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Independent Audit Report
To the Owners of Strata Plan 50785

This firm has audited the accompanying financial report, being a special purpose financial report for Strata Plan 50785, which comprises the Balance Sheet as at 29 February 2016, Income & Expenditure Statements for the year then ended and Notes to and forming part of the Accounts.

The managing agent, as delegated by the Owners Corporation in its Management Agreement, is responsible for the preparation and fair presentation of the financial report and the information contained therein. The agent has determined that the basis of preparation, described in the Notes, is appropriate to meet the needs of the owners and the financial reporting requirements of Section 106(1) of the Strata Schemes Management Act 1996 to prepare financial statements. The agent's responsibility also includes such internal control as the agent determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing checks and procedures to obtain audit evidence about the amounts and disclosures in the financial report. The checks and procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the reports preparation and fair presentation, but not for the purpose of expressing an opinion on the effectiveness of the agent's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and described in the Notes to the accounts, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Strata Plan 50785 as at 29 February 2016 and its performance for the year then ended in accordance with the Notes to the Accounts.

Basis of Accounting

Without modifying our opinion, we draw attention to the Notes to the financial report, which describe the basis of accounting. The financial report has been prepared to assist Strata Plan 50785 to meet the requirements of S106(1) of the Strata Schemes Management Act 1996 to prepare financial statements. As a result, the financial report may not be suitable for another purpose.

Matthew Faulkner CPA
Director

11 March 2016

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STRATA PLAN 50785

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 29 February 2016

NOTE 1 – Accounting policies

This is not a general purpose financial report. It is a special purpose report prepared for the Owners of the Plan to enable compliance with the requirement of Section 106(1) of the Strata Schemes Management Act 1996 as amended, to prepare financial statements.

As the Plan is not a Reporting Entity, there is no requirement to prepare accounts in accordance with Statements of Accounting Concepts and Australian Standards.

The accounts have been prepared in accordance with the historical cost convention and have not been adjusted for changes in the general purchasing power of money and for changes in the price of specific assets.

The accounts have been prepared on a going concern basis.

NOTE 2 – Income & expenses

The accrual basis of accounting is applied to all levies and interest on arrears. Levies are brought to account as income when the levy is due and payable. Any other income and all expenditure is accounted for on a cash basis and is brought to account when the income is received or the expense paid, except where otherwise stated.

NOTE 3 – Income tax

Assessable income such as interest, dividends and other income derived by the Plan from investment of funds or derived from other personal property as defined in Tax Ruling TR 2015/3 is taxable at a rate of 30% for 2015 and prior years. The tax rate for plans with a turnover of less than $2 million is 28.5% in 2016. Assessable income received by the plan in respect of common property is taxable in the hands of individual owners. Income tax expense accounts are prepared on a cash basis and may include tax instalments for years yet to be lodged or assessed.

NOTE 4 – Insurance commission

The amount of commission received (if applicable) is reflected on each successful quote. Such commission does not affect the premium in any way and is disclosed in the management agency agreement.

NOTE 5 – Accrued expenses

Amounts have been accrued for the Balustrades Project, General Replacement, Lawns & Gardens, Cleaning, Water Treatment and Fire Protection expenses.



Strata Plan No. 50785

1 McDonald Street
Cronulla NSW 2230

BALANCE SHEET
AS AT 29 FEBRUARY 2016

OWNERS FUNDS	**ACTUAL 29/02/16**	**ACTUAL 28/02/15**
Administrative Fund	120,867.19	166,512.10
Sinking Fund	1,343,797.40	1,122,289.13
TOTAL	**$ 1,464,664.59**	**$ 1,288,801.23**
THESE FUNDS ARE REPRESENTED BY		
ASSETS		
Cash At Bank Admin	124,456.99	84,098.67
Investment #1-Admin	150,893.21	147,547.11
Cash At Bank Sink	388,284.57	185,306.51
Investments # 1-Sinking	1,030,493.19	1,000,000.00
Investments # 2-Sinking	1,967.88	0.00
Receivables - Other	0.00	8,022.00
Levies - Billed Not Yet Due	283,807.97	0.00
Levies - Prepayments	2,304.16	5,655.86
Levies In Arrears	6,884.61	16,782.40
Other Arrears	1,975.00	30,286.85
Interest Arrears	90.50	2,635.99
Prepaid Expenses	0.00	2,191.47
Receivable--Insurance Claims--	0.00	3,012.00
TOTAL ASSETS	**1,991,158.08**	**1,485,538.86**
LIABILITIES		
GST Clearing A/C	18,009.13	(13,134.01)
Creditors	(49.10)	0.00
Accrued Expenses	50,189.21	14,993.18
Advance Discounts	(21,770.94)	(19,748.37)
Levies - Billed Not Yet Due	258,007.25	0.00
Levies - Prepayments	2,094.69	5,141.69
Levies In Advance	220,013.25	199,655.69
Other Advance Payments	0.00	9,829.45
TOTAL LIABILITIES	**526,493.49**	**196,737.63**
NET ASSETS	**$ 1,464,664.59**	**$ 1,288,801.23**



Strata Plan No. 50785

1 McDonald Street
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STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD 1 MARCH 2015 TO 29 FEBRUARY 2016

ADMINISTRATIVE FUND	**ACTUAL 01/03/15-29/02/16**	**BUDGET 01/03/15-29/02/16**	**ACTUAL 01/03/14-28/02/15**
INCOME			
Levies - Administrative Fund	655,228.81	655,228.80	657,255.07
Discounts - Admin Fund	(60,769.36)	(65,522.80)	(60,998.47)
Interest	0.00	600.00	571.03
Interest-Investments	3,359.82	2,000.00	3,504.25
Interest On Overdue Levies	(10,608.11)	0.00	2,359.49
Insurance Claims Sp	26,039.29	0.00	5,204.55
Key Deposits	3,469.09	0.00	3,200.00
Recoveries--Moving In/Out Fees	600.00	0.00	0.00
Recovery--Other	0.00	0.00	(19,745.00)
Rental Income	7,293.03	6,193.00	6,314.32
Status Certificate Fees	109.00	0.00	107.00
Strata Roll Inspection Fees	74.50	0.00	146.00
TOTAL ADMIN FUND INCOME	**624,796.07**	**598,499.00**	**597,918.24**
EXPENDITURE - ADMIN FUND			
Accounting	2,678.71	2,700.00	2,706.98
Audit And Taxation Services	2,927.24	2,500.00	2,399.65
Bank Charges	23.50	50.00	4.70
Bank Charges-With GST	121.68	200.00	137.22
Consultants	0.00	5,000.00	269.50
Debt Collection Fees	1,040.27	0.00	0.00
Insurance-Excesses	6,000.00	5,000.00	5,409.09
Insurance-Premiums	73,748.81	85,000.00	69,641.62
Insurance-Valuation	0.00	600.00	552.73
Legal Fees	9,711.07	25,000.00	9,188.00
Maint-Aircon	6,232.00	10,000.00	6,899.55
Maint-Aircon-Water Treatment	2,012.11	2,200.00	1,980.00
Maint-Cleaning	106,084.00	115,000.00	106,236.00
Maint-Cleaning-Carpet/Furn	1,244.55	5,000.00	4,811.05
Maint-Cleaning-Other	1,903.58	2,000.00	1,292.65
Maint-Compactor	2,231.58	2,000.00	627.13
Maint-Doors & Windows	2,129.52	6,500.00	6,333.41
Maint-Electrical	4,446.21	5,000.00	4,407.51
Maint-Electrical Lamps & Tubes	1,504.09	2,500.00	2,484.09
Maint-Fire Prtcn-Call Out Fee	0.00	7,000.00	3,784.09
Maint-Fire Prtcn-Contract	10,471.14	11,000.00	10,099.50
Maint-Fire Prtcn-Monitoring	2,230.62	2,400.00	899.83
Maint-Fire Prtcn-Repairs	10,579.87	13,000.00	12,903.00
Maint-Garage Doors	1,480.00	3,000.00	835.00
Maint-General Repairs	16,197.28	22,000.00	11,570.10
Maint-Hot Water Service	1,862.00	2,000.00	1,975.00
Maint-Insurance Repairs	27,602.34	0.00	5,204.55
Maint-Intercom	3,145.00	2,000.00	555.00
Maint-Lawns & Gardening	26,806.40	30,000.00	17,178.98
Maint-Lift-Maint Contract	72,608.71	41,600.00	30,836.05
Maint-Lift-Registration Fees	69.00	69.00	69.00



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STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD 1 MARCH 2015 TO 29 FEBRUARY 2016

EXPENDITURE - ADMIN FUND (Continued)	**ACTUAL**	**BUDGET**	**ACTUAL**
	01/03/15-29/02/16	**01/03/15-29/02/16**	**01/03/14-28/02/15**
Maint-Lift-Servicing/Repair	1,246.80	4,000.00	3,890.40
Maint-Locks, Keys & Card Keys	1,200.00	1,400.00	1,187.63
Maint-Pest/Vermin Control	1,890.00	2,300.00	2,034.55
Maint-Plumbing & Drainage	2,960.00	10,000.00	2,706.94
Maint-Pool Consumables	2,961.22	2,700.00	2,298.52
Maint-Pool Repairs	848.34	3,000.00	2,587.59
Maint-Pumps	3,104.50	4,000.00	3,115.50
Maint-Security Equipment	890.00	6,000.00	5,545.00
Maint-Tv Antenna & Cables	3,000.00	5,000.00	4,750.00
Management Fees	17,218.17	17,850.00	16,839.85
Mgnt - Non Routine Services	8,452.73	7,000.00	6,586.36
Oh & S Compliance	0.00	1,200.00	998.18
Mgnt - Print/Postage/General	3,559.11	4,000.00	2,227.69
Prior Period Adj	1,263.09	0.00	0.00
Search And Certificates	183.50	0.00	283.00
Sundry	1,560.94	5,500.00	5,249.13
Telephone/Email/Fax	2,981.02	3,200.00	2,684.16
Telephone - Mgnt	10.80	0.00	0.00
Trades Compliance	240.00	240.00	240.00
Transfer To Sinking Fund	100,000.00	100,000.00	0.00
Utility-Electricity	63,713.01	84,000.00	74,958.18
Utility-Gas	5,050.00	7,000.00	6,406.78
Utility-Rubbish Removal	0.00	200.00	0.00
Utility-Water & Sewerage	51,016.47	52,000.00	45,014.89
TOTAL ADMIN EXPENDITURE	**670,440.98**	**730,909.00**	**510,895.33**
SURPLUS DEFICIT	**$ (45,644.91)**	**$ (132,410.00)**	**$ 87,022.91**
Opening Admin Balance	166,512.10	166,512.10	79,489.19
ADMINISTRATIVE FUND BALANCE	**$ 120,867.19**	**$ 34,102.10**	**$ 166,512.10**



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STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD 1 MARCH 2015 TO 29 FEBRUARY 2016

SINKING FUND	**ACTUAL 01/03/15-29/02/16**	**BUDGET 01/03/15-29/02/16**	**ACTUAL 01/03/14-28/02/15**
INCOME			
Levies - Sinking Fund	376,800.07	376,800.00	346,340.05
Discounts - Sinking Fund	(34,892.57)	(37,680.00)	(32,233.23)
Interest-Investments	32,461.07	10,000.00	25,818.35
Refund--Income Tax	0.00	0.00	3,875.20
Transfer From Admin Fund	100,000.00	100,000.00	0.00
TOTAL SINKING FUND INCOME	**474,368.57**	**449,120.00**	**343,800.37**
EXPENDITURE - SINKING FUND			
Income Tax-Sinking	10,600.90	0.00	3,025.00
Balustrades	102,284.56	905,000.00	0.00
Balustrades Project Management	10,694.21	42,000.00	7,775.60
Maint-General Replacement	129,280.63	422,400.00	130,878.51
TOTAL SINK FUND EXPENDITURE	**252,860.30**	**1,369,400.00**	**141,679.11**
SURPLUS DEFICIT	**$ 221,508.27**	**$ (920,280.00)**	**$ 202,121.26**
Opening Sinking Balance	1,122,289.13	1,122,289.13	920,167.87
SINKING FUND BALANCE	**$ 1,343,797.40**	**$ 202,009.13**	**$ 1,122,289.13**



Strata Plan No. 50785

1 McDonald Street
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LOT BALANCE REPORT

29 February 2016

Lot No	Unit No	Admin Balance	Sink Balance	Other	Total
1	R1	-1,405.47	-808.24	0.00	-2,213.71
2	Shop4	-1,531.60	-880.77	0.00	-2,412.37
3	Shop3	1,711.79	984.39	44.32	2,740.50
4	Shop2	1,639.71	942.94	0.00	2,582.65
5	Shop1	-1,729.80	-994.75	0.00	-2,724.55
6	A1	-1,315.37	-756.43	0.00	-2,071.80
7	A2	-1,333.39	-766.79	0.00	-2,100.18
8	A3	-1,333.39	-766.79	0.00	-2,100.18
9	A4	-1,333.42	-766.79	0.00	-2,100.21
12	R2	-2,252.35	-1,295.25	0.00	-3,547.60
14	B14	-792.83	-455.93	0.00	-1,248.76
15	A7	0.00	0.00	2.09	2.09
17	A9	-1,405.47	-808.24	0.00	-2,213.71
18	A10	-1,423.48	-818.60	0.00	-2,242.08
19	A11	-1,405.47	-808.24	0.00	-2,213.71
20	A12	-1,369.43	-787.51	0.00	-2,156.94
21	R3	-3,341.84	-1,160.54	0.00	-4,502.38
22	B15	-882.92	-507.74	0.00	-1,390.66
23	B16	832.25	518.10	221.00	1,571.35
24	B17	-900.94	-518.10	0.00	-1,419.04
29	C1	-1,621.69	-932.58	0.00	-2,554.27
30	C2	-955.00	-549.19	0.00	-1,504.19
31	C3	-1,549.62	-891.13	0.00	-2,440.75
32	C4	-1,585.65	-911.86	0.00	-2,497.51
33	C5	-1,459.52	-839.32	0.00	-2,298.84
34	C6	-1,351.41	-777.15	0.00	-2,128.56
35	C7	-1,513.58	-870.41	0.00	-2,383.99
37	C9	-1,477.54	-849.68	0.00	-2,327.22
38	C10	-1,063.11	-611.36	0.00	-1,674.47
39	C11	-1,081.13	-621.72	0.00	-1,702.85
40	C12	-1,171.22	-673.53	0.00	-1,844.75
41	C13	-2,151.22	-673.53	0.00	-2,824.75
42	C14	-1,261.32	-725.34	0.00	-1,986.66
43	C15	-1,621.69	-932.58	0.00	-2,554.27
44	C16	-1,369.43	-787.51	0.00	-2,156.94
45	C17	-1,531.60	-880.77	0.00	-2,412.37
46	C18	-1,099.15	-632.08	235.89	-1,495.34
47	C19	-1,189.24	-683.89	0.00	-1,873.13
48	C20	-1,243.30	-714.98	0.00	-1,958.28
49	C21	-1,225.28	-704.62	0.00	-1,929.90
50	C22	-1,351.41	-777.15	0.00	-2,128.56
54	C26	-1,297.35	-746.06	0.00	-2,043.41
55	C27	-1,153.20	-663.17	0.00	-1,816.37
56	C28	-1,225.28	-704.62	0.00	-1,929.90
57	C29	-1,153.20	-663.17	0.00	-1,816.37
58	C30	-1,351.41	-777.15	0.00	-2,128.56
60	C32	-1,657.73	-953.30	0.00	-2,611.03
61	C33	-1,801.88	-1,036.20	0.00	-2,838.08
62	C34	-1,279.33	-735.70	0.00	-2,015.03

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1 McDonald Street
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LOT BALANCE REPORT

29 February 2016

Lot No	Unit No	Admin Balance	Sink Balance	Other	Total
64	C36	-1,261.32	-725.34	0.00	-1,986.66
65	C37	-1,297.35	-746.06	0.00	-2,043.41
66	C38	-1,585.65	-911.86	0.00	-2,497.51
67	C39	-2,072.16	-1,191.63	0.00	-3,263.79
68	C40	-1,729.80	-994.75	0.00	-2,724.55
70	C42	-1,369.43	-787.51	0.00	-2,156.94
71	C43	-1,297.35	-746.06	0.00	-2,043.41
72	C44	-1,315.37	-756.43	0.00	-2,071.80
74	C46	162.17	93.26	4.20	259.63
76	C48	-2,090.18	-1,201.99	0.00	-3,292.17
77	C49	-2,072.16	-1,191.63	0.00	-3,263.79
78	C50	-1,621.69	-932.58	0.00	-2,554.27
79	C51	-1,333.39	-766.79	0.00	-2,100.18
80	C52	-1,279.33	-735.70	0.00	-2,015.03
81	C53	-1,387.45	-797.87	3.00	-2,182.32
82	C54	-1,711.79	-984.39	0.00	-2,696.18
83	C55	-2,432.54	-1,398.87	0.00	-3,831.41
84	C56	-2,324.42	-1,336.70	0.00	-3,661.12
85	C57	-2,576.69	-1,481.77	0.00	-4,058.46
86	C58	-1,801.88	-1,036.20	0.00	-2,838.08
88	C60	-1,549.62	-891.13	0.00	-2,440.75
89	C61	-3,567.72	-2,051.68	0.00	-5,619.40
90	C62	-2,792.91	-1,606.11	250.00	-4,149.02
91	C63	-2,486.59	-1,429.96	0.00	-3,916.55
93	C65	-2,774.89	-1,595.75	250.00	-4,120.64
94	C66	-2,540.65	-1,461.04	0.00	-4,001.69
95	C67	-2,540.65	-1,461.04	0.00	-4,001.69
96	C68	-2,720.84	-1,564.66	250.00	-4,035.50
97	C69	-2,973.10	-1,709.73	0.00	-4,682.83
98	C70	-2,630.74	-1,512.85	55.00	-4,088.59
99	C71	-2,973.10	-1,709.73	250.00	-4,432.83
100	C72	0.00	0.00	250.00	250.00
101	C73	-2,577.08	-1,481.77	0.00	-4,058.85
102	C74	-2,576.69	-1,481.77	0.00	-4,058.46
103	C75	-2,901.03	-1,668.28	0.00	-4,569.31
104	C76	-6,811.10	-3,916.84	0.00	-10,727.94
105	C77	0.00	0.00	250.00	250.00
		-136,180.40	-76,948.24	2,065.50	-211,063.14



Strata Plan No. 50785

1 McDonald Street
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INSURANCE DETAILS

29 February 2016

Type	Insurer	Policy No	Sum Insured	Due Date
APPEAL EXPENSES	Strata Unit Underwriters	06S3093652	100,000	11/12/16
BUILDING & CONTENTS	Strata Unit Underwriters	06S3093652	81,553,500	11/12/16
CATASTROPHE COVER	Strata Unit Underwriters	06S3093652	12,233,025	11/12/16
FIDELITY GUARANTEE	Strata Unit Underwriters	06S3093652	100,000	11/12/16
FLOATING FLOORBOARDS	Strata Unit Underwriters	06S3093652	Insured	11/12/16
GOVT. AUDIT COSTS	Strata Unit Underwriters	06S3093652	25,000	11/12/16
LEGAL DEFENCE EXPNS	Strata Unit Underwriters	06S3093652	50,000	11/12/16
LOSS RENT/TEMP ACCOM	Strata Unit Underwriters	06S3093652	12,233,025	11/12/16
LOT OWNERS' FIXTURES	Strata Unit Underwriters	06S3093652	250,000	11/12/16
MACHINERY BREAKDOWN	Strata Unit Underwriters	06S3093652	100,000	11/12/16
OFFICE BEARERS	Strata Unit Underwriters	06S3093652	10,000,000	11/12/16
PROPERTY OWNERS LEGA	Strata Unit Underwriters	06S3093652	20,000,000	11/12/16
VOLUNTARY WORKERS	Strata Unit Underwriters	06S3093652	200,000	11/12/16



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CREDITORS BALANCE REPORT

29 February 2016

Account No	Name	Amount
08200003	Ato - Bas/Payg	4,780.00
08206433	Ato - Income Tax	-4,730.90
Total		49.10

