

REPORTS

Treasurer's Report

MEMO TO: Board of Directors
FROM: Mike Rothenberg, Treasurer
SUBJECT: May Treasurer's Report
DATE: May 21,2025

Earlier this week I spoke with Kevin O'Connor, our primary contact at Wells Fargo Advisors. I will be speaking with our lead contact at Barkan next week.

Here's a quick summary:

Wells Fargo Reserve Funds (as of 4/30/25):

Certificate of Deposits: \$1,955,003
Cash/Money Market: \$2,533,,929
TOTAL: \$4,488,932

BankUnited/Barkan Operations & Reserve Funds (as of 3/31/25)

Operations Account: \$1,214,985
Reserve Account: \$3,219,646
TOTAL: \$4,434,631

1. Investments at Wells Fargo

Our cash is currently in a Money Market fund with a very low rate of return. We will switch to a Money Market fund that is currently paying just over 4%. Money Market rates generally change monthly and can go up or down.

We have 8 CDs earning interest ranging from 3.2% to 5.3%. See table below.

Two CDs are coming due in May and June. These will be reinvested in CDs, which are currently earning around 4%.

After speaking with Barkan next week and talking with our GM and President to determine our cash requirements, and following up with our Wells Fargo rep, we will determine what the maturity dates should be (1 year, 18 months, 2 years or more to lock in rates) and continue to ladder the CDs. We will also decide how much if any of the Money Market cash funds at Wells Fargo should be switched to CDs.

Parkfairfax CDs at Wells Fargo			
	Amount	Interest Rate	Due Date
1	\$245,000	5.3%	5/29/25
2	\$245,000	5.2%	6/5/25
3	\$245,000	3.25%	7/14/25
4	\$245,000	3.2%	7/15/25
5	\$240,000	4.9%	11/24/25
6	\$240,000	4.95%	12/2/25
7	245,000	4.65%	6/15/26
8	\$245,000	4.65%	12/22/26
TOTAL	\$1,955,003		

2. Challenges Ahead

Large Accounts Receivable number, unexpected delay in the sale of a 3-bedroom rental unit, concern over the impact of self-insuring the building damaged by fire late last year and recent storm damage to two of our buildings. Management has been working on the accounts receivable issue and it looks like this is being on the way to being resolved.

MEMO TO: Board of Directors
FROM: Mike Rothenberg, Treasurer
SUBJECT: June Treasurer's Report
DATE: June 18, 2025

In the May Treasurer's Report, I addressed the operating and reserve funds Parkfairfax has in accounts at BankUnited, which works in sync with Barkan, our financial management firm, as well as reserves at Wells Fargo.

Since that report, I've spoken on two occasions with our contact at Barkan, several times with our Wells Fargo advisor concerning Parkfairfax investments, twice with our contact at Bank United, and our auditor. I was encouraged to speak with all of these parties by our immediate past treasurer, Dave Bush, and I am very glad he did so.

NOTE: We have some \$7.8 million in reserves at Wells Fargo and Barkan.

Following are summaries of those activities:

1. Wells Fargo

a. We switched over \$2.5 million in reserve funds earning interest at an extremely low rate to a money market that this past week was earning 4.25%. Money Market rates can go up or down on a weekly basis. At some point over the next few weeks, we will be looking to invest a good bit more of those funds in CDs that will mature at different times to assure that sufficient reserve funds will be available to use when needed.

b. Two of our existing long-term CDs matured in late May and early June and were reinvested: \$240,000 from one was reinvested in a new 3-year CD earning 4.1%. Remaining funds went into our new Money Market fund. Funds from the second CD, some \$252,000 were also invested in our new Money Market. We currently have some \$2.8 million in reserves in our new Money Market.

2. Barkan and BankUnited

Concerning conversations with Barkan and Bank United, we confirmed that the reserve account at Bank United has not been properly set up to be either fully insured by the Federal Government or guaranteed "as to principal" by the Federal Government and has been this way for a number of years. This may also be true for the operating account at BankUnited. We are working to correct the reserve account's insurance/guarantee requirement as well as to confirm whether or not this also applies to the operating account.

3. Our Auditor (Goldklang & Group CPAs)

In early June I spoke with Michele Lizamo, our auditor, to touch base and to let her know some of the challenges that we've been facing -- i.e. accounts receivables (as of the end of this April is to some \$458,000), self-insuring a building fire that is costing the association some \$220,000 or more, the cost to repair tree damage to two buildings (some \$80,000 each), and trouble selling the 3-bedroom rental unit, which fortunately has sold and will be going to closing sometime this month. With the 3-bedroom selling for just under \$470,000, the concern now is that the sale is happening in FY26 rather than FY25, which included the sale of the unit in our operating budget. The consequence is that there is a good chance that there will be a deficit for FY25. This will not be known for sure until the audit, which will begin in August, but will likely not be finalized until sometime in November 2025. With all that said, the auditor felt that our current owners' equity of \$1.8 million would be adequate to temporarily cover any deficit. She said that last year owners' equity was good at 13% of the annual assessment. They recommend that owners' equity should be 10-20% of the annual assessment, which fell within that range for in our last audit.

4. Accounts Receivable

In March 2024 our Accounts Receivable for owners who have missed condo fee payments was approximately \$208,000,

not an insignificant number. In April, just one month later, this jumped to \$399,000. This coincides with Barkan, our financial management firm, transitioning in April 2024 to its new CINQ platform it now uses for condo fee collections

In mid-April, Barkan's Chief Financial Officer prepared an analysis of the accounts receivable.

To us it was clear that the main reason for the large increase was due to Barkan's transition from one platform to its new CINQ platform. It also turned out that there was a problem with the communications about delinquent accounts between Barkan, Parkfairfax, and Chadwick- Washington, which handles collections for us. It appears the communications issue has been straightened out, and management is looking to take additional steps to work to reduce the large accounts receivable number.