

CHCCA Treasurer's Report

OCTOBER 19, 2024



Agenda

- Highlights of FY24
- Statement of Activities and Changes in Net Cash Balances (note – we have not yet had a sense of the value of our units/property for a true financial asset assessment)
- Proposed FY25 Budget (10/1/2024 - 9/30/2025)

Budgeted vs. Actual Expenses FY 2024

	Total Actual FY24 (10/1/23 - 9/30/24)	Total Budgeted for FY 24 (10/1/23 - 9/30/24)	Difference (Budgeted - Actual)
Ordinary Income			
7030- Condo Fees (Total due Quarterly = \$16,929.00)	67,716.00	67,716.00	0.00
Other Income			
Interest	1.16	3.00	1.84
Donations	0.00		
Bank charge reimb	0.00		
Fines (there is an outstanding fine from years past not shown)	0.00		
Total Income	67,717.16	67,719.00	1.84
Ordinary Expenses			
Operating expenses/Property Management			
Routine Maintenance - mnthly (Tony)	12,000.00	12,000.00	0.00
Opening/Closing Plumber (Barry)	3,600.00	3,600.00	0.00
Septic Cleaning/Inspections (Nauset)	0.00	0.00	0.00
Trash Pick Up (Seaside)	5,183.00	5,200.00	17.00
General Repairs/Maintenance Supplies	1,231.05	1,500.00	268.95
Other Gen Main/Repairs	1,731.12	1,500.00	(231.12)
subtotal Operating expenses	23,745.17	23,800.00	54.83
Insurance (property, liability, D&O)	24,509.49	26,665.40	2,155.91
Accounting/Bookkeeping Contractors			
Accountant: Malloy CPA LLC	2,262.00	1,825.00	(437.00)
Bookkeeping Margaret Grierson	3,675.00	3,675.00	0.00
subtotal contractors	\$ 5,937.00	5,500.00	(437.00)
Utilities			
Electric (Eversource)	5,509.66	4,400.00	(1,109.66)
Propane Gas (Frank A Days)	3,682.64	4,500.00	817.36
Water sampling (welltapped)	2,122.72	2,550.00	427.28
subtotal utilities	\$ 11,315.02	11,450.00	134.98
Special Projects	\$ 4,741.15	5,900.00	1,158.85
Contributions Made to Causes	\$ 0.00	0.00	0.00
Miscellaneous	\$ 262.03	456.00	193.97
Returned check bank service charges	\$ 0.00	0.00	0.00
		0.00	0.00
Total Ordinary Expenses	\$ 70,509.86	73,771.40	3,261.54
Extraordinary Expenses			
Legal Fees (Heather)	\$ 11,622.24	11,622.00	(0.24)
Total Expenses	\$82,132.10	\$85,393.40	3,261.30
Net Income (Loss)	(14,414.94)	(17,674.40)	
Total in Checking and Savings Accts as of 9/30/2024	\$30,539.00		

Financial Highlights from FY24

- All condo fees were collected (a small portion this year's collected end of last FY)
- Insurance, which went up 18% between FY23 and FY24 has just gone up 26%
 - Per our broker, we should expect at least another 26% increase or more FY26 and years beyond.
 - Regarding our current coverage. \$3.26M. Each unit has a cap based on a contractor assessment of value for the upper cottages, a plug for the SLW units and all cut back a bit to keep us under the \$3.26M amount. We had budgeted \$2K to have the cottages valued but we did not do this. We are proposing it for this FY. (We will also see where the values come out using our broker's valuation algorithm). It is recommended that we have a contractor value all of them since it was last done in 2022 AND our current coverage is capped by unit and it is not clear how much below value each cap might be. We are also getting a quote for an overall increase in our coverage if this total and the caps by cottage are too low.
 - Our broker says to anticipate major increases – we budgeted 8500/YR each year.
- Our gas and electric estimates continue to be a bit off and flip flop and we are not sure why.
- Water sampling – we have a new company Welltapped and Toby negotiated a good rate
- Special project spending was down but misleading as the budgeted handrail extension on the beach stairs was not done.
- Miscellaneous also slightly lower than projected but this was primarily due to too much of a bump up last year after we had paid to replace fire extinguishers and the costs came back down.
- Overall, given the budgeted items we did not purchase our budget was just about right on.

Proposed New and Necessary Expenses & Line Changes

- Tony of On Time Property Management has Requested a raise of \$200/month and we have included this in the budget. We had paid \$12,000 annually and the increase raises his routine maintenance for the year to \$14,400. We believe that while it reflects a 5% increase per year – we think that it is a reasonable request and we would like to honor it for the following reasons:
 - Tony has been extremely hard working and dependable and after the first year when we needed to prompt him to provide his time and checklist, he has provided this regularly.
 - We believe that his price is quite reasonable and see no need nor have no desire to try out a new unknown entity.
 - In addition, he has not had a raise in four years and agreed on the rate that we are paying him now after initially seeking more.
 - Also, he regularly incurs expenses overseeing the opening and closings that are not technically billed for and his help has been incredibly important.
- We have perceived that the practice of having two lines for maintenance and repairs and supplies seems unnecessary so we have combined the lines. Also, our total for these items is about \$500 less this coming year.
- Insurance costs are climbing exponentially and we no longer have sufficient funds in the bank or in what we collect with our current condo fees and thus we have built in condo fee increases into the budget. We have projected our financial situation out three years in anticipation of steady increases and have prepared three possible scenarios for us to discuss. We have to have an increase in FY25.

Condo Fee Increase Proposals in Anticipation of Significant Insurance Increases And Associated FY 25 Budget Proposals

Corn Hill Cottages Condominium Association - Proposed FY 25 Budget Options						
Income				A minimum necessary increase in FY25 over the 2024 condo fees by \$24.5K (about 36%) to cover projected loss/keep \$25K in bank by end of FY	Increase in FY25 over 2024 by \$32,284 (about 48%). This will cover annual insurance increases of 8500/YR in FY26 and FY27 and enable us to keep a balance of at least \$25,000 each year	Increase in FY25 over 2024 by \$45K (about 66%) to cover projected loss/keep \$25K in bank AND cover major increases anticipated in FY26 and unanticipated costs and ensure \$25K in bank at end FY26
		Annual Condo Fees (sum of Qrtly Pymts.)				
Beneficial Interest	Unit #	Current - 2024	2025 Increase Option 1	2025 Increase Option 2	2025 Increase Option 3	
	5	\$5,556	\$7,565	\$8,203	\$9,205	
	6	\$4,268	\$5,812	\$6,302	\$7,072	
	7	\$4,268	\$5,812	\$6,302	\$7,072	
	8	\$4,268	\$5,812	\$6,302	\$7,072	
	9	\$4,268	\$5,812	\$6,302	\$7,072	
	10	\$4,268	\$5,812	\$6,302	\$7,072	
	11	\$4,268	\$5,812	\$6,302	\$7,072	
	12	\$4,668	\$6,359	\$6,896	\$7,739	
	18	\$2,568	\$3,499	\$3,795	\$4,259	
	19	\$8,464	\$11,527	\$12,500	\$14,027	
	8 SLW	\$7,244	\$9,866	\$10,698	\$12,006	
	10 SLW	\$6,364	\$8,667	\$9,399	\$10,547	
	12 SLW	\$7,244	\$9,866	\$10,698	\$12,006	
Interest			3.00	\$3	3.00	
Other (Donations)			0.00		0.00	
Total Income Budgeted		\$67,716	\$92,219	\$100,003	\$112,219	
Expenses						
OnTime Property Mgt. LLC Monthly Fee (Tony Cleary)			18,000.00	18,000.00	18,000.00	
Opening / Closings Plumbing			\$3,600			
Tony Cleary			\$14,400			
General Repairs/Maintenance/Supplies			2,500.00	2,500.00	2,500.00	
Septic: cleaning and inspections Nauset Septic (once every 3 years - done in Sprint 202			0.00			
Trash Pick Up (Seaside)			5,800.00	5,800.00	5,800.00	
Insurance (Property, Liability and D & O 3 dif companies) Also includes \$2K to revalue units			36,339.72	36,339.72	36,339.72	
Accountant (Moriarity Troyer & Malloy LLC (CPA)			2,300.00	2,300.00	2,300.00	
Bookkeeping (Margaret Grierson)			3,675.00	3,675.00	3,675.00	
Utilities: Electric (Eversource)			5,500.00	5,500.00	5,500.00	
Utilities: Propane Gas (Frank A Days)			3,800.00	3,800.00	3,800.00	
Utilities: Water Sampling (Well Tapped)			2,300.00	2,300.00	2,300.00	
Special Projects			5,000.00	5,000.00	5,000.00	
Contributions: Truro Rescue			0.00	0.00	0.00	
Misc: Fire Extinguisher insp., fees, postage, etc.			300.00	300.00	300.00	
Total Ordinary Expenses Budgeted			85,514.72	85,514.72	85,514.72	
Projected Net Income (Loss) Before Extraordinary Items			6,704.28	14,488.28	26,704.28	
Extraordinary Item: Legal Fees due in FY24 (budgeted to draw from available savings expected to start at \$40K))			11,622.00	11,622.00	11,622.00	
Total Expenses Budgeted FY24			\$97,137	\$97,137	\$97,137	
NET			(\$4,917.72)	\$2,866	\$15,082	
Total Account Balances as of 10/2/2024 - Start of FY25			\$30,539	\$30,539	\$30,539	
Total Acct Balances Anticipated in Checking/Savings at end of FY25			\$25,621	\$33,405	\$45,621	

End bank account balances under each of scenarios 1, 2 and 3

	Option 1 increase scenario		Option2 increase scenario		Option 3 increase scenario	
	FY26	FY 27	FY26	FY 27	FY26	FY 27
Condo Fees (sum of Qrtly Pymts:)	\$92,219	\$92,219	\$100,000	\$100,000	\$112,219	\$112,219
Expenses						
OnTime Property Mgt. LLC Monthly Fee (Tony Cleary)	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Opening / Closings Plumbing	\$3,600					
Tony Cleary	\$14,400					
General Repairs/Maintenance/Supplies	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Septic: cleaning and inspections Nauset Septic (once every 3 years - done in Sprint 2023)	3800	0	3800	0	3800	0
Trash Pick Up (Seaside)	5,800.00	\$5,800.00	\$5,800.00	\$5,800.00	\$5,800.00	\$5,800.00
Insurance (Property, Liability and D & O 3 dif companies)	42,925.00	51,510.00	42,925.00	51,510.00	42,925.00	51,510.00
Accountant (Moriarity Trover & Malloy LLC (CPA)	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00
Bookkeeping (Margaret Grierson)	3,675.00	3,675.00	3,675.00	3,675.00	3,675.00	3,675.00
Utilities: Electric (Eversource)	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00
Utilities: Propane Gas (Frank A Days)	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00
Utilities: Water Sampling (Well Tapped)	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00
Special Projects	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Contributions: Tuuro Rescue	0	0	0	0	0	0
Misc: Fire Extinguisher insp., fees, postage, etc	300	300	300	300	300	300
Total Ordinary Expenses Budgeted (excl legal fees)	95,900.00	100,685.00	95,900.00	100,685.00	95,900.00	100,685.00
Projected Net Income (Loss) Before Extraordinary Items	-3,681.00	-8,466.00	4,103.00		16,319.00	11,534.00
Extraordinary Item: Legal Fee final amt due in FY26	11,622.00	0	11,622.00	0	11,622.00	0
Total Projected Net/Loss	\$10,318	\$1,852	\$25,886	\$25,204	\$50,318	\$61,852
Total Starting Balance for FY26 and then FY 27	\$25,621	\$10,318	\$33,405	\$25,886	\$45,621	\$50,318
Total Balance at End of FY26 (start FY 27)	\$10,318		\$25,886		\$50,318	
Total Balance at End of FY27		\$1,852		\$25,204		\$61,852