

Treasurer's Report – Based off July 2024 Financial Statement

Operating Account \$315, 723

Reserves at \$2,576,916.43

Total - \$2,879,639.50

Reserves are GROWING but we have big expenses coming and not all Capital Projects have begun for 2024. Final Spall report is nearing completion and then there will be bidding. Spall plus garage waterproofing will be over \$1M possibly closer to \$1.5M.

We are still around 25% funded or around \$8.4M short based on the 2024 reserve study requirement of \$11.6M in the reserves. Much of this shortfall will be satisfied by the upcoming commercial loan for the repipe and fire alarm system.

Interest Bearing Accounts

- \$883,771 in CDs at 4.71% Average Interest
- \$1,590,587 in Savings/MM at Average 1.3% Interest – This money is earmarked for Capital Projects and should stay liquid.
- Average Total Interest at 2.65% Netting \$6590 month
- Homestreet Money Market Account *4752 is \$419,017. This needs to be rebalanced below the FDIC limit
- Hopefully we can consolidate all accounts into a Morgan Stanley “Preferred Savings” account – waiting on HP for when this account will be ready. FDIC Coverage to \$500k?
- Expect interest rates to lower in the coming months, this is good news for the commercial loan but bad for our savings.

Money owed to the Association:

- ~\$122,180 in delinquencies owed, Financial Statement number of \$144,464 not completely accurate – multiple accounts over \$5k delinquent and several over \$10k (some foreclosures and beginning of bankruptcy). There is little the Association can do other than wait for the legal process to play out before we can be made whole.
- **One foreclosure unit in limbo until foreclosure sale can go through.** HP needs to reimburse Association for erroneous payment of this unit's delinquency at \$8500
- Still need to pay out ~\$14,000 insurance payout for Feb 2023 Water Heater leak
- ADT needs to reimburse Association or give credit for about \$1500 in labor charges that were covered under contract

Big bills we have paid since last meeting:

- \$107,249 Old Insurance invoices from the Cadmus to HP move

Big Bills we will owe:

- \$23,000~ to Kone after they show their work. This will likely be less.
- \$17,280 for rust abatement to Centric for C Building – can maybe get this off Kone's total
- Tree removal? \$50,000+ (What is the arborist update?)
- Native Technologies Management Fee - \$110,000 for design phase and \$282,000 for construction phase for DWV project. Much of this to be paid from commercial loan.

- NT Fire System Proposal - \$32,407 – Executed 8.5.2024
- Pragmatic Engineering Proposal - \$59,000 Fire System/ \$130,796 DWV – Awaiting legal review
- Insurance renewal at \$569,063 (up from \$447,000 last year) – usually made in 6 payments, expect \$94,839 for first payment (Each owner paying about \$2,000 annually to insure a \$450,000 apartment)

2024 Capital Projects (From our \$2.5M Reserves):

- Spall Repair budgeted at \$980,000
- Spall Assessment and Permitting - \$80,000 – Struktura
- Electrical Upgrades/ Golf Cart Shack electrical upgrade - \$65,000 – Massive Kinetics will complete? No more enthusiasm for a shipping container. Golf Cart shack has space for 4 carts.

2025 Capital Projects

- C Building needs new roof at \$180,000
- Water proofing of garage as part of spall repair at \$334,000
- Additional security cameras - \$12,000
- High Efficiency lights - \$10,000 bulbs (4.5w at 800 lumens) should save about \$20,000 annually on electric cost

How will we pay for repiping and fire alarm system?

Repiping and upgraded Fire Alarm estimated at \$8M-\$12M or **\$220 to \$320** increase in Maintenance fees to pay for 20-30 Year Loan. Expect loan to be secured by the end of this year or early 2025.

Maintenance fee increase will start when construction phase begins mid 2025. May see lower interest rates by the time we secure funding. Expect around 6.5% interest on a \$12M loan.

Bills we may owe:

- \$30,000 new Ford F150? Ford Ranger is on its last legs.
- \$65,000- \$140,000 for a Swingset/play area – budgeted \$75,000 for 2025
- \$73,000 for Tree removal at B and C Building?
- New golf carts at ~\$6000 each

2025 Maintenance fee increases - \$18 for 2BR and \$23 for 3BR. Expect this to increase with inflation (2-3%) annually. Bulk of our maintenance fees go to utilities, insurance, repairs/maintenance and payroll.