



**ANNUAL REPORT
2023-2024
OF THE
BOARD OF TRUSTEES**

**"CAFETERIA"
PINES LAKE SCHOOL
Thursday, March 21, 2024 7:30 pm
Snow Date: March 28, 2024 7:30 pm**

PINES LAKE ASSOCIATION

BOARD OF TRUSTEES

Trustees:

Jon Kramer	President
Rob Bush	Vice President & Chairman, Water Safety & Programs
Tom Brennan	Secretary
Toni Barbario	Treasurer
Suzanne Bloom	Chairman, Water Quality
Sean Patrick	Chairman, Security & External Affairs
Tom Leach	Chairman, Properties
Jon Kramer	Chairman, Membership
Patrick Anderson	Legal Counsel
Marge Caffery	Administrator
Rich Wantula	Properties Director

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Annual Meeting - March 21, 2024

AGENDA

1. Call to Order - 7:30 pm, Cafeteria-Pines Lake Elementary School
2. Approval of Minutes, Annual Meeting, March 23, 2023 (see p. 16)
3. Receiving and Filing Trustee Reports
 - a. Secretary
 - b. Membership Standards
 - c. Water Quality
 - d. Security & External Affairs
 - e. Community Activities
 - f. Properties
 - g. Health & Water Safety
4. Election of New Members, Board of Trustees
5. Election of President
6. Receiving of Annual Budget for 2024-2025
7. Approval of Annual Budget for 2024-2025
8. Other Proper Business
9. Adjournment

Report of the President

It is my distinct pleasure to submit the report of the president. As I transitioned into this role mid-year it is only fitting to start by thanking Heidi Fletcher for the fantastic work she did in her 2-year term. Her passion for the lake and countless hours of dedication to make everything as comfortable and enjoyable as possible here in Pines Lake for everyone to enjoy is deeply appreciated.

I send an appeal for everyone to **kindly circle this date on your calendars: March 21, 2024.**

Plan to come in person to the Pines Lake School for our Annual Meeting with registration starting at 7 pm. If you have never been to an annual meeting, make this the year you do!

We need maximum community involvement at this year's meeting. It is essential we reach quorum to modernize your association and let it keep up with the times.

- At the Annual Meeting we will be voting to amend the By Laws so as to better define what constitutes a 'family' and how to define who is a 'member in good standing'. Right now, our antiquated bylaws only allow for 1 or 2 residents in a single home to be considered 'members' being the legal homeowner(s). We find ourselves in the world of today where many family structures include permanent quarters for our aging parents to live with us, and vice-versa where the long-time residents invite their children to move in to provide care, not to mention the many younger adults who choose to live at home. What makes sense is that as long as a home pays their dues, all the people who legally reside in the home should be members. As things stand right now, only the 2 legal home owners can bring guests to join them at our facilities. Let's discuss and vote on whether you want to change this dynamic such that we are inclusive of every adult.

- Look for a separate By Laws Amendment package to be communicated in the next month that will include the proposed changes to be voted on. Without a formal vote these modernization updates can't be implemented!

- We also want to open the Annual Meeting to a floor discussion to gather your opinions around electronic voting. Right now, the law says we must allow this for Trustee votes, which we do, but we want to hear from you as to how much support there would be expand this to allow this for passage of the annual budget. We can delve into the details at the meeting.

Please realize PLA is one of the few homeowner's associations left that does not have a provision for members to cast votes in some manner other than attending the annual meeting in person on the budget.

The process of assembling an Annual Budget was started earlier than ever before. We kicked things off very early in the budget setting process with an open format board meeting in late October. Members expressed that the dues increase that we began with was more than they wanted to see. Our Board Members in turn found ways to cut costs and scale back some areas and the budget now requests a modest 4.8% increase, reflective of the inflationary costs all around us. Tony Barberio, our treasurer, addresses this and more in his submissions. Thank you Tony for the endless hours you have spent working on the budget and seeking possible sales tax relief.

What else is going on? We have opened Board Meetings to public viewing with questions afterwards in a move to provide that modernization spoken to above. This also allows us to provide transparency of our votes as taken for all to observe. We have been using a free-to-us platform but if it continues to cause technology snags we may have to pay for a more stable platform. We are working to get this no charge platform to work for us all. Thank you for your patience.

To repeat a catch phrase, I first wrote back in 2000 as President, the Pines Lake Association exists for its members! We thank you for the trust you have placed in us while we do our very best to serve our collective needs. In return, members have to serve the association in order for it all to work. So why not consider donating some of your time and energy? There are countless opportunities to lead and assist, from serving as a volunteer at the many picnics, parties, themed events and parade or offering to oversee as a trustee. It's fun, rewarding and strengthens your bond with this community. Consider how you can participate in the governing and supporting Pines Lake Association and let us know your availability.

Together we make Pines Lake a great place to live. I pledge to continue to give you my very best effort. See you all March 21st in the Pines Lake School cafeteria !

Respectfully submitted,
Jon Kramer
President - PLA

Report of the Secretary

The Board of Trustees met on a regular basis during fiscal year 2023-2024. At each Board meeting proper notes were taken and recorded and are available for review. All appropriate correspondence was recorded and filed. During this fiscal year member requests for use of the Pavilion were reviewed and all such requests were granted as the stated usage was consistent with the established rules. To the best of my knowledge, all Association records are accurate and up to date. As such the role of the Secretary has been fulfilled pursuant to our By-Laws.

After serving my first year on the Board, I am more aware of the joint responsibilities of the Board and the Association members. While the Board exists to service its members, active member participation is important to maintain our unique community. In addition, member attendance at Board meetings, there are several opportunities during the year to lead and assist, from volunteering at the various picnics, parties and themed events or becoming a trustee. I ask you to consider how you can participate in governing and supporting Pines Lake Association. Together we make Pines Lake a great place to live.

Respectfully submitted,

Tom Brennan
Secretary

Water Quality

I am pleased to report that with the hard work of our team, we were able to keep our beaches open and available to our members all summer. We are very fortunate that the actions we took early in the summer help to minimize any harmful algae blooms.

Our goal is to always have the best water quality in the state. Water quality can make or break a lake community.

Rob Bush
Water Quality Trustee

Membership

The report of the Membership Trustee can be summarized as follows: We are a strong association, with 90% participation paying dues. This is remarkable compared to other lake communities in our area. This is a reflection of how well the community sees itself and the value created by having a strong association. It seems obvious but the selling price of your home in a strong community is much higher than one that offers little in return with low rates of participation.

As membership trustee, interacting with new incoming families, the message is clear that we are a great place to live, work, raise a family, retire to, and enjoy life.

Please join me in welcoming our newest members for this fiscal year:

Salci, Ali & Figen	174 Osceola
Cohen, Charles & Lauren, Jill	1172 PLDW
Kumburis, Harry & Conti, Darlene	133 Osceola
Taglianetti, Sabrina	20 Knoll
Jarjoura, Jonathan & Muriel, Danielle	150 Osceola
Hogan, James	205 PLDE
Abramski, Rebecca & Benjamin Bukai	540 Indian
Kanarski, Robert & Navarro, Mariza	89 Balsam
Mueller, Karen & Powers, Stephen	125 Algonquin
Slatius, Craig & Guarino, Jessica	37 Osceola
Dasa, Cyndi & David	227 Beech
Larry & Linda Smith	329 PLDE
Lula & Virginia Diel	590 PLDW
Cesar & Paola Rodrigues	85 Mohawk
	128 Green
Gavin & Jennifer Mooney	Knolls
Khwaja Aaqub Hassan & Deebea Farhin	107 Algonquin
Yonah & Sara Schwartz	32 Juniper Rd
Murphy, Denis & Urszula	81 Poplar
Erik Stagg & Michelle Nayda	39 Cottonwood

Respectfully submitted,
Jon Kramer
Membership Standards Trustee

Properties

In 2023, the properties group again strived to keep all the areas in Pines Lake safe, clean, and ready for the members to enjoy. I was assisted again by Rich Wantula and our well-trained crew. Rich is in his third year in that position and has handled multiple large projects with skill and professionalism. We continue to invest in our staff with training to maintain safety and manage as many projects as possible internally. We contract out to vendors when extra skill, equipment, or both are required for completion.

Projects completed in the 2023 season:

- The dam required a structural analysis to maintain compliance with the state of New Jersey. The dam is nearly 100 years old, and a study that meets modern standards has never been done. We had received quotes exceeding \$73,000 for this work. The engineer who watches over the dam located a structural engineer specializing in this work, specifically on dams. The work is being done for ~ \$45,000, a significant savings for the community. To assure members we are getting a quality engineering study, the state of NJ hired this structural engineer to teach about dam safety.
- We moved the fence north at West Beach when we reclaimed the PLA property. We removed debris and the old chain link fence which was an eyesore.
- We added a storm drain at West Beach to prevent run-off from damaging the boat launch.
- We added a thermostat-controlled exhaust fan in the snack bar to keep the freezers operating correctly on the hottest days.
- We sold the old Boston Whaler for \$1,750. The PLA had this boat for ~ 50 years. Multiple times, the boat wouldn't start. The boat is used in case a rescue is required. We need a boat that starts every time.
- The PLA bought a new Boston Whaler for \$25,000. It is the same length as the old Whaler but broader and heavier. The new boat comes equipped with a 40 HP four-stroke engine. We hope we get fifty years of service from the new boat. (I originally planned on buying a used Whaler to save money. All the used boats we found were only 10-15% cheaper than new ones, and many had been used in salt water, degrading internal engine parts.)
- The Pines Lake Sailing Club generously donated \$5,000.00 to the PLA to defray the cost of the boat.
- We added power and internet connections at North Island and West Beach. In 2024, we will upgrade the video monitoring for all three properties.

We have done much work on the properties over the past few years. South and West Beach have gotten most of the attention. I hope the members see the improvements the property staff and our contractors have made.

I expect properties to be under budget based on

- Better pricing on the dam project.
- We received more for the old Boston Whaler for more than I expected.
- We received the generous gift of \$5,000 from the Pines Lake Sailing Club for the boat, which was unexpected and thankfully received.

Looking forward. The higher minimum wage affected our cost of labor and our contractor's cost. In addition to a higher labor cost, properties now do tasks that volunteers previously handled.

We have the following projects slated for 2024 as part of the proposed budget.

- The boathouse at South Beach gets water in the lower sections after heavy rains. In addition to mold and wet storage spaces, water will damage the structure over time. We plan on the following changes to keep water away from the boathouse.
- Change the pitch of the driveway away from the building. It is a shame the pitch was done improperly when the boathouse was first constructed.
- Move the narrow stairs from the right side, which traps water to the left side. Make the stairs wider to improve safety.
- Add a concrete platform to channel water off the roof and away from the building.
- Add conduits under the new driveways for power, low voltage circuits, and hot and cold water.
- Repair the retaining wall next to the snack bar.
- Add a new gate to the West Beach entrance. The gate will help deter nonmembers from entering the property.
- Add video monitoring to West Beach and North Island. Upgrade cameras at South Beach and add additional cameras. The upgraded video monitoring will give the PLA more coverage without additional labor costs.

2023 was my third year as the property trustee. I thank Chris Adams and Bob Anderson for their professional advice on multiple projects. Both gentlemen gave me their expertise on numerous projects, enabling me to complete projects with better results at the best cost possible.

I enjoy serving on the board of the Pines Lake Association, and I again appreciate the trust placed in me by the members.

Respectfully submitted
Thomas Leach
Property Trustee

Security & Public Affairs

Dear Members,

I am pleased to present the 2023-2024 annual report for Security & External Affairs. It has been a wonderful year marked by the dedicated efforts of our members in upholding the rules and by-laws that maintain the beauty and safety of our lake community.

Throughout this past season, our community members have demonstrated exemplary compliance with our rules and by-laws. Your commitment to adhering to these regulations has been instrumental in preserving the integrity of our community. It's this collective effort that ensures our lake community remains the incredibly beautiful haven we are so fortunate to call home. Your continued cooperation and commitment are deeply appreciated and valued.

Amidst the achievements and successes, we also experienced a significant loss within our community. It is with a heavy heart that we mourn the passing of our Security Director, Kevin Naudts. Kevin was an integral part of our community, and his dedication and service to Pines Lake over the years were invaluable. Kevin's passing is a great loss for our lake, and he will be dearly missed. We extend our heartfelt condolences to his family and loved ones during this difficult time.

As we begin to navigate through this coming season, we continue to refine our processes to operate more efficiently and effectively. Our goal is to ensure the safety of our membership while maintaining the serene and harmonious nature of our community. Through ongoing assessments and improvements, we aim to bolster our security measures and emergency preparedness, further enhancing our ability to serve and protect our membership.

Once again, I extend my sincere gratitude to each and every one of you for your unwavering commitment to the rules and by-laws governing our community. Your support and compliance are integral to the continued success and preservation of our beloved lake.

Respectfully submitted,

Sean Patrick
Security & External Affairs Trustee

HEALTH & WATER SAFETY REPORT

Allow me to report on behalf of the Health and Water Safety (aka "waterfront") Trustee. This seat was vacated by our trustee after the season overseeing the activities this summer. On that note, I wish to extend a sincere note of great appreciation to Jason Lellos who has given so many years of to our betterment, dedicating himself to our association. His guidance throughout the last few years overseeing this crucial aspect of lake proved invaluable. He will be missed. Jason and his staff created a solid legacy for the program to continue and one we can build upon.

We thank everyone who worked the beach for a job well done in summer 2023. Overall, this was another summer to remember with the participation in the summer program, activities, special events, and all that summer in Pines Lake has to offer. Everyone is appreciative of the hard work it took to make this possible. Yet we must acknowledge that we had community input requesting changes around scheduling time on the water feature, west beach coverage, perceptions of overstaffing, program diversity, and other areas. Most important to the board was the lost cost control due to a variety of factors compounding themselves. So, we accept the challenge this upcoming year to focus on bringing back this control while maintaining a safe and healthy (and fun!) experience for all.

We are budgeting \$25,000 fewer dollars to next year's proposed waterfront budget than we actually spent this year. We are all very fortunate to have Rob Bush, current Water Quality Trustee, step up to take command early to bring back the fiscal control we need. Rob has experience running our summer program in years past and staffing expertise so is a natural fit to lead us forward. Rob has a plan and a vision that I am confident will come together to increase the value of your dues. This summer's new staff is already coming together nicely. We will be led with the goal of energizing the land-based programs while maintaining the high level of the water safety, swimming program and lessons. Thanks to Rob for the commitment and leadership.

Again, I wish to thank all the members of our past summer staff for everything you did and all the sacrifices you made this summer. You made it possible for the kids to enjoy a great experience. Your work is greatly appreciated. May this upcoming summer be, as they say, the 'best summer ever.'

See you starting Memorial Day down at South Beach!

Respectfully submitted,

Jon Kramer
President, on behalf of Health and Water Safety Trustee

Community Activities

Hello! Hope everyone is having a happy and healthy winter so far. It has been my pleasure to again serve as Community Activities trustee for PLA for the past year. I love that I get to help bring a variety of great activities to our community. I'm always open to hearing your ideas and suggestions for other activities and improvements to enrich our quality of living in Pines Lake. Thank you to those who filled out the Community Activities feedback form this fall; some of your suggestions were great and will be incorporated into our events in the coming year.

I want to take the time here to acknowledge our incredible staff for their dedication and hard work. Many go above and beyond to ensure all members have a fulfilling experience and it does not go unnoticed. Most importantly, I owe a huge THANK YOU to all the volunteers who helped with our events! Because of volunteers, we're able to do these activities and add more for the community to enjoy. Please consider signing up this year to help out, as it's a great way to meet your neighbors and support all that we do.

Here's the schedule of just some of the upcoming events for the year. Mark your calendars (though note dates and times are subject to change). More events will be added in the coming months, so make sure you're on the PLA email list, check our 'Pines Lake Association' Facebook page and the website at <https://pineslake.com>

Pancake Breakfast	Saturday, May 25
Movie Night & Food Truck	Saturday, June 22
Fun Night	Wednesday, June 26
Fun Night	Wednesday, July 3
4 th of July parade/picnic	Thursday, July 4
Fun Night	Wednesday, July 10
Fun Night	Wednesday, July 17
Mid-Summer Party	Saturday, July 20
Fun Night	Wednesday, July 24
Fun Night	Wednesday, July 31
Fun Night	Wednesday, August 7
Labor Day picnic & Concert	Saturday, August 31
Oktoberfest	Saturday, September 21
PLA 5K Run/Walk	Saturday, September 28
Fall Fun Day	Saturday, October 19

Respectfully submitted,
Heidi Fletcher
Community Activities Trustee

Report of the Treasurer

This is my second year on the board and my first year as the Treasurer. There have been a few significant changes this year regarding the Treasurer's Area. The first has been the transfer of our reserved assets to a new bank account where we are getting approximately 5% interest. Previously we were getting close to no interest, and due to the increase in interest rates over the last year, we are now getting approximately 5%. Last year we made over \$9,000 in interest on our reserved assets and plan to make over \$20,000 in interest on our reserved assets in 2024 provided interest rates stay the same.

The second major change is regarding sales tax. A member of our lake community issued an inquiry back in April, questioning why we pay NJ sales tax on our membership dues. The most recent update is that the Board of Trustees decided to hire a consulting firm to send a letter to the State of NJ, Division of Taxation, Regulatory Service Branch. That letter was written and issued on September 12, 2023. As of this writing, we are still waiting for a final response. Much of the final decision will be based on their interpretation of whether our dues are mandatory or voluntary. The sales tax collected on membership dues for this past fiscal year (22-23) has not been remitted to the state. A refund will be issued to all members if and when we get a final ruling from the State Regulatory Division stating that sales tax is not required.

As of January 1, 2024 the Pines Lake Association has approximately \$608,000 in total assets in the bank (see attached report). Of that amount, we plan to spend approximately \$132,000 for the balance of this fiscal year ending on March 31, 2024. There is also approximately \$43,000 in collected sales tax that will be refunded or paid to the state of NJ depending on the outcome of the final sales tax decision by the Regulatory Division.

This will leave a balance of approximately \$433,000 at the end of this fiscal year ending on March 31, 2024.

We need money in reserve in the event of an emergency, however we want to spend our membership fees on programs to be enjoyed by all, as well as improvements to our grounds and lake. This is a delicate balance and the Board of Trustees feels that our current balance is appropriate.

The proposed budget for fiscal year 23-24 is attached. This spreadsheet also shows our actual spending vs budget for the current fiscal year as of January 1, 2024.

The overall dues increase for next year is a modest 5%. The minor increase in overall dues is mostly a result of ordinary inflationary costs. With this minor increase in costs, we will still be able to have all the wonderful programs that have been offered in years past. We have also budgeted \$70,000 in our capital budget for ongoing and continued improvements for our lake community.

Please review the attached spreadsheet with our proposed budget and provide us with any input and proposals before the March 2024 meeting. We exist for our members and welcome your suggestions and feedback.

Respectfully Submitted
Tony Barberio
Treasurer

**Pines Lake Association
Bank Account Balance**

As of January 1, 2024

Bank Accounts

Primary Bank Accounts (TD Bank)

PLA Operating Account (TDB 7328)	89,446
PLA Payroll Account (TDB 7336)	20,127
PLA Debit Card - Properties, H&S, Admin (TDB 6658)	1,241
Reserve Money Market (TDB 7344)	1,779
CD (TDB 9816) 2% 6/14/27	57,918

Total Primary Bank Accounts (TD Bank)	170,511
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Merrill Lynch Accounts

Main Account	409,640
Scholarship Fund	28,030

Total Merrill Lynch Accounts	437,670
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Total All Bank Accounts	608,181
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Pines Lake Association Budget Planning 24-25

	Reg	Senior	Dues increase Reg	Dues increase Senior
2024/25 Proposed dues-no sales tax	1,044.59	940.13	54.59	49.13
2023/24 dues-no sales tax	990.00	891.00		
2023/24 sales tax refund	65.59	59.03		

Fiscal Year 2022-23 (Actuals as of 1/1/24)

	Actual	Budget	over Budget	% of Budget	Expected Finish March 31, 2024	Proposed Budget 2024-25
Revenue						
40000 Full Dues	413,533.18	425,700.00	-12,166.82	97.14%	413,533.18	436,639.96
40100 Senior Dues	233,189.11	228,987.00	4,202.11	101.84%	233,189.11	231,272.94
40200 Late Fees	1,286.15	500.00	786.15	257.23%	1,286.15	1,000.00
40300 Back Dues	67,800.76	25,000.00	42,800.76	271.20%	67,800.00	50,000.00
40400 Initiation Fees	17,820.00	40,000.00	-22,180.00	44.55%	17,820.00	12,000.00
40500 Snack Bar	13,768.51	8,000.00	5,768.51	172.11%	13,768.51	10,000.00
40600 Sale of Logo Merchandise	20.00	0.00	20.00		20.00	6,000.00
40700 Interest Income	1,464.33	100.00	1,364.33	1464.33%	1,464.33	20,000.00
40800 Community Activities revenue	6,420.00	7,000.00	-580.00	91.71%	6,500.00	5,000.00
40850 Pavilion Use Fee revenue	900.00	500.00	400.00	180.00%	900.00	1,000.00
Total revenue	\$ 756,182.04	\$ 735,787.00	\$ 20,395.04	102.77%	756,281.28	772,912.90
	\$ 756,182.04	\$ 735,787.00	\$ 20,395.04	102.77%		
Expenses						
50000 Administration	0.00	0.00	0.00		-	-
50100 Badges and Decals	0.00	10,000.00	-10,000.00	0.00%	2,500.00	5,000.00
50200 Legal Fees	17,875.00	15,000.00	2,875.00	119.17%	17,875.00	15,000.00
50225 Audit Fees	0.00	5,500.00	-5,500.00	0.00%	5,500.00	5,500.00
50250 Payroll Service	2,749.34	2,000.00	749.34	137.47%	2,800.00	2,000.00
50275 Office/Web/Consulting Services	3,501.69	5,000.00	-1,498.31	70.03%	5,000.00	5,000.00
50300 Insurance	69,043.93	65,000.00	4,043.93	106.22%	70,000.00	74,000.00
50500 Miscellaneous/Other	217.50	1,000.00	-782.50	21.75%	1,000.00	1,000.00
50550 100th Anniversary Celebration						1,000.00
50600 Administration - Printing & Postage	2,154.70	3,000.00	-845.30	71.82%	3,000.00	3,000.00
50700 Office Supplies	259.82	1,000.00	-740.18	25.98%	1,000.00	1,000.00
50750 Storage/Rental Expense	2,272.17	2,600.00	-327.83	87.39%	2,600.00	2,600.00
50800 Bank Charges	-185.14	100.00	-285.14	-185.14%	100.00	100.00
51000 Federal Inc. Tax	0.00	200.00	-200.00	0.00%	200.00	200.00
51100 Other Taxes & Fees	148.63	200.00	-51.37	74.32%	200.00	200.00
51200 Administrator Salary	25,893.77	28,152.00	-2,258.23	91.98%	28,152.00	36,000.00
51300 Administrator P/R Taxes	2,088.16	2,815.00	-726.84	74.18%	2,815.00	3,600.00
51400 Meeting Expense	470.92	800.00	-329.08	58.87%	800.00	800.00
51500 Administration - Mileage	0.00	300.00	-300.00	0.00%	300.00	300.00

51600 Property Taxes	35,346.08	45,000.00	-9,653.92	78.55%	45,000.00	45,000.00
51700 Phone & Internet Access	1,400.16	1,750.00	-349.84	80.01%	1,750.00	1,750.00
51900 Office Equipment Purchases	328.40	500.00	-171.60	65.68%	500.00	500.00
Total 50000 Administration	\$ 163,565.13	\$ 189,917.00	-\$ 26,351.87	86.12%	191,092.00	203,550.00
55000 Community Activities	0.00	0.00	0.00		-	-
55100 Picnic & Party Expenses	13,077.76	6,500.00	6,577.76	201.20%	13,077.76	7,000.00
55200 Senior Activities	1,200.00	1,200.00	0.00	100.00%	1,200.00	1,200.00
55300 Other Activities	2,712.02	1,000.00	1,712.02	271.20%	2,712.02	2,000.00
55320 Liquor License Permits	450.00	800.00	-350.00	56.25%	450.00	650.00
55800 Snack Bar Purchases	5,273.13	5,500.00	-226.87	95.88%	5,273.13	5,500.00
60700 Snack Bar Salaries	10,194.24	9,350.00	844.24	109.03%	10,194.24	10,500.00
60750 Snack Bar P/R Taxes	969.13	935.00	34.13	103.65%	969.13	1,500.00
Total 55000 Community Activities	\$ 33,876.28	\$ 25,285.00	\$ 8,591.28	133.98%	33,876.28	28,350.00
60000 Health & Safety	0.00	0.00	0.00		-	-
60100 Summer Program Director	17,380.54	11,500.00	5,880.54	151.14%	17,380.54	10,250.00
60150 Summer Program Director P/R Taxes	1,584.39	1,150.00	434.39	137.77%	1,584.39	1,365.90
60200 Asst Summer Program Dir	5,046.50	10,000.00	-4,953.50	50.47%	5,046.50	10,250.00
60250 Asst. Summer Program Dir P/R Taxes	480.43	1,000.00	-519.57	48.04%	480.43	565.20
60260 Weekend Manager	2,819.75	7,500.00	-4,680.25	37.60%	2,819.75	-
60265 Weekend Manager P/R Taxes	258.00	750.00	-492.00	34.40%	258.00	-
60300 Life Guard Salaries	130,164.54	97,500.00	32,664.54	133.50%	130,164.54	114,000.00
60350 Life Guard P/R Taxes	12,255.05	9,750.00	2,505.05	125.69%	12,255.05	10,738.80
60500 Summer Program Staff Salaries	39,624.27	27,500.00	12,124.27	144.09%	39,624.27	40,000.00
60550 Summer Program Staff P/R Taxes	3,693.85	2,750.00	943.85	134.32%	3,693.85	3,768.00
60600 Summer Program Supplies	8,447.49	5,000.00	3,447.49	168.95%	8,447.49	6,500.00
60900 Water Equipment & Supplies	1,982.20	1,000.00	982.20	198.22%	1,982.20	2,000.00
61000 Other (includes permits for beaches and snack bar)	100.00	1,000.00	-900.00	10.00%	100.00	500.00
Total 60000 Health & Safety	\$ 223,837.01	\$ 176,400.00	\$ 47,437.01	126.89%	223,837.01	199,937.90
70000 Property & Maintenance	0.00	0.00	0.00		-	-
70100 Properties Director Salary	33,407.53	37,800.00	-4,392.47	88.38%	37,800.00	39,000.00
70150 Properties Director P/R Taxes	2,800.38	3,780.00	-979.62	74.08%	2,800.38	3,900.00
70300 Maintenance Staff Salaries	27,891.82	30,000.00	-2,108.18	92.97%	30,000.00	34,000.00
70350 Maintenance Staff P/R Taxes	2,604.32	2,800.00	-195.68	93.01%	2,604.32	3,400.00
70600 Landscaping	8,030.66	6,000.00	2,030.66	133.84%	12,000.00	10,000.00
70700 Refuse Removal	2,162.71	2,000.00	162.71	108.14%	2,200.00	2,000.00
70800 Sand & Spreading	5,925.51	3,000.00	2,925.51	197.52%	5,925.51	3,500.00
70900 South Beach Docks In/Out	1,964.04	2,000.00	-35.96	98.20%	2,000.00	2,000.00
71000 Tree Feeding & Spraying	314.54	1,500.00	-1,185.46	20.97%	1,500.00	1,500.00
71100 Tree Trimming & Removal	9,244.39	10,000.00	-755.61	92.44%	10,000.00	15,000.00
71200 Rental Expense	1,066.24	1,500.00	-433.76	71.08%	1,500.00	1,500.00
71300 Truck Maintenance	1,122.70	2,000.00	-877.30	56.14%	2,000.00	2,000.00
71400 Boat Maintenance	1,555.99	800.00	755.99	194.50%	1,555.99	800.00
71500 Parking Lot Maintenance	2,400.00	0.00	2,400.00		2,400.00	500.00
71600 Pavilion & Beach House Maint.	7,972.96	5,000.00	2,972.96	159.46%	7,972.96	5,000.00
71700 Tennis Court Maintenance	340.07	1,500.00	-1,159.93	22.67%	1,500.00	1,500.00
71750 Dock Maintenance	135.44	250.00	-114.56	54.18%	250.00	250.00
71800 Property Maintenance	518.95	2,000.00	-1,481.05	25.95%	2,000.00	2,000.00
71900 Licenses & Permits	77.23	200.00	-122.77	38.62%	200.00	200.00
72100 Equipment & Supplies	7,022.73	5,500.00	1,522.73	127.69%	7,022.73	5,500.00
72400 Telephone, Electric & Water	9,391.81	6,500.00	2,891.81	144.49%	9,391.81	10,000.00
72500 Other	2,390.96	5,000.00	-2,609.04	47.82%	5,000.00	5,000.00

72600 Mileage	0.00	200.00	-200.00	0.00%	-	-
Total 70000 Property & Maintenance	\$ 128,340.98	\$ 129,330.00	-\$ 989.02	99.24%	147,623.70	148,550.00
74000 Capital Projects	33,135.30	0.00	33,135.30		-	-
74030 Current Year Projects for Review	-2,500.00	110,000.00	-112,500.00	-2.27%	100,000.00	70,000.00
74210 Regular Dam Inspection	671.25	0.00	671.25			
74320 Misc Project	0.00	2,000.00	-2,000.00	0.00%	2,000.00	2,000.00
Total 74000 Capital Projects	\$ 31,306.55	\$ 112,000.00	-\$ 80,693.45	27.95%	102,000.00	72,000.00
75000 Security and External Affairs	0.00	0.00	0.00		-	-
75100 Security Staff Salaries	61,371.94	61,500.00	-128.06	99.79%	61,500.00	65,000.00
75150 Security Staff P/R Taxes	5,808.90	6,150.00	-341.10	94.45%	6,150.00	6,500.00
75400 Other	58.09	200.00	-141.91	29.05%	200.00	225.00
75600 Supplies	112.60	650.00	-537.40	17.32%	650.00	700.00
Total 75000 Security and External Affairs	\$ 67,351.53	\$ 68,500.00	-\$ 1,148.47	98.32%	68,500.00	72,425.00
76000 Water Quality	1,893.13	0.00	1,893.13		-	-
76100 Water Quality Testing	0.00	7,600.00	-7,600.00	0.00%	7,600.00	7,600.00
76200 Algae Treatment	0.00	8,000.00	-8,000.00	0.00%	5,750.00	8,000.00
76300 Weed Treatment	22,713.80	21,000.00	1,713.80	108.16%	26,420.00	26,000.00
76400 Fish Stocking	2,500.04	2,500.00	0.04	100.00%	2,500.00	2,500.00
76500 Geese Program	2,479.03	4,000.00	-1,520.97	61.98%	2,480.00	4,000.00
Total 76000 Water Quality	\$ 29,586.00	\$ 43,100.00	-\$ 13,514.00	68.65%	44,750.00	48,100.00
Total Expenses	\$ 677,863.48	\$ 744,532.00	-\$ 66,668.52	91.05%	811,678.99	772,912.90
Net Operating Income	\$ 78,318.56	-\$ 8,745.00	\$ 87,063.56	-895.58%		
Other Income						
80625 Replacement badge fee	220.03	0.00	220.03			
80630 Gate Key Fee	150.00	0.00	150.00			
81501 Other Misc Income	3,498.95	0.00	3,498.95			
Total Other Income	\$ 3,868.98	\$ 0.00	\$ 3,868.98			
Net Other Income	\$ 3,868.98	\$ 0.00	\$ 3,868.98			
Net Income	\$ 82,187.54	-\$ 8,745.00	\$ 90,932.54	-939.82%		

**Pines Lake Association
Financial Statements
Year Ended March 31, 2023**

**Pines Lake Association
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Year Ended March 31, 2023**

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Hulse & Associates, P.C.
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of:
Pines Lake Association
Wayne, New Jersey

We have reviewed the accompanying financial statements of Pines Lake Association (a corporation), which comprise the balance sheet as of March 31, 2023 and the related statements of revenue, expenses and changes in cumulative excess of revenues over expenses and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Pines Lake Association and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information in Schedules I-VI is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the supplementary information in order for it to be in accordance with the accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Hulse & Associates, P.C.

Hulse & Associates, PC
February 6, 2024

Pines Lake Association
Balance Sheet
March 31, 2023

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Assets

	Operating Funds	Reserve Funds	Total Funds
Current Assets:			
Cash	\$ 98,200	\$ 380,064	\$ 478,264
Prepaid Expenses	174	-	174
Total Current Assets	<u>98,374</u>	<u>380,064</u>	<u>478,438</u>
Property and Equipment:			
Land	48,751	-	48,751
Improvements	1,619,474	-	1,619,474
Furniture and Equipment	303,388	-	303,388
Total	1,971,613	-	1,971,613
Less: Accumulated Depreciation	1,477,256	-	1,477,256
Net Property and Equipment	<u>494,357</u>	<u>-</u>	<u>494,357</u>
Total Assets	<u>\$ 592,731</u>	<u>\$ 380,064</u>	<u>\$ 972,795</u>

Liabilities and Fund Balance

Current Liabilities:			
Accrued Expenses	\$ 26,476	\$ -	\$ 26,476
Deposits	2,289	-	2,289
Total Current Liabilities	<u>28,765</u>	<u>-</u>	<u>28,765</u>
Fund Balance:			
Cumulative Excess of Revenue Over Expenses	<u>563,966</u>	<u>380,064</u>	<u>944,030</u>
Total Liabilities and Fund Balance	<u>\$ 592,731</u>	<u>\$ 380,064</u>	<u>\$ 972,795</u>

See Accountants' Report and Notes to Financial Statements

Pines Lake Association
Statement of Revenue, Expenses and Changes in Cumulative
Excess of Revenue Over Expenses
Year Ended March 31, 2023

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	Operating Funds	Reserve Funds	Total Funds
Revenue:			
Member Dues and Special Assessments	\$ 541,088	\$ -	\$ 541,088
Initiation Fees	31,570	-	31,570
Investment Income	-	917	917
Revenues from Various Other Activities	13,538	-	13,538
Total Revenue	<u>586,196</u>	<u>917</u>	<u>587,113</u>
Administrative Expense	169,454	200	169,654
Community Activities Expense	20,598	-	20,598
Health and Safety Expense	164,260	-	164,260
Property and Maintenance Expense	175,628	-	175,628
Security and External Affairs Expense	64,088	-	64,088
Water Quality Expense	<u>40,179</u>	<u>-</u>	<u>40,179</u>
Total Expenses	<u>634,207</u>	<u>200</u>	<u>634,407</u>
Excess of Expenses Over Revenue Before Federal Income Tax	(48,011)	717	(47,294)
Federal Income Tax Provision	<u>200</u>	<u>-</u>	<u>200</u>
Excess of Expenses Over Revenues Before Other Income	(48,211)	717	(47,494)
Other Income	<u>580</u>	<u>-</u>	<u>580</u>
Excess of Expenses Over Revenue	(47,631)	717	(46,914)
Interfund Transfer	185,566	(185,566)	-
Cumulative Excess of Revenue Over Expenses at Beginning of Year	<u>426,031</u>	<u>564,913</u>	<u>990,944</u>
Cumulative Excess of Revenue Over Expenses at End of Year	<u>\$ 563,966</u>	<u>\$ 380,064</u>	<u>\$ 944,030</u>

Pines Lake Association
Statement of Cash Flows
Year Ended March 31, 2023

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	<u>Operating Funds</u>	<u>Reserve Funds</u>	<u>Total Funds</u>
Cash Flows from Operating Activities:			
Excess of Revenues Over Expenses	<u>\$ 47,631</u>	<u>\$ 717</u>	<u>\$ 46,914</u>
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:			
Depreciation	28,419	-	28,419
(Increase) Decrease in Assets:			
Prepaid Expenses	-	-	-
Increase (Decrease) in Liabilities:			
Accrued Expenses	24,079	-	24,079
Deposits	<u>(2,310)</u>	<u>-</u>	<u>(2,310)</u>
Net Adjustments to Reconcile Revenues Over Expenses to Net Cash Provided by Operating Activities	<u>50,188</u>	<u>-</u>	<u>50,188</u>
Net Cash Provided by Operating Activities	<u>2,557</u>	<u>717</u>	<u>3,274</u>
Cash Flows from Investing Activities:			
Purchases of Property and Equipment	<u>(137,992)</u>	<u>-</u>	<u>(137,992)</u>
Net Cash (Used for) Investing Activities:	<u>(137,992)</u>	<u>-</u>	<u>(137,992)</u>
Cash Flows from Financing Activities:			
Interfund Transfers	<u>185,566</u>	<u>(185,566)</u>	<u>-</u>
Net Cash Provided by(Used for)Financing Activities	<u>185,566</u>	<u>(185,566)</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	50,131	(184,849)	(134,718)
Cash and Cash Equivalents at Beginning of Year	<u>48,069</u>	<u>564,913</u>	<u>612,982</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 98,200</u></u>	<u><u>\$ 380,064</u></u>	<u><u>\$ 478,264</u></u>
Supplemental Disclosure of Cash Flow Information:			
Income Taxes Paid	<u><u>\$ 200</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 200</u></u>

See Accountants' Report and Notes to Financial Statements

Pines Lake Association
Notes to Financial Statements
Year Ended March 31, 2023

Page 6

Note 1 - Summary of Significant Accounting Policies:

A. Organization and Operations - **Pines Lake Association** (the Association) is a corporation formed to provide recreational facilities and offer community activities to its approximately 675 member households.

B. Fund Accounting - The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors. Disbursements from the reserve fund generally may be made only for designated purposes.

C. Revenue Recognition - Member dues are recognized as revenue in the applicable membership period. Initiation fees are recorded as revenue in the period when the fees are collected.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*." This standard, along with its related amendments, requires companies to recognize revenue to depict the transfer of promised goods or services to members in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update was effective for the Organization beginning in January 2019.

The Organization applied the five-step approach outlined in the new revenue standard as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation at a point in time.

The services provided by the Organization to its members and the payment of assessments by the members to the Organization are exchange transactions, having a commercial substance which are subject to ASC 606. The ASC provides a practical expedient that allows a portfolio of

Pines Lake Association
Notes to Financial Statements
Year Ended March 31, 2023

Page 7

Note 1 - Summary of Significant Accounting Policies: (continued)

contracts to be combined and accounted for as a single contract if this would not yield a materially different result than if the ASC was applied to the contracts individually. The contracts with the members are combined.

The promised goods and services are activities that are not by themselves distinct and are properly grouped into a bundle of goods and services that constitute a single performance obligation. Projects related to capital reserve expenditures and special assessments will usually be distinct and therefore constitute separate performance obligations.

Revenue is recognized in amounts corresponding to the amount of the transaction price allocated to each performance obligation as or when the performance obligation are satisfied. Revenues accounted for in the operating fund of the Organization including maintenance and management services, are properly recognized on a per-day basis and revenues related to capital reserve projects are properly recognized as those reserve funds are expended. Special assessment revenues will be recognized based on the unique purpose of the special assessment and may be recognized at a point in time or over time depending on the circumstances.

D. Property and Equipment – The Association's property and equipment consists of a lake, beaches, bridges, walkways and various improvements and equipment on approximately 160 acres of land in Wayne Township, New Jersey. All property and equipment is stated at cost and depreciated under the straight-line method. Depreciation is provided in amounts sufficient to write-off the cost of depreciable assets over their estimated useful lives, as follows:

Improvements	10-20 years
Furniture and Equipment	3-7 years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

E. Income Taxes - The Association files its income tax return as a regular corporation. Internal Revenue Code Section 277 and Internal Revenue Service Revenue Ruling 70-604 were utilized. Under this method current excess membership assessments, if any, are carried over to the following operating year and are not included in taxable income to the Association. Investment income and income from non-membership activities is included in taxable income and a portion of Association expenses is allocated to such income.

Pines Lake Association
Notes to Financial Statements
Year Ended March 31, 2023

Page 8

Note 1 - Summary of Significant Accounting Policies: (continued)

F. Cash and Cash Equivalents - For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

G. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts during the reporting period and at the date of the financial statements. Actual results could differ from those estimates.

Note 2 - Concentration of Credit Risk:

The Company, at times during the year, maintains cash balances at financial institutions, which are in excess of the insurance provided by the Federal Deposit Insurance Corporation.

Note 3 - Income Taxes:

The provision for federal income taxes is as follows:

Current Provision	<u>\$200</u>
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Note 4 - Future Major Repairs and Replacements:

The Association's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Board of Trustees has designated certain operational funds for future repairs and replacements. However, the amounts designated may not be adequate to meet future needs. If additional funds are needed, the Corporation has the right to increase member assessments or levy special assessments, or it may delay major repairs and replacements until the funds are available. The Association uses the services of a professional engineering firm specializing in dam maintenance and safety, and this firm is satisfied as to the current condition of the dam. It is the opinion of the Board of Trustees that the Association is sufficiently reserved for expected future repairs and maintenance, which are scheduled to or likely to occur.

Note 5 - Subsequent Events:

Management has evaluated subsequent events through February 6, 2024 which is the date these financial statements were available to be issued.

Supplemental Information

Pines Lake Association
Schedule I - Administrative Expense
Year Ended March 31, 2023

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	Operating Funds	Reserve Funds	Total Funds
Salaries	\$ 26,310	\$ -	\$ 26,310
Payroll Taxes and Workers Compensation Insurance	2,300	-	2,300
Insurance	65,033	-	65,033
Utilities	1,838	-	1,838
Property Taxes	45,045	-	45,045
Professional Fees	19,509	-	19,509
Office Expense, Postage and Printing	9,419	200	9,619
Total Administrative Expense	<u><u>\$ 169,454</u></u>	<u><u>\$ 200</u></u>	<u><u>\$ 169,654</u></u>

Pines Lake Association
Schedule II - Community Activities Expense
Year Ended March 31, 2023

	Operating Funds	Reserve Funds	Total Funds
Activities	\$ 20,598	\$ -	\$ 20,598
Total Community Activities Expense	<u><u>\$ 20,598</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,598</u></u>

See Accountants' Report

Pines Lake Association
Schedule III - Health & Safety Expense
Year Ended March 31, 2023

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	Operating Funds	Reserve Funds	Total Funds
Salaries	\$ 144,780	\$ -	\$ 144,780
Payroll Taxes and Workers			
Compensation Insurance	13,124	-	13,124
Beach Related Supplies	<u>6,356</u>	<u>-</u>	<u>6,356</u>
Total Health and Safety Expense	<u><u>\$ 164,260</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 164,260</u></u>

Pines Lake Association
Schedule IV - Property & Maintenance Expense
Year Ended March 31, 2023

	Operating Funds	Reserve Funds	Total Funds
Salaries	\$ 64,349	\$ -	\$ 64,349
Payroll Taxes and Workers			
Compensation Insurance	5,708	-	5,708
Maintenance and Landscaping	59,240	-	59,240
Utilities	8,091	-	8,091
Equipment and Supplies	9,821	-	9,821
Depreciation	<u>28,419</u>	<u>-</u>	<u>28,419</u>
Total Property and Maintenance Expense	<u><u>\$ 175,628</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 175,628</u></u>

See Accountants' Report

Pines Lake Association
Schedule V-Security and External Affairs Expense
Year Ended March 31, 2023

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	<u>Operating Funds</u>	<u>Reserve Funds</u>	<u>Total Funds</u>
Salaries	\$ 57,403	\$ -	\$ 57,403
Payroll Taxes and Workers Compensation Insurance	5,244		5,244
Supplies	<u>1,441</u>	<u>-</u>	<u>1,441</u>
Total Security and External Affairs Expense	<u>\$ 64,088</u>	<u>\$ -</u>	<u>\$ 64,088</u>

Pines Lake Association
Schedule VI-Water Quality Expense
Year Ended March 31, 2023

	<u>Operating Funds</u>	<u>Reserve Funds</u>	<u>Total Funds</u>
Weed/Algae Treatment	\$ 32,339	\$ -	\$ 32,339
Water Quality Testing	3,500		3,500
Geese Program/Fish Stocking	<u>4,340</u>	<u>-</u>	<u>4,340</u>
Total Water Quality Expense	<u>\$ 40,179</u>	<u>\$ -</u>	<u>\$ 40,179</u>

See Accountants' Report