TREASURER'S REPORT

SP50785 Financial Statements for the past 12 months to 28/2/2013 + proposed budgets for the next 12 months to 28/2/2014

1/3/2012 – 28/2/2013

Administration Fund
After adjusting for the $113,636.34 received in special levies, and these $'s then transferred to the Sinking Fund –

- Income up 3%
  $552,885.26 vs budget of $537,454.55

- Expenditure up 2%
  $571,178.72 vs budget of $557,572.37

- Year end balance up 19%
  $11,255.57 vs budget of $9,431.35

Sinking Fund

- Income up 11%
  $346,041.26 vs budget of $311,801.80

- Expenditure down 13%
  $716,571.55 vs budget of $826,901.00

- Year end balance up 44%
  $476,622.60 vs budget of $332,053.69

* Major Sinking Fund projects undertaken –

1. Painting of the building – given all the difficulties with TOR/Craig, we terminated this contract. This leaves only the balustrading having not been repainted, but then why do this when we may need to replace/fix/modify our balustrading.

2. Ganellen project – this major project involving the tower penthouses and roof has been completed, with only a small fee yet to be paid to IBC/Chris for project management

3. BuildSense project – this whole non-budgeted project blew out when work was commenced on A9 & A10 finding a lot more work was needed to fix the water ingress problem. The total project is now valued at $496,760 GSTI, with $84,425 having been paid in FY 2013 plus IBC/Chris project management fees. Note, it is planned that the remainder of the work will be spread over FY 2014 & FY 2015

Proposed budget 1/3/2013 – 28/2/2014

Administration Fund

* Propose to lift levies excluding GST and prior to discount from FY 2013 budget of $590,000.00 to $645,000.00 = 9.3% increase.

* Significant proposed expenditure allowances include-
Insurance ($85,000 as compared with FY 2013 budget of $73,000 and a FY 2013 actual of $72,072.62 but we dodged a financial bullet here during the past year by changing insurers),
Legal Fees ($20,000 whereas FY 2013's budget was only $10,000 and an actual of $20,462.72) &
Electricity ($95,000 whereas FY 2013's budget was $90,000 and an actual of $86,466.20).
All allowances, and hopefully we don't see the actual increases – but need to provide for them

* Note, with the proposed increase in levies and projected expenditure here, the year end balance would only be a meagre $2,895.57 – so, a very tight budget.

Sinking Fund

* Big $'s here !

* Propose to lift levies excluding GST and prior to discount from FY 2013 budget of $202,755.00 to $346,340.00. This is a massive 70.8% increase.

* Also, propose to have a $477,273.00 GSTE ($525,000.00 GSTI) special levy imposed (zero discount) and spread over 3 equal GSTI amounts of $175,000.00 due on 1/5/2013, 1/7/2013 & 1/9/2013. Note that $113,636.34 was received in special levies in FY 2013, against a budget of $125,000, being the 2nd payment of the previous $250,000 special levy.

*Major proposed expenditure allowances include –
Balustrading $441,260 GSTI + $33,102 in project management fees has been allowed here to replace current balustrading with non-painted stainless steel & glass. There a few other options available, and should an unpainted 'band-aid' option be selected, then the cost will reduce to $100,000 GSTI.
Opah architectural feature above lift $167,000 GSTI has been allowed. Should we be successful with our CTTT appeal, then we will have to pay for the work upfront and then recover the $'s from the owner of lot 21 – so we will need the cash regardless of the CTTT outcome. Once we recover the funds (again should we be successful at the CTTT) then we would plan to use these recovered funds to bring forward some BuildSense work from FY 2015.
Resurface pool/spa with tiles + repave pool & BBQ areas $168,365 GSTI has been allowed – no project management fees.
BuildSense work $185,375 GSTI has been allowed for the final payments on A9 & A10 + payment on C69 where work is in

progress + C17 & C64 where work has been committed + B16 & B17 where work is planned FY 2014. Also need to add 7.5% for IBC/Chris project management fee. Note, available $'s will mean that work on A8, A11, B18, C26, C53 + C74 & C75 (latter 2 may not be required to be done by BuildSense if a propose fix by our own Ian MacDonald is successful) will be pushed into FY 2015.
Balance of Leary's forecast for FY 2014 $70,000 GSTI. Note, that we are proposing to push into FY 2015 the replacement of C block common property carpets + have reduced the proposed $'s for hot water installation/replacement.
Replace pool fence $35,000 GSTI provision is proposed should we need to comply with new regulations
Repair fire doors & frames $15,000 GSTI
Upgrade key lock system $10,000 GSTI

* Note, should the above be approved then we should be holding $193,679.60 at FY 2014 year end. And if there are no unforseen major expenses in FY 2015, and if we maintain the new quarterly levies here we can then complete the BuildSense work and finish up FY 2015 with owner's funds still in the order of $174,000 and there will be no need for another special levy - hopefully !!!! Would also envisage that these levies would stay in place beyond FY 2015, until we can build our Sinking Fund balances up to $500,000

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