

A scenic sunset over the ocean. In the foreground, several people are sitting on beach chairs on a sandy beach, looking out at the water. In the middle ground, a blue sailboat with a large white sail is on the water. The sky is a mix of orange, yellow, and blue, with some clouds. The overall mood is peaceful and serene.

*Sengekontacket  
Community  
Corporation*

*50th Annual Meeting*



# **Sengekontacket Community Corporation**

## **Annual Report To Members**

### **July 8, 2023**

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Sengekontacket Community Corporation  
10 Sengekontacket Road  
Edgartown, Massachusetts 02539  
[www.sengekontacket.com](http://www.sengekontacket.com)

## Directors' Comments

### Review of Preceding Fiscal Year 2023

From our perspective, this fiscal year just now ending was a less trying year. All board meetings were held virtually during the fiscal year. The weather was relatively mild with the exception of a singular wind event that approached hurricane level one. This event dropped limbs and trees in the roadways and greenbelts. Clean up was more expensive as contractors dealt with sharply rising costs of fuel and labor.

The July 2022 Annual Meeting resulted in approval of the Board's request to increase the dues from \$ 900 to \$ 1,100. The members also approve spending \$ 4,000 for an audit of the books. The Board was unable to interest any local firm in conducting the audit review. Lacking success, the Board asked members in April again for suggestions. Bill Vrooman volunteered and conducted the review presented in this report.

The invasion of Ukraine is still creating economic and supply issues. As the conflict increased, an already stressed energy sector together with other logistics issues, massive infusions of liquidity by central banks worldwide caused prices to rise rapidly. Travel costs to and from Martha's Vineyard rose substantially.

Several new members joined the community as the membership continues to trend younger. Expanding the use of our clubhouse to accommodate our changing membership is being discussed.

Our fiscal year starts on July 1st and ends the following year on June 30th. The majority of this report is written before the end of the current fiscal year (2023). It is sent out to members in June, before the final results are in, requiring a financial update for the Annual Meeting In July, which occurs in the new fiscal year (2024).

Your Board Of Directors

*Betsy Gildroy, Les Goldstein, Gail Howe, Michael Price, Bill Westman*





Our Greenbelts are great for jogging and walking.



Our Venerable Clubhouse Under Review For Expanded Member Usage  
And Enjoyment



## Treasurer's Report

### On The Condition of the Association

The financial health of the Association is excellent. Dues and assessments have been paid in a timely manner with one problem resolved during the fiscal year now ending. Expenditures have been stable. Resales of properties have been quick as brokers recognize the uniqueness of Sengekontacket and place a premium on properties that become available.

Results from operations ending on June 30, 2022 bookended the impact of the Covid-19 virus with the official announcement of the end of the virus in FY 2023. This year the financial statements and comparisons to previous years are again presented. With them, a member can see the changes in the flow of funds within the various categories we track. If specific questions come up prior to the Annual meeting, I will respond to them. For these reasons I am foregoing a laborious recitation of the numbers within each statement. As always, please remember the statements use income and profits—not receipts, expenditures, and net funds remaining.

Cash balances of \$ 109,999 for the eleven month period show a growth in our cash reserve. The increase in dues has offset operating losses.

One unknown impact on our Association's economic health will be the response of the general vacationing public to inflation. The economy of Martha's Vineyard is a tourist/vacation economy. Initial indications are positive. The county and towns realize that any lack of activity will also impact *their* revenues. None-the-less, concerns about congestion and auto traffic continue to be raised by officials and impacted residents.



Even the tourists who come may be reluctant spenders. Sticker shock at local supermarkets may reduce disposable income. Travel is very difficult. Gas prices are up significantly. Airline ticket prices have rebounded.

Real estate and sales taxes are the principal source of revenue for the towns on the island. If a shortfall between revenue and expenditures materializes, there will be concerted efforts to breach tax increase restrictions.

Sengekontacket Community finances are in good shape for the coming fiscal year.



# SENGEKONTACKET COMMUNITY CORPORATION

The fiscal year ending June 30, 2022 is expected to show a sizeable operating loss. As you look over the statements, *please remember that these are preliminary eleven-month results*. The final full year results should be available when members have our Annual Meeting on Saturday, July 9, 2022.

Highlights	FY 2023	FY 2022
Facilities	4,480	2,797
Insurance	9,086	8,514
Landscaping Expenditures	26,076	33,840
Snow Removal	1,200	2,900
Taxes	7,772	7,825
Trash & Rubbish	21,028	19,911
Utilities	2,158	2,801
Office Expense	2,437	2,214
Road Maintenance	1,020	2,710
<b>Total Expenditures</b>	<b>76,382</b>	<b>93,761</b>



Now Let's Dive Into The Numbers.



The first three statements are the **current** fiscal year results. The next reports compare receipts, expenditures, and the balance sheets to the previous fiscal year. Again, remember that these are **eleven-month results**. The final statement is the FY 2024 Budget and discussion. Only certain categories needing clarification are noted either in the standard report or the comparative report, whichever better seemed to highlight differences.

On the Profit and Loss Standard and Previous Statements:

- Facilities costs increased due to drainage repairs to the tennis courts.
- Insurance costs are increasing due to general losses in the industry and lack of reinsurance access.
- Landscaping, Greenbelt, and Project expenditures include the major greenbelt clearing and tree removal costs.
- Snow removal includes sanding expenditures.
- Real Estate Taxes are relatively stable for the time being.
- Total Trash and Rubbish reflects increased activity and charges.
- Utility costs are increasing as the water department implemented minimum charges and Eversource costs are accelerating rapidly.
- Office expenses include internet and web costs.
- Road maintenance was minimal effort on the dirt road.



Sengekontacket Community Corporation  
**Profit and Loss Standard**  
 July 2022 through May 2023

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06/02/23

Accrual Basis

Jul '22 - May '23

Ordinary Income/Expense	
Income	
Annual Dues Revenue	95,700.00
Total Income	<u>95,700.00</u>
Gross Profit	95,700.00
Expense	
Facilities	
Clubhouse	100.00
Dock Expense	2,470.00
Tennis Court Expense	2,310.00
Total Facilities	<u>4,880.00</u>
Insurance Expense	
General Liability Insurance	6,058.00
Professional Liability	3,027.52
Total Insurance Expense	<u>9,085.52</u>
Landscaping and Groundskeeping	
Greenbelt	9,599.75
Lawn Care	2,800.00
Project Maintenance	13,676.09
Total Landscaping and Groundskeeping	<u>26,075.84</u>
Miscellaneous	
Miscellaneous - Other	715.00
Miscellaneous Expense	10.16
Miscellaneous - Other	0.00
Total Miscellaneous	<u>725.16</u>
Office Expenses	
Computer and Internet Expenses	2,197.40
Office Supplies	239.49
Total Office Expenses	<u>2,436.89</u>
Road Maintenance	1,020.00
Snow Removal	
Sanding	200.00
Snow	1,000.00
Total Snow Removal	<u>1,200.00</u>
Taxes	
Taxes - Property	7,772.36
Total Taxes	<u>7,772.36</u>
Trash & Rubbish	
Garbage contracts	6,660.60
Trash Disposal Fees	4,607.64
Trash Hauling	9,760.00
Total Trash & Rubbish	<u>21,028.24</u>
Utilities	
Electricity	337.90
Water Charges	1,819.84
Total Utilities	<u>2,157.74</u>
Total Expense	<u>76,381.75</u>
Net Ordinary Income	<u>19,318.25</u>
Net Income	<u>19,318.25</u>

# SENGEKONTACKET COMMUNITY CORPORATION

The results for this fiscal year ended with a surplus of \$ 19,318 as a result of the increase in member dues and a sharp reduction in landscaping project costs. Yet, dead trees on SCC property continue to impact the budget. The association has increased its beautification efforts in recent years and our contractors are passing on higher costs. Labor scarcity is another difficult issue for local businesses and contractors. All of these costs are just beginning to impact our budget.

None-the-less, our financial house is in good shape and only some catastrophic natural disaster or major economic dislocation would disrupt our finances.



Oak Bluffs Harbor

## Sengekontacket Community Corporation Balance Sheet Standard As of May 31, 2023

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06/02/23

Accrual Basis

May 31, '23

### ASSETS

Current Assets	
Checking/Savings	
RTC - Corporate Checking	109,998.73
Total Checking/Savings	109,998.73
Accounts Receivable	
Accounts Receivable	
Court Preparation Charge	150.00
Late Payment Charge	115.00
Accounts Receivable - Other	-265.00
Total Accounts Receivable	0.00
Total Accounts Receivable	0.00
Total Current Assets	109,998.73
Fixed Assets	
Dock	
Dock Major Repairs	6,655.00
Total Dock	6,655.00
Clubhouse	
Major Repairs	44,835.40
Clubhouse - Other	4,900.00
Total Clubhouse	49,735.40
Furniture and Equipment	
FF&E	590.00
Total Furniture and Equipment	590.00
Roads	
Road Paving	138,350.62
Road Siding	15,356.13
Road Signage	3,211.38
Total Roads	156,918.13
Tennis Courts	179,188.75
Total Fixed Assets	393,087.28
Other Assets	
Other Opening Assets	2,232.97
Total Other Assets	2,232.97
<b>TOTAL ASSETS</b>	<b>505,318.98</b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Opening Balance Equity	47,456.26
Retained Earnings	438,544.47
Net Income	19,318.25
Total Equity	505,318.98
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>505,318.98</b>



## Balance Sheet Standard (Continued)

As of May 31, 2022

The Balance Sheet reflects the accumulated assets and liabilities of the Corporation. Most important to members is our cash position of \$ 109,999. The increase in member dues relieved the pressure on our budget. The \$ 49,735 Clubhouse cost does not reflect major repairs prior to 2008 due to detail no longer available. Road paving costs of \$ 156,918 does not reflect cost expensed as the project developed. \$ 179,189 reflects all of the costs of construction of our tennis and pickleball courts. Stone wall costs were expensed.

Liabilities and Equity: We have no recorded liabilities in the Accounts Payable section. The \$ 438,544 retained earnings is the results of the Board's management since the major changes in 2008.

## Statement Of Cash Flows

As of May 31, 2023

The Statement of Cash Flows below is mostly for the treasurer to make sure his statements are in balance. It starts with the net income of \$19,318 and reconciles the Cash at end of period of \$ 109,999.

Sengekontacket Community Corporation  
Statement Of Cash Flows

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06/02/23

July 2022 through May 2023

Jul '22 - May '23

OPERATING ACTIVITIES	
Net Income	19,318.25
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	<u>265.00</u>
Net cash provided by Operating Activities	<u>19,583.25</u>
INVESTING ACTIVITIES	
Roads:Road Paving	<u>-2,349.97</u>
Net cash provided by Investing Activities	<u>-2,349.97</u>
FINANCING ACTIVITIES	
Opening Balance Equity	3,785.05
Retained Earnings	<u>-4,050.05</u>
Net cash provided by Financing Activities	<u>-265.00</u>
Net cash increase for period	16,968.28
Cash at beginning of period	<u>93,030.45</u>
Cash at end of period	<u><u>109,998.73</u></u>



The Ice House at Wiggy's Pond where the Club House is now located

## Sengekontacket Community Corporation Profit and Loss Budget vs. Actual July 2022 through May 2023

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	Jul '22 - May '23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Annual Dues Revenue	95,700.00	78,300.00	17,400.00	122.2%
Services	0.00	0.00	0.00	0.0%
Total Income	<u>95,700.00</u>	<u>78,300.00</u>	<u>17,400.00</u>	<u>122.2%</u>
Gross Profit	95,700.00	78,300.00	17,400.00	122.2%
Expense				
Facilities				
Clubhouse	100.00	241.96	-141.96	41.3%
Dock Expense	2,470.00	945.00	1,525.00	261.4%
Tennis Court Expense	2,310.00	310.00	2,000.00	745.2%
Total Facilities	<u>4,880.00</u>	<u>1,496.96</u>	<u>3,383.04</u>	<u>326.0%</u>
Insurance Expense				
General Liability Insurance	6,058.00	5,400.00	658.00	112.2%
Professional Liability	3,027.52	3,204.00	-176.48	94.5%
Total Insurance Expense	<u>9,085.52</u>	<u>8,604.00</u>	<u>481.52</u>	<u>105.6%</u>
Landscaping and Groundskeeping				
Greenbelt	9,599.75	5,550.00	4,049.75	173.0%
Lawn Care	2,800.00	3,000.00	-200.00	93.3%
Project Maintenance	13,676.09	10,750.00	2,926.09	127.2%
Total Landscaping and Groundskeeping	<u>26,075.84</u>	<u>19,300.00</u>	<u>6,775.84</u>	<u>135.1%</u>
Miscellaneous				
Court Filing Fees	0.00	50.00	-50.00	0.0%
Miscellaneous - Other	715.00	726.00	-11.00	98.5%
Miscellaneous Expense	10.16	100.00	-89.84	10.2%
Small Tools and Equipment	0.00	100.00	-100.00	0.0%
Miscellaneous - Other	0.00			
Total Miscellaneous	<u>725.16</u>	<u>976.00</u>	<u>-250.84</u>	<u>74.3%</u>
Office Expenses				
Computer and Internet Expenses	2,197.40	2,105.80	91.60	104.4%
Office Supplies	239.49	200.00	39.49	119.7%
Total Office Expenses	<u>2,436.89</u>	<u>2,305.80</u>	<u>131.09</u>	<u>105.7%</u>
Professional Fees	0.00	0.00	0.00	0.0%
Property Accounting Fees	0.00	4,000.00	-4,000.00	0.0%
Reconciliation Discrepancies	0.00	900.00	-900.00	0.0%
Road Maintenance	1,020.00	2,490.00	-1,470.00	41.0%
Snow Removal				
Sanding	200.00	1,250.00	-1,050.00	16.0%
Snow	1,000.00	4,000.00	-3,000.00	25.0%
Total Snow Removal	<u>1,200.00</u>	<u>5,250.00</u>	<u>-4,050.00</u>	<u>22.9%</u>
Taxes				
Taxes - Property	7,772.36	9,000.00	-1,227.64	86.4%
Total Taxes	<u>7,772.36</u>	<u>9,000.00</u>	<u>-1,227.64</u>	<u>86.4%</u>
Trash & Rubbish				
Garbage contracts	6,660.60	6,900.00	-239.40	96.5%
Trash Disposal Fees	4,607.64	2,850.00	1,757.64	161.7%
Trash Hauling	9,760.00	15,400.00	-5,640.00	63.4%
Total Trash & Rubbish	<u>21,028.24</u>	<u>25,150.00</u>	<u>-4,121.76</u>	<u>83.6%</u>
Utilities				
Electricity	337.90	165.24	172.66	204.5%
Water Charges	1,819.84	2,636.05	-816.21	69.0%
Total Utilities	<u>2,157.74</u>	<u>2,801.29</u>	<u>-643.55</u>	<u>77.0%</u>
Total Expense	<u>76,381.75</u>	<u>82,274.05</u>	<u>-5,892.30</u>	<u>92.8%</u>
Net Ordinary Income	<u>19,318.25</u>	<u>-3,974.05</u>	<u>23,292.30</u>	<u>-486.1%</u>
Net Income	<u>19,318.25</u>	<u>-3,974.05</u>	<u>23,292.30</u>	<u>-486.1%</u>

**Sengekontacket Community Corporation**  
**Profit and Loss Prev Year Comparison**  
 July 2022 through May 2023

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06/02/23

Accrual Basis

	Jul '22 - May '23	Jul '21 - May '22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Annual Dues Revenue	95,700.00	78,300.00	17,400.00	22.2%
Services	0.00	50.00	-50.00	-100.0%
Total Income	95,700.00	78,350.00	17,350.00	22.1%
Gross Profit	95,700.00	78,350.00	17,350.00	22.1%
Expense				
Facilities				
Clubhouse	100.00	241.96	-141.96	-58.7%
Dock Expense	2,470.00	2,245.00	225.00	10.0%
Tennis Court Expense	2,310.00	310.00	2,000.00	645.2%
Total Facilities	4,880.00	2,796.96	2,083.04	74.5%
Insurance Expense				
General Liability Insurance	6,058.00	5,375.76	682.24	12.7%
Professional Liability	3,027.52	3,139.04	-111.52	-3.6%
Total Insurance Expense	9,085.52	8,514.80	570.72	6.7%
Landscaping and Groundskeeping				
Greenbelt	9,599.75	6,038.26	3,561.49	59.0%
Lawn Care	2,800.00	3,000.00	-200.00	-6.7%
Project Maintenance	13,676.09	24,802.20	-11,126.11	-44.9%
Total Landscaping and Groundskeeping	26,075.84	33,840.46	-7,764.62	-22.9%
Miscellaneous				
Court Filing Fees	0.00	50.00	-50.00	-100.0%
Miscellaneous - Other	715.00	796.19	-81.19	-10.2%
Miscellaneous Expense	10.16	152.10	-141.94	-93.3%
Miscellaneous - Other	0.00	0.00	0.00	0.0%
Total Miscellaneous	725.16	998.29	-273.13	-27.4%
Office Expenses				
Computer and Internet Expenses	2,197.40	2,105.80	91.60	4.4%
Office Supplies	239.49	107.79	131.70	122.2%
Total Office Expenses	2,436.89	2,213.59	223.30	10.1%
Professional Fees	0.00	8,350.00	-8,350.00	-100.0%
Reconciliation Discrepancies	0.00	900.00	-900.00	-100.0%
Road Maintenance	1,020.00	2,710.00	-1,690.00	-62.4%
Snow Removal				
Sanding	200.00	900.00	-700.00	-77.8%
Snow	1,000.00	2,000.00	-1,000.00	-50.0%
Total Snow Removal	1,200.00	2,900.00	-1,700.00	-58.6%
Taxes				
Taxes - Property	7,772.36	7,824.73	-52.37	-0.7%
Total Taxes	7,772.36	7,824.73	-52.37	-0.7%
Trash & Rubbish				
Garbage contracts	6,660.60	5,806.06	854.54	14.7%
Trash Disposal Fees	4,607.64	4,940.12	-332.48	-6.7%
Trash Hauling	9,760.00	9,165.00	595.00	6.5%
Total Trash & Rubbish	21,028.24	19,911.18	1,117.06	5.6%
Utilities				
Electricity	337.90	165.24	172.66	104.5%
Water Charges	1,819.84	2,636.05	-816.21	-31.0%
Total Utilities	2,157.74	2,801.29	-643.55	-23.0%
Total Expense	76,381.75	93,761.30	-17,379.55	-18.5%
Net Ordinary Income	19,318.25	-15,411.30	34,729.55	-225.4%
Net Income	19,318.25	-15,411.30	34,729.55	-225.4%



## Comparative Profit & Loss Discussion—FY 2023 & FY 2022

The fiscal year ending on June 30, 2022 saw the start towards replenishing the cash balances of the Association. At the end of eleven months \$ 19,318 was added to the cash positions. The positive swing was \$ 34,730. The Board of Directors believe the resulting level is now sufficient for contingencies. The physical assets are now in good condition, but a major natural disaster such as a direct hit by a hurricane would erase the reserve. The problem now is the very negative impact of high inflation affecting us directly and indirectly as others pass on costs.

For us this has meant increased electricity costs, increased trash removal costs, increased water expense, increased tree removal costs, and increased landscaping costs. With the exception of real estate taxes, these costs support what makes Sengekontacket a unique community.

## Comparative Balance Sheet Discussion—FY 2023 & FY 2022

The discussion earlier for the FY 2023 Balance sheet applies here. The comparison to the previous year helps an understanding of our operating needs.



Courtesy of Chris Baer Link





## Sengekontacket Community Corporation Profit and Loss Prev Year Comparison July 2022 through May 2023

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06/02/23

Accrual Basis

	Jul '22 - May '23	Jul '21 - May '22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Annual Dues Revenue	95,700.00	78,300.00	17,400.00	22.2%
Services	0.00	50.00	-50.00	-100.0%
Total Income	<u>95,700.00</u>	<u>78,350.00</u>	<u>17,350.00</u>	<u>22.1%</u>
Gross Profit	95,700.00	78,350.00	17,350.00	22.1%
Expense				
Facilities				
Clubhouse	100.00	241.96	-141.96	-58.7%
Dock Expense	2,470.00	2,245.00	225.00	10.0%
Tennis Court Expense	2,310.00	310.00	2,000.00	645.2%
Total Facilities	<u>4,880.00</u>	<u>2,796.96</u>	<u>2,083.04</u>	<u>74.5%</u>
Insurance Expense				
General Liability Insurance	6,058.00	5,375.76	682.24	12.7%
Professional Liability	3,027.52	3,139.04	-111.52	-3.6%
Total Insurance Expense	<u>9,085.52</u>	<u>8,514.80</u>	<u>570.72</u>	<u>6.7%</u>
Landscaping and Groundskeeping				
Greenbelt	9,599.75	6,038.26	3,561.49	59.0%
Lawn Care	2,800.00	3,000.00	-200.00	-6.7%
Project Maintenance	13,676.09	24,802.20	-11,126.11	-44.9%
Total Landscaping and Groundskeeping	<u>26,075.84</u>	<u>33,840.46</u>	<u>-7,764.62</u>	<u>-22.9%</u>
Miscellaneous				
Court Filing Fees	0.00	50.00	-50.00	-100.0%
Miscellaneous - Other	715.00	796.19	-81.19	-10.2%
Miscellaneous Expense	10.16	152.10	-141.94	-93.3%
Miscellaneous - Other	0.00	0.00	0.00	0.0%
Total Miscellaneous	<u>725.16</u>	<u>998.29</u>	<u>-273.13</u>	<u>-27.4%</u>
Office Expenses				
Computer and Internet Expenses	2,197.40	2,105.80	91.60	4.4%
Office Supplies	239.49	107.79	131.70	122.2%
Total Office Expenses	<u>2,436.89</u>	<u>2,213.59</u>	<u>223.30</u>	<u>10.1%</u>
Professional Fees	0.00	8,350.00	-8,350.00	-100.0%
Reconciliation Discrepancies	0.00	900.00	-900.00	-100.0%
Road Maintenance	1,020.00	2,710.00	-1,690.00	-62.4%
Snow Removal				
Sanding	200.00	900.00	-700.00	-77.8%
Snow	1,000.00	2,000.00	-1,000.00	-50.0%
Total Snow Removal	<u>1,200.00</u>	<u>2,900.00</u>	<u>-1,700.00</u>	<u>-58.6%</u>
Taxes				
Taxes - Property	7,772.36	7,824.73	-52.37	-0.7%
Total Taxes	<u>7,772.36</u>	<u>7,824.73</u>	<u>-52.37</u>	<u>-0.7%</u>
Trash & Rubbish				
Garbage contracts	6,660.60	5,806.06	854.54	14.7%
Trash Disposal Fees	4,607.64	4,940.12	-332.48	-6.7%
Trash Hauling	9,760.00	9,165.00	595.00	6.5%
Total Trash & Rubbish	<u>21,028.24</u>	<u>19,911.18</u>	<u>1,117.06</u>	<u>5.6%</u>
Utilities				
Electricity	337.90	165.24	172.66	104.5%
Water Charges	1,819.84	2,636.05	-816.21	-31.0%
Total Utilities	<u>2,157.74</u>	<u>2,801.29</u>	<u>-643.55</u>	<u>-23.0%</u>
Total Expense	<u>76,381.75</u>	<u>93,761.30</u>	<u>-17,379.55</u>	<u>-18.5%</u>
Net Ordinary Income	<u>19,318.25</u>	<u>-15,411.30</u>	<u>34,729.55</u>	<u>-225.4%</u>
Net Income	<u>19,318.25</u>	<u>-15,411.30</u>	<u>34,729.55</u>	<u>-225.4%</u>

Sailing Into  
the FY 2024  
Budget  
Projections



## FY 2024 Budget Discussion

**W**ith the Coronavirus now history, budgeting is returning to normal. The principal assumptions this year are a major impact from inflationary pressure and increased member activity extending over a longer season.

- Annual Dues Revenue: No increase in dues of \$ 1,100.
- Clubhouse: Usage changes will increase annual expenses.
- Project Maintenance: Many trees will require removal again this year.
- Road Maintenance: Construction traffic requires repair work.
- Trash: Large impact from higher usage and inflation.
- Professional Fees: \$ 0 budgeted for CPA services.
- Snow and Sanding: Forecasting a cold winter.
- Real Estate Taxes: Increasing as Town faces inflation costs.



## Sengekontacket Community Corporation Profit and Loss Budget Overview July 2023 through June 2024

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06/16/23

	Jul - Sep '23	Oct - Dec '23	Jan - Mar '24	Apr - Jun '24	TOTAL Jul '23 - Jun '24
Ordinary Income/Expense					
Income					
Annual Dues Revenue	95,700.00	0.00	0.00	0.00	95,700.00
Total Income	95,700.00	0.00	0.00	0.00	95,700.00
Gross Profit	95,700.00	0.00	0.00	0.00	95,700.00
Expense					
Facilities					
Clubhouse	100.00	0.00	0.00	0.00	100.00
Dock Expense	1,475.00	0.00	0.00	600.00	2,075.00
Tennis Court Expense	0.00	0.00	310.00	500.00	810.00
Total Facilities	1,575.00	0.00	310.00	1,100.00	2,985.00
Insurance Expense					
General Liability Insurance	7,000.00	0.00	0.00	0.00	7,000.00
Professional Liability	1,000.00	2,104.00	0.00	0.00	3,104.00
Total Insurance Expense	8,000.00	2,104.00	0.00	0.00	10,104.00
Landscaping and Groundskeeping					
Greenbelt	5,000.00	3,000.00	0.00	0.00	8,000.00
Lawn Care	3,000.00	0.00	0.00	0.00	3,000.00
Project Maintenance	10,000.00	0.00	1,000.00	5,000.00	16,000.00
Total Landscaping and Groundskeeping	18,000.00	3,000.00	1,000.00	5,000.00	27,000.00
Miscellaneous					
Miscellaneous - Other	50.00	700.00	0.00	0.00	750.00
Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00
Miscellaneous - Other	100.00	-100.00	0.00	0.00	0.00
Total Miscellaneous	150.00	600.00	0.00	0.00	750.00
Office Expenses					
Computer and Internet Expenses	240.00	130.00	75.00	240.00	685.00
Office Supplies	0.00	0.00	0.00	200.00	200.00
Total Office Expenses	240.00	130.00	75.00	440.00	885.00
Road Maintenance	2,000.00	0.00	0.00	600.00	2,600.00
Snow Removal					
Sanding	0.00	0.00	1,000.00	0.00	1,000.00
Snow	0.00	0.00	3,000.00	0.00	3,000.00
Total Snow Removal	0.00	0.00	4,000.00	0.00	4,000.00
Taxes					
Taxes - Property	2,000.00	2,000.00	2,000.00	2,000.00	8,000.00
Total Taxes	2,000.00	2,000.00	2,000.00	2,000.00	8,000.00
Trash & Rubbish					
Garbage contracts	4,000.00	2,250.00	1,500.00	3,000.00	10,750.00
Trash Disposal Fees	2,000.00	1,000.00	750.00	1,750.00	5,500.00
Trash Hauling	7,000.00	2,250.00	1,500.00	3,250.00	14,000.00
Total Trash & Rubbish	13,000.00	5,500.00	3,750.00	8,000.00	30,250.00
Utilities					
Electricity	105.00	105.00	105.00	105.00	420.00
Water Charges	350.00	0.00	350.00	800.00	1,500.00
Total Utilities	455.00	105.00	455.00	905.00	1,920.00
Total Expense	45,420.00	13,439.00	11,590.00	18,045.00	88,494.00
Net Ordinary Income	50,280.00	-13,439.00	-11,590.00	-18,045.00	7,206.00
Net Income	50,280.00	-13,439.00	-11,590.00	-18,045.00	7,206.00

# SENGEKONTACKET COMMUNITY CORPORATION

The significant trends reflected in the FY 2024 Budget are increasing costs for trash, water, flower garden maintenance, and labor costs our contractors are passing on to us. Full-time residency has grown. Other members are now extending their time on the island over a longer period of time or making multiple visits to Martha's Vineyard. Vacation rental both at the condos and homes has grown. Increased utilization is factored in to the new budget.

Generally, rehiring laid off workers has been difficult for MV employers. The many supply and distribution shortages disrupting channels earlier this year are mostly over. Material costs, however, are now causing demand-driven reflation. These costs are also being passed on to consumers. Oil dropped to \$29/barrel in March 2020 as the world shut down. The Ukrainian/Russian war has caused problems. Oil prices are now in the \$ 70.00 to \$ 80.00 range. These energy costs are driving food costs from production to final point-of-sale at the grocery store.

Finally, this is just a forecast. It may or may not be accurate.



## **Sengekontacket Community Corp**

### **Audit Review**

#### **Scope:**

I reviewed the books for the fiscal year 2022-2023, as well as the first ten months of fiscal year 2022-2023.

#### **Checking Account:**

I reviewed every check written during the periods above for support and timeliness and found no deficiencies. I was concerned that there was an average balance of over \$138,000 sitting in an interest free account. The lowest balance at any month end was \$93,900.

#### **1099 Forms:**

I reviewed the 1099 forms sent and found that not all individuals being paid \$600 or more (legal requirement) were sent the appropriate form. I also found that four corporations, that aren't required to receive 1099 forms, were sent ones. This is an area that needs better controls.

#### **Venders:**

I have reviewed the venders list on Quickbooks and have found the proper information is present.

#### **Gordon Services:**

Gordon Ponte does many and varying jobs for the community and is paid once each month. His account is like no other vender SCC has. As a result of the complexity, I dug a little deeper into Gordon's account to see how the checks were determined. Gordon submitted bills for each service rendered and CL Gildroy, as Treasurer, grouped them by month and wrote an appropriate check each month. I could find no abnormalities in the process.

**Comments and Suggestions:** None of the following would make a big difference in the bottom line but could simplify the process while saving a few dollars. As treasurer of my organization I am always looking for ways of improving the bottom line no matter how small. The only area I would strongly suggest working on would be the 1099 comment.

- 1) Improve the 1099 process. Failure to send appropriate 1099s could lead to fines by the government. Any non-corporate entity (vender) that is paid \$600 or more in any calendar year must be sent a 1099 form. Whenever a vender is hired the tax identification number and address should be gotten before payment is made. I have found it helpful to mail the first check to the address given to eliminate fake or faulty addresses. If you use Bill Pay you'll need correct addresses anyway. With SCC's fiscal year being different than the tax year a vender report can be created in Quickbooks based on the calendar year to assist in determining which vender should receive a 1099.
- 2) Use Rockland Trust's Bill Pay service. It is a free service and allows quick and easy review of checks paid to the vendors. It also saves in costs. No checks, envelopes, stamps, or ink needs to be purchased. No need to run to the mail box, Rockland mails them the date you select.
- 3) Put the money to work for the community. Savings account, money markets, CDs, or even fixed income, corporate bond, or treasury bills would generate additional income for the community. While Rockland Trust is not good in this area, there are banks on the island that have free savings or money market accounts and there are several online banking institutions that also offer similar services with online transfers to and from SCC's Rockland account. If you choose CDs I would suggest laddering them. Get a 3 month CD and a 6 month CD to start and then every three months you would have money available to use or roll over. If you roll it over, turn the 3 month into a 6 month to keep the funds available every three months. It would also be smart to have a money market or savings account for unexpected situations. I might suggest putting \$25,000-\$35,000 in each CD and \$20,000 in a money market or savings account and take advantage of the higher interest rates with CDs. It won't create a large income but better than none.

- 4) Get a business credit card for the board members to make purchases for the community. There are no fee credit cards that offer cash back on all purchases. They also provide credit cards with different numbers so that the treasurer can tell who made the charge and keep track accordingly. It also eliminates the need to write checks to reimburse the board members for such purchases. The organization that I serve as treasurer uses Chase's Ink Business Cash Card. You might also want to establish a written policy on how the cards can be used and the method to report purchases to the treasurer. I'd be glad to share my organization's policy if wanted.
  
- 5) One area of have not been able to review properly is General Ledger Entries on Quickbooks. What was presented to me looks fine but to assure that there are no possible ethical problems I would need to get into Quickbooks. CL and I have agreed I would do that once he returns to the island but that is not in time for this report. I will notify the board if I should find anything irregular but based on the completed audit I doubt I will find anything worthy of attention.

Respectfully Submitted,

Bill Vrooman,

4 Mourning Dove Way

## Editor's Comments

This is the sixteenth year I have prepared a comprehensive annual report for members. Some were more ambitious than others. Sometimes a year had a lot of unique events making construction of the annual report easy. A good deal of effort was given to provide information and data for the audit.

All of the financial reports are generated from Quickbooks and I didn't see any reason to rebuild them into formal public annual report styles. Simple bulleted lists of the major categories of expenditures seemed okay for most of us, myself included.

The little dogs and cat were left in again as a bit of whimsy to lighten the mood since economic concerns and a major war continues in Eastern Europe have replaced Coronavirus concerns. I also told the board that this is probably my last year as treasurer.

Member issues provided insights and Susan Hobart again suffered the proofreading. Your comments and thoughts are appreciated.

*C. L. Gildroy*

