



In the heart of Gulf Harbour

Shangri La Gardens

SHANGRI-LA GARDENS RESIDENTS ASSOCIATION INC.

Financial Statements, Year End Summary 31 July 2017

Report for AGM 15th October 2017 (to be read in conjunction with attached Financial Statements)

Income: Total income for the year ending 31 July 2017 including residents' levies and interest on the Westpac Online Saver account was \$64,163 against a budgeted \$64,400. The \$237 difference is due to lower than expected interest on our on-line saver account. We have invested \$50,000 on a 6-monthly term deposit which matures in January 2018; this will increase our interest income for the coming year.

Debtors as at 31 July 2016: Residents Levies: \$1,200.00 per annum. There was 1 resident who paid their monthly levy of \$100 for July 2017 in August 2017 – overdue for a few days but essentially, we have no arrears.

Expenses: Total expenditure for the period was \$56,289 - against a budget of \$79,600. This means that \$23,311 of expenses budgeted for was not used. The main reason for being under budget was that the pool repairs (budgeted - \$30,000) could not go ahead as planned. This expense has been carried over for this coming financial year. The pool repairs are likely to commence late Jan 2018.

The larger out of the ordinary expenses this year were:

- 1). Improvements – \$10,332 for planters in the Clubhouse patio area and replacement of the metal spiral stairs with our new wooden staircase.
- 2). Garden Maintenance - \$4,000 in overhaul and replanting of or communal gardens.

Capital Expenditure: Nil

Operating Surplus: There was an operating profit for the year of \$7,711 - \$23,711 over budget.

Assets: Total equity, including operating surplus for this year is \$1,345,689 (includes communal buildings & grounds and combined savings and cheque account of \$87,438).

Audit of Accounts / Financial Statements: An independent audit of the Shangri-la Gardens Residents Association Incorporated Accounts and Financial Statements for period ending 31 July 2017 has been completed. No discrepancies were found and all was found to be in order.

2017/2018 Levy: The decision has been made to increase the current levy this financial year from \$1,200 per annum to \$1,235. The monthly levies will increase from \$100 to \$105 per month effective 1st January 2018. If you pay annually an extra \$35 will be paid on January 1st with the second payment of levies as per our 2 invoices this year.

In this past year our expenses have been mostly maintenance and regular costs, with the exception of our new staircase and planters costing \$10,332, and the gardening project costing \$4,000. This has enabled us to make a profit of \$7,710 instead of a budgeted loss. We increased our savings account to \$87,435 @ 31st July 2017. This year going forward we have budgeted for the following maintenance costs shown under Extra-ordinary Maintenance:

1. Pool repairs - \$33,000
2. New tennis court net - \$4,000
3. New pool pump - \$1,500
4. Garden edging - \$1,450 (additional to the edging paid for in the financial year 2016/2017)
5. New tennis court lock - \$1,232

We have employed the services of a gardener who will average 2.5 hours a week this year maintaining the gardens to keep them in the condition they are currently.

The areas that will need attention in the mid-term (up to 8 years) are:

- Clubhouse painting - \$8,000
- Playground - \$36,000
- Tennis court synthetic - \$30,000
- Tennis court fence - \$30,000

Budget: The budget for 2017-18 has been set. (See attached.)

Income is estimated at \$66,255.

An operating deficit of approximately \$28,195 is expected.

Report compiled by: Tracy Shakes
Treasurer / Secretary