue to rely on volunteerism to help offset costs where possible.

Recommendations

Summary

\$569,750.00 2024-2025 Expense Budget Recommendation

\$29,750.00 increase from 2023-2024 - \$540,000.00

\$854.00 Improved Lot Dues

\$29.00 / year increase (\$2.41 / month)

\$650.00 Unimproved Lot Dues

\$75.00 / year increase (\$6.25 / month)

Unimproved lot allocations have been corrected to be equal to improved lot fees for all items except for trash costs.

| Proposed 2024/2025 Budget | | Improved | Unimproved |
|--------------------------------|-------------------|------------------|------------------|
| | \$ 569,750 | \$ 854.00 | \$ 650.00 |
| Budget 2023/2024 | | Cost/ Year/Lot | |
| Road Repairs and Maintenance | \$ 141,000 | \$ 184.13 | \$ 184.13 |
| Payroll | \$ 102,600 | \$ 133.98 | \$ 133.98 |
| Rubbish Removal | \$ 72,000 | \$ 203.39 | \$ - |
| Snow Removal | \$ 52,800 | \$ 68.95 | \$ 68.95 |
| Replenish Reserve Account | \$ 40,000 | \$ 52.24 | \$ 52.24 |
| Insurance | \$ 41,250 | \$ 53.87 | \$ 53.87 |
| Lake Maintenance | \$ 29,900 | \$ 39.05 | \$ 39.05 |
| Pool | \$ 27,000 | \$ 35.26 | \$ 35.26 |
| Utilities | \$ 13,500 | \$ 17.63 | \$ 17.63 |
| Legal | \$ 10,000 | \$ 13.06 | \$ 13.06 |
| Accounting Fees | \$ 7,500 | \$ 9.79 | \$ 9.79 |
| Events & Activities | \$ 3,500 | \$ 4.57 | \$ 4.57 |
| General Maintenance & Supplies | \$ 6,000 | \$ 7.84 | \$ 7.84 |
| Grounds Maintenance | \$ 6,000 | \$ 7.84 | \$ 7.84 |
| Bridge Loan Interest | \$ 6,000 | \$ 7.84 | \$ 7.84 |
| Technology | \$ 3,000 | \$ 3.92 | \$ 3.92 |
| Bank Charges | \$ 1,800 | \$ 2.35 | \$ 2.35 |
| Postage | \$ 1,800 | \$ 2.35 | \$ 2.35 |
| Annual Notification Expense | \$ 1,700 | \$ 2.22 | \$ 2.22 |
| Office Supplies | \$ 1,500 | \$ 1.96 | \$ 1.96 |
| Public Relations/Donations | \$ 500 | \$ 0.65 | \$ 0.65 |
| Governmental Fees | \$ 400 | \$ 0.52 | \$ 0.52 |

Historical Trend on Due Increases

Changes in Due rates over the past 12 years did not keep up with inflation year over year.

This years due increase of 8% brings our current due payment in line with what would have been a 6% year over year increase from 2012.

More focus is needed on strategic / long range planning to ensure cash will be available to maintain assets.

Fortunately, good budget compliance despite lost opportunity has resulted in building of the reserves that will help offset some future large increases.

Unimproved vs improved lots are now equal with the exception of trash.

Our roads will remain a top priority and large expense to manage into the future.

| Date | Unimproved | Amount of Increase | % increase | Annual Dues | Amount of Increase | % increase |
|------|------------|--------------------|------------|-------------|--------------------|------------|
| 2012 | 338 | | | 444 | 0 | 0% |
| 2013 | 338 | 0 | 0% | 444 | 0 | 0% |
| 2014 | 345 | 7 | 2% | 460 | 16 | 4% |
| 2015 | 380 | 35 | 10% | 510 | 50 | 11% |
| 2016 | 380 | 0 | 0% | 510 | 0 | 0% |
| 2017 | 380 | 0 | 0% | 510 | 0 | 0% |
| 2018 | 380 | 0 | 0% | 510 | 0 | 0% |
| 2019 | 400 | 20 | 5% | 565 | 55 | 11% |
| 2020 | 400 | 0 | 0% | 565 | 0 | 0% |
| 2021 | 480 | 80 | 20% | 685 | 120 | 21% |
| 2022 | 480 | 0 | 0% | 685 | 0 | 0% |
| 2023 | 575 | 95 | 20% | 825 | 140 | 20% |
| 2024 | 650 | 75 | 13% | 854 | 29 | 4% |
| | | | | | | |



Income & Expenses

TINK-WIG MOUNTAIN LAKE FOREST POA

| Projected Income | Current | Proposed |
|---------------------------------------|----------------|----------------|
| Current Years Dues | 510,100 | 539,250 |
| Prior years Dues/Penalties & Interest | 20,000 | 20,500 |
| Miscellaneous Income | 10,000 | 10,000 |
| Total Income | 540,100 | 569,750 |



| Proposed 2024/2025 Budget | | | |
|--------------------------------|-----------------------------|------------------------------|----------|
| | Current Budget 2023/2024 | Proposed Budget 2024/2025 | Variance |
| Road Repairs and Maintenance | 108,000 | 141,000 | 33,000 |
| Payroll | 91,500 | 102,600 | 11,100 |
| Rubbish Removal | 67,500 | 72,000 | 4,500 |
| Snow Removal | 63,000 | 52,800 | (10,200) |
| Replenish Reserve Account | 40,000 | 40,000 | - |
| Insurance | 35,000 | 41,250 | 6,250 |
| Lake Maintenance | 40,000 | 29,900 | (10,100) |
| Pool | 32,000 | 27,000 | (5,000) |
| Utilities | 14,000 | 13,500 | (500) |
| Legal | 10,000 | 10,000 | - |
| Accounting Fees | 7,500 | 7,500 | - |
| Events & Activities | 7,000 | 3,500 | (3,500) |
| General Maintenance & Supplies | 6,000 | 6,000 | - |
| Grounds Maintenance | 8,000 | 6,000 | (2,000) |
| Bridge Loan Interest | - | 6,000 | 6,000 |
| Technology | 4,400 | 3,000 | (1,400) |
| Bank Charges | 1,200 | 1,800 | 600 |
| Postage | 1,000 | 1,800 | 800 |
| Annual Notification Expense | 1,600 | 1,700 | 100 |
| Office Supplies | 1,500 | 1,500 | - |
| Public Relations/Donations | 500 | 500 | - |
| Governmental Fees | 400 | 400 | - |
| Total Expense | 540,100 | 569,750 | |

Additional Expenses Bridge Replacement

| | |
|------------------------|------------------|
| Bridge Expense | 2024-2025 |
| Cost (Estimate) | \$324,000 |



- Approved to secure loan approval for up to \$360,000
- Large portion of reserves to be used to off set bridge costs
- Bridge is a 10 Ton “in kind” replacement
- Any loan payback/interest not covered by reserves will be determined based on community vote of using either the special assessment or through operating budget.
- Budget contains a \$6000 placeholder for the interest payback
 - This figure to be confirmed once loan is secured.

2023-2024 Actual / Projected Income vs Budget

as of May, 7th 2024

| | Total | | | | |
|-------------------------------|----------------------|------------------|-------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Income | Actual/ Projected | Budget Income | over Budget | % of Budget Income | Comments |
| Dues | 498,928.85 | 510,100.00 | -11,171.15 | 97.81% | Shortfall primarily due to some delinquent multi lot owners as shared in monthly board meetings. Legal action taken and pending |
| Dues for Prior Years | 17,463.59 | 15,000.00 | 2,463.59 | 116.42% | Exceeded budget expectations due to focus on payment plans and legal action for significantly late owners |
| Late Payment Charges | 15,101.93 | 5,000.00 | 10,101.93 | 302.04% | Late payment charges alone exceeded legal costs |
| Miscellaneous Income | 11,309.41 | 10,000.00 | 1,309.41 | 113.09% | |
| Unapplied Cash Payment Income | 30.49 | 0.00 | 30.49 | | |
| Total Income | \$ 542,834.27 | \$ 540,100.00 | \$ 2,734.27 | 100.51% | Income slightly ahead of budget |
| Gross Profit | \$ 542,834.27 | \$ 540,100.00 | \$ 2,734.27 | 100.51% | |

Planned income for TWPOA was achieved and being exceeded for the 2023-2024 budget

- Continued focus required to ensure recovery of dues from all property owners

2023-2024 Actual / Projected Spending vs Budget

as of May, 7th 2024

Overall Summary

- Expenses are targeted to be at the planned budget for the 2023-2024 budget year.
- Over \$40,000K will be input to reserves again exceeding plan for the past several years in a row.
- A new roof was installed for the office and dock purchased to replace the 25+ year old one at the lake from reserves.

Key Issues

- Pool and General Maintenance spending was over due to unplanned expenses.
- Surplus budget from underspent areas used towards the roads which landed over budget.
- Executive Director vacancy and low cost snow removal contract more than offset above over runs to budget.

| Tink Wig Mt Lake Forest POA | | | | | |
|---------------------------------------------------|----------------------|----------------------|---------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget vs. Actuals + PLN: FY_2023_2024 - FY24 P&L | | | | | |
| July 2023 - June 2024 | | | | | |
| July 2023 - June 2024 Actuals with Projected | | | | | |
| Expenses | Actual | Budget | over Budget | % of Budget | Comments |
| Road Repairs and Maintenance | 119,074.51 | 108,000.00 | 11,074.51 | 110.25% | Planning to be over budget to address addition problem areas. |
| Rubbish Removal Expense | 71,325.00 | 67,500.00 | 3,825.00 | 105.67% | Actual service higher than planned due to corrected lot count issue at start of contract. Board approved * Note this is the 1st of a 3 year set contract. |
| Payroll Expenses | 67,946.01 | 91,500.00 | -23,553.99 | 74.26% | Significant favorability this year due to extended Executive Director vacancy. |
| Snow Removal Expense | 48,000.00 | 63,000.00 | -15,000.00 | 76.19% | Under budget due to low cost 3 yr contract. 1st of 3 years with new contractor. Rough start but significantly improved service due to contractor and board partnering |
| Pool Expense | 44,521.03 | 32,000.00 | 12,521.03 | 139.13% | Over budget due to new filter system required to be compliant with DEP. |
| Lake Maintenance | 34,796.57 | 40,000.00 | -5,203.43 | 86.99% | Trended under budget and includes planned testing . |
| Insurance Expense | 34,447.75 | 35,000.00 | -552.25 | 98.42% | Complete across the 6 policies. |
| General Maintenance & Supplies | 17,379.31 | 6,000.00 | 11,379.31 | 289.66% | Over budget due to unplanned SUMP and Dehumidifier replacement past warranty. Playground Path |
| Legal Expenses | 12,479.25 | 10,000.00 | 2,479.25 | 124.79% | Over budget due to heavy focus on owners with high past due balances. Income received more than covered this expense. |
| Utilities | 11,554.47 | 14,000.00 | -2,445.53 | 82.53% | Trending favorably based on Gas / PPL mix seasonally. |
| Grounds Maintenance | 7,748.07 | 8,000.00 | -251.93 | 96.85% | Trending to slightly under budget. |
| Accounting Fees Expense | 7,000.00 | 7,500.00 | -500.00 | 93.33% | Current/Complete |
| Events & Activities | 6,207.30 | 7,000.00 | -792.70 | 88.68% | Trending to just under budget |
| Technology | 5,364.42 | 4,400.00 | 964.42 | 121.92% | Internet Quickbooks |
| Postage and Delivery | 1,774.01 | 1,000.00 | 774.01 | 177.40% | Projecting over budget due to upcoming mailings. |
| Bank Service Charges | 1,715.30 | 1,200.00 | 515.30 | 142.94% | Trending over budget |
| Annual Notification Expense | 1,600.00 | 1,600.00 | 0.00 | 100.00% | Trending to budget |
| Office Supplies | 1,227.67 | 1,500.00 | -272.33 | 81.84% | Tracking to budget planning for YE mailings |
| Public Relations | 500.00 | 500.00 | 0.00 | 100.00% | Planned Donations to EMS/FIRE |
| Government Fees Expense | 413.98 | 400.00 | 13.98 | 103.50% | Trending to budget |
| Total Expenses | \$ 495,074.65 | \$ 500,100.00 | -\$ 5,025.35 | 99.00% | |
| Net Operating Income | \$ 47,759.62 | \$ 40,000.00 | \$ 7,759.62 | 119.40% | |



Roads↑ & Snow Removal↓

TINK-WIG MOUNTAIN LAKE FOREST POA

ROADS

\$141,000.00

- \$33,000 Increase from last year budget
- Breakdown shown of areas that will and won't be addressed this budget cycle
- Plan is to increase spending in this area each year in order to address both critical and preventative areas
- Committee meets monthly to assess any reallocations for board review if required

SNOW REMOVAL \$ 52,800.00

- \$10,200 Reduction from last year budget
- 2nd of 3 year contract with assumed inflation per contract
- Expecting better service aligned to work done on last few storms
 - Board made changes with contractor after 1st 2 storms improving service
 - Contractor highly willing to partner and learned the roads

| Budget Committee Recommendation | | \$141,000 | (appx \$16.78/month) | | Notes |
|---------------------------------|--------|------------------------------|----------------------------|--------------------|-------------------------------------------------------------------------------------|
| Roads Committee Line Items | Item # | Proposed 2024-25 allocations | Percentage of Roads budget | | These allocations do not include any potential Engineering Survey recommendations |
| David Pannasch, Chair | | | | | |
| Community paving | 1 | \$104,400 | 74% | \$2.42/Sq Ft | 0.48 miles asphalt, assumes appx 180' of subsurface excavations included |
| Parking lot paving | 2 | \$0 | 0 | | \$80,000, 2026-27 ?? |
| Parking Lot striping | 3 | \$0 | 0 | | not priced, 2026-27 ?? |
| Chip&tar/asphalt seal | 4 | \$6,500 | 4.6% | \$0.50/Sq Ft | 760' , minimum unknown |
| Berm maintenance | 5 | \$5,200 | 3.7% | | under contract |
| Ditch & Swail maintenance | 6 | \$2,900 | 2.1% | \$18.75/li near ft | \$5625 @ 300' minimum, cost of trucking debris to shale pit is unknown-not included |
| Scour removal | 7 | \$2,140 | 1.5% | | unknown, cost of trucking debris to shale pit is unknown-not included |
| Culvert Replacement | 8 | \$8,750 | 6.2% | | distressed properties + TW owned |
| Branch trimming | 9 | \$4,250 | 3% | | |
| community pothole repairs | 10 | \$2,140 | 1.5% | \$12/SqFt | \$7200 @ 600 SqFt minimum |
| Tool purchase, maintenance | 11 | \$240 | | | chain saw, wheel barrow, pick-ax |
| Traffic, marking paints | 12 | \$240 | | | speed bumps, handicapped area |
| Community signage, hardware | 13 | \$240 | | | as needed |
| SUB-TOTAL | 14 | \$720 | 0.5% | | |
| Street and Parking lot sweeping | 15 | \$4,000 | 2.8% | | was not needed 2023-2024 |
| equipment rental | 16 | \$0 | 0% | | chipper |
| cold patch, sealer materials | 17 | \$0 | 0% | | \$15/bag, \$11/gallon |
| Silt sock purchase | 18 | \$0 | 0% | | cost unknown, requisite to using Shale Pit as a debris dump |
| Speed Bumps | 19 | \$0 | 0% | | |
| Grand Total | 20 | \$141,000 | 100% | | All allocations will be adjusted as necessary |



TINK-WIG MOUNTAIN LAKE FOREST POA

Salaries ↑

OFFICE SALARY

\$

102,633.08

- \$11,100 Increase from last year budget
- Recruited experienced director from outside the community
- Pennsylvania laws becoming more stringent toward volunteer operating practices. Our new ED brings this knowledge as well as better controls to protect the overall community.
- Reflects a full year of paid Executive Director vs last years partial year
- Covers salaries including other payroll costs for full time Executive Director, part-time Office Manager and cleaning staff
- Provided additional incentive for retention of current office manager
- Pool staffing is shown with pool expenses

Lake



| | | |
|-------------|----|-----------|
| LAKE | \$ | 29,900.00 |
| TREATMENT | \$ | 23,000.00 |
| TESTING | \$ | 3,500.00 |
| DAM | \$ | 900.00 |
| MAINTENANCE | \$ | 2,500.00 |

- \$10,100 Decrease from last years budget
- Treatment for main lake only with lake front owners having additional shoreline treatments at their expense
- Changing the testing company from AQUALINK to PLEON
- No bog or bacteria treatments

Waste Pick-Up



| | | |
|-------|----|-----------|
| WASTE | \$ | 72,000.00 |
|-------|----|-----------|

- \$4,500 Increase from last year to correct for initial lower than actual lot count
- 2nd of 3 year contract based on number of improved lots
- Provider has accommodated larger can sizes for some owners without increase

Insurance ↑

| | | | |
|--------------------------|--------------|--------------|---------------------|
| Package - Auto Owenrs | \$ 13,775.00 | \$ 15,170.00 | \$ 18,204.00 |
| Umbrella - Auto Owners | \$ 3,138.07 | \$ 3,278.46 | \$ 3,934.15 |
| Directors and Officers - | \$ 10,976.00 | \$ 13,551.00 | \$ 16,261.20 |
| Workers Comp - Pie | \$ 1,598.00 | \$ 1,636.00 | \$ 2,484.00 |
| Volunteer - PHLV | \$ 300.00 | \$ 300.00 | \$ 360.00 |
| Totals | \$ 29,787.07 | \$ 33,935.46 | \$ 41,250.00 |
| | | | |

- \$6,250 Increase due to provider signaled increases
- Yellow highlighted assumes a 20% increase impacting all communities.
- Workers Comp cost finalized and over 20% increase.
- Directors & Officers may be lower due to reduction in lawsuit activity.
- More work needs to be done to minimize insurance risk with Roads, Pool, and Common Areas.



TINK-WIG MOUNTAIN LAKE FOREST POA

Pool



| POOL | | | | | | | \$ 27,000.00 |
|-------------------------|---------------|---------------|--------------------|-------------------------|--------------------|--------------|--------------|
| Pool Attendant Total | Annual Salary | Months Worked | Base pay this year | FICA - Employer portion | Cost for this year | Monthly Cost | Comments |
| Hourly / Seasonal Total | | | \$12,625.00 | \$ 965.81 | \$13,590.81 | \$5,684.39 | |
| OPENING | | | | | 2200 | | |
| CHEMICALS | | | | | 6000 | | |
| MAINTENANCE | | | | | 3000 | | |
| CLOSING | | | | | 2200 | | |

- \$5,000 Reduction from last years budget.
- Wages include 1 certified treatment specialist, 1 pool manager, and pool attendants.
- Assumes lower maintenance costs due to upgrades done to date.
- Continue to explore options to have the pool open and available for more hours.

Remaining Budget Items

| Proposed 2024/2025 Budget | | | Variance | Comments |
|--------------------------------|-----------|--|----------|--------------------------------|
| Utilities | \$ 13,500 | | (500) | Adjusted to current trend |
| Legal | \$ 10,000 | | - | |
| Accounting Fees | \$ 7,500 | | - | |
| Events & Activities | \$ 3,500 | | (3,500) | Heavier leverage of volunteers |
| General Maintenance & Supplies | \$ 6,000 | | - | |
| Grounds Maintenance | \$ 6,000 | | (2,000) | New lower cost contractor |
| Bridge Loan Interest | \$ 6,000 | | 6,000 | Pending loan outcome |
| Technology | \$ 3,000 | | (1,400) | Internet Charges |
| Bank Charges | \$ 1,800 | | 600 | Adjusted to current trend |
| Postage | \$ 1,800 | | 800 | Adjusted to current trend |
| Annual Notification Expense | \$ 1,700 | | 100 | Adjusted to current trend |
| Office Supplies | \$ 1,500 | | - | |
| Public Relations/Donations | \$ 500 | | - | |
| Governmental Fees | \$ 400 | | - | |

- Loan interest is an initial estimate and will be updated once the loan is secured.
- All other areas adjusted to current trend and all but offset the pending loan interest outcome

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side and bottom of the slide, creating a modern, dynamic feel.

THANK YOU

TINK-WIG BOARD OF DIRECTORS

Prepared by Ben Ruley TWPOA