

Treasurer's Report

Bank Accounts – July 31, 2024

10100 Checking	3,268.02
10200 Money Market	20,435.98
10300 Money Market Tennis Court Fund	9,815.98
10400 CD1	23,192.06
10405 CD2 4.75% 4mo Jun 2	34,184.49
10406 CD3 4.75% 4mo Jun 29 TC	5,808.79
Total Bank Accounts	96,705.27*

**This amount includes the \$16,820 that we have recouped from the escrow account at attorney Moynihan and is specifically meant for paying the Restatement costs, when our Covenants and By-Laws are approved by the Land Court.*

The Board's approach in 2023-2024 was to generate as much return on the funds as possible without taking any risks, and let the money work for the members of the Association.

This approach consists of 3 layers:

1. Checking account – no interest, base balance around \$3,000, payment of day-to-day expenses
2. Money market account – 1.75% interest, working as overflow/saving account
3. CD account – 4-4.75% interest, locked in and not needed short term

First the Board retrieved the money that was in escrow (non-interest-bearing account) with attorney Moynihan, who was handling the Covenant issue at the Land Court until November 2023. The Board saw no reason to keep the \$16,820 the escrow account, awaiting the outcome of the procedure at the Court and chose to have it in the Association's account where it could gain interest.

At the same time, the Board succeeded in getting the money market accounts at Cape Cod 5 Bank upgraded to a higher rate of 1.75%.

The first CD that came up for renewal was on October 2, renewal rate 4% for 4 months. The second CD came up for renewal on October 31, and was renewed at 4.25% for 4 months. Both were up for another renewal in February 2024: February 2 and February 29; and were renewed for another 4 months at the higher rate of 4.75%. In June 2024, both renewed again for 4 months at 4.75%.

The Board only moved money out of the CD's at renewal date to the money market account if necessary, which happened once for the Tennis Court account. In June 2024 \$2,500 was transferred to the TC money market account expecting additional funds were needed to start the repair of the tennis court.

Even though the Association 'earns' approximately \$2,900 in interest and dividends (or about 9% of our current dues) this fiscal year, it also faces a big increase in expenses; with the transition to attorney Fitzsimmons, who got our case in front of the Land Court, the legal fees for getting this issue reviewed and finalized jumped from \$1,200 in 2022-2023 to appr. \$10,000 (including future expenses for reviewing the proposed Covenants and By-Laws). The expenses for electricity and landscaping exceed by far the amounts that were forecasted last year.

This brings us to the proposed budget for next fiscal year, September 2024-August 2025. The Board intends to stay the course and use the money market and CD accounts to generate as much additional income on top of the dues as possible. This is the best way to keep the dues payable, as the cost of living is getting higher each year.

On the cost side, we will have to accept that the expense for legal fees, electricity and landscaping will stay higher than in the past. Currently, no special (new) projects are planned nor is there any room for it.

For the year 2024-2025 the Board proposes to keep the dues at current level and finance any shortfall out of the funds we have. This is something the Board wants to do for only one year. The Association needs the money in the bank to stay financially healthy. With the increase of expenses in the coming 12 months the Board proposes to increase the dues with 15% per member in September 2025. This will cover the shortfall of 11.5% and an expected inflation of 3.5%.

On behalf of the Board,
Paul Van Gogh
Treasurer