Treasurers Report Summary for year ending 30 June 2019

We have once again completed a successful year that has resulted in improvements to the Centre within tight budget constraints. That is a credit to our volunteers; and contractors who often 'go the extra mile'.

All due accounts have been paid, we hold bond monies in trust, and we have a budget that demonstrates our capacity to continue to carry out maintenance and repairs and improvements into this financial year.

You have before you the financial report for the year ended 30 June.

I will be happy to answer questions relating to the budget after I have completed my brief presentation.

I will now cover some aspects of the financial report.

1. Total revenue for the year was $856,959, $9,456 more than last year. This shows a small increase of a little over 1% from last year. The variation can be explained by fluctuations in vacancy levels and rent increase. There were entry contributions of $250,001 for the year comprising of new occupancies. Other income includes interest earned, donations from use of the hall and funding raising.
2. We spent $240,248 on repairs and maintenance, this was spread between refurbishments and general repairs and maintenance. This figure will rise and fall each year depending on vacancy rates. Based upon recent years we anticipate three renovations this reporting year.
3. Other significant costs were personnel costs. The grossed-up figure of $127,530 is $13,000 less than last year. The reporting of $13k less this year against 'Personnel related costs' is because last year the CEO Leave Accrual of $13,553.93 was reported as part of the Gross Personnel related costs. It has not been included in the 2019 Statement of Comprehensive Income, but alternatively shown in the Statement of Financial Position under Current Liabilities – Employee benefits $27,141. This value includes leave accrual and long service leave accrual as a liability figure. Long service accrual had not been reported in previous Financial Statements.
4. The net deficit (loss) for the year of $1,017,786 relates to the 2019 depreciation value from the Valuer-General valuation, less cash at bank surplus of $44,413. Future depreciation will continue to be offset against capital works and now also against improvements. Over the last 3 years, depreciation has been set against capital works only, at the advice of our accountants. Going forward we can now include improvements to the villas when renovated.
5. Our main ongoing cash liabilities (expenses) bonds paid by residents and are staff costs. Total security deposits (bonds) owed to residents is $1,276,450.00. Staff costs relates to accrued long service leave and annual leave. We currently have $213,082 in cash and $800,000 in a fixed term deposit account. We hope to continue to grow our cash reserves to cover all security deposits into the future.
6. Another significant cost variation is our utilities expenses. We paid only three instalments, amounting to $60,554 in the 2017 reporting year resulting in a carry over into the 2018 reporting year of one instalment, resulting in the payment of five that year. We are now back to paying four instalments per year. This cost shows the true cost of utilities each year.
7. Apart those variations, costs are like the previous year.
8. I am now happy to take questions.

Roy Ormerod
Treasurer
Lady Clark Centre Inc