Strata Plan: 50785

2010 AGM Notes

Comments on Financials

- The Administrative Fund made a deficit of ($124,875.26) and closed with a balance of $41,484.25. It should be noted the budget was designed to make a loss of ($78,402.00). This means the Administrative Fund budget was exceeded by $46,473.26.
- The line item for Air conditioning Maintenance reflects 8 payments resulting in this line item coming in under budget.
- Electrical Repairs Exceeded budget by $2,816.57 and will vary from year to year.
- Insurance repairs came in at $35,041.38, while the income from insurance claims reflects $18,331.38. This resulted in a deficit of $16,710.00.
- Water Usage Exceeded Budget by $4,900.55 and reflects for quarterly payments. The allowance for water usage must be increased in the new budget to reflect increase in expenses.
- The budget for Insurance premiums was exceeded by $3,884.00.
- Gardening expenses exceeded budget by $7,066.36 as additional gardening works were carried out over the past year.
- An expense of $1,900.00 was incurred for tree lopping, which was not included in the budget.
- Fence repairs totalling $1,300.00 were incurred which were not incorporated in the previous years budget.
- Garage Door repairs exceed budget by $1,810.00 and is an expense that will fluctuate each year depending of repairs required.
- The Sinking Fund made a deficit of ($118,114.05) and closed with a balance of $572,335.80. It should be noted that the budget anticipated a deficit of ($205,850.00).
- The exterior painting expenses for the year totalled $232,468.73.
- The upgrade of the security access and surveillance system cost a total of $58,595.35.

Budget

Administrative Fund

Previous Year Administrative Budget:

2009/2010

$363,000.00

2010/2011 (proposed)

$525,419.00

Increase of $162,419.00, which is 44.74%

Sinking Fund

Previous Year Sinking Fund Budget:

2009/2010

$264,150.00

2010/2011 (proposed)

$166,500.00

Decrease of $97,650.00, which is 36.97%

AGM Budget Notes

Total Budget

($627,150.00) total budget last year

($691,919.00) proposed total

Over all Increase of $64,769.00

Comments of **Budget:**

- The Administrative Fund Budget has not got an allowance for use of a surplus which automatically resulted in an increase in the proposed budget of $78,402.00
- The allowance for Electricity Usage was increased by $6,000.00.
- The allowance for Water Usage was increased by $6,000.00
- The Allowance for Electrical Repairs was increased by $3,000.00.
- The allowance for the Lift Maintenance was increased by $795.00.
- The allowance for legal fees was increased by $8,000.00.
- The allowance for Strata Management Fees was increased by $629.00
- The allowance for Strata Management Additional charges was increased by $1,000.00.
- The allowance for insurance premiums was increased by $8,000.00.
- The allowance for disbursements was increased by $700.00.
- The allowance for the Cleaning Contract/Building Management was increased by $5,250.00.
- The allowance for Building Consultants/Engineers was increased by $5,000.00.
- The allowance for the garbage compactor maintenance was increased by $1,000.00.
- The Sinking Fund Budget was reduced by $97,650.00. It should be noted that the Sinking Fund Contributions were inflated over the past couple of years due to cover for large capital expenditure such as the painting, security upgrade, pool renovations, roof membrane replacement.
- The Sinking Fund Forecast predicts that the Owners Corporations Sinking Fund closing balance should be $210,439.00 at the end of the 2010-11 financial year. The proposed budget forecasts that the closing balance will be $253,835.80 at the end of the 2010-11 financial year.
- It should be noted that while the total budget increase is 10.33%, the levies were frozen for a year to compensate for the World financial Crisis. If the budget increase is divided by the two years the total increase per year would be 5.17% increase per year.

AGM Budget Notes

Overall increase of 10.33%