



BODY CORPORATE

Trustees Report 2018/ 2019

Review Period : 1st July 2018 to 30th June 2019

Once again, the Trustees are happy to report that Greenfields complex remains a sought after complex with very good security systems and structured maintenance planning. The complex is now coming to the end of a total revamp, which has taken place over the past three years, and the finalization of the carport revamp in the coming year will put an end to major expenses for a number of years. We will therefore start accumulating funds to boost our reserves from the end of the 2020 financial year.

While we reflected a deficit of R8,610 at the end of June 2019, we did spend R72,589 on the carport project and R45,000 on the installation of water meters in the complex which can be considered extraordinary expenses. These will continue into the next year and will result in further losses of R93,936 for next year. The costs for these two projects for next year are R137,500 and R50,000 respectively, indicating that we are still showing a profit through normal trading.

We do however apologize for neglecting the gardens during the winter period between June and September but a decision was made at a previous AGM when, to save money, our current staff would be used to do the carport project during the winter months, when the gardens need less attention. This of course saved us hundreds of thousands Rands if outside contractors were used.

AS you are aware, Pierre Wyse of Direct Complex Services passed away in May of this Year. The Trustees wish to express their condolences to Pierre's family. He will be sorely missed.

Direct Complex Services has ceased trading effective from 1st September 2019. Consequently the Trustees have requested Ryse Managing Agents to assist with the running of the complex. The appointment will be discussed at the AGM.

Some major projects are planned for in the years following 2019-20. These include :-
repairs to the Apexes on the Roofs
possible installation of solar panels to reduce Ekurhuleni billing.
installations of water tanks to reduce water consumption in the complex

Section A :- Financials

- - Cash Reserve movements for the year 30th June 2018
- - Variance report 2018 Actual to 2018/19
- - Variance report Actual

Cash Reserve Status as at 30th June 2019

The total reduction in the cash reserve for the year to 30th June 2019 amounted to R 25,074.

Cash Reserves	YE 2018	YE 2019
Money Market (Reserve Account)	561 329	416 719
Current Account	174 790	88 171
Call Account	15 535	281 451
Cash	11 421	1 608
Total	762 875	787 949

It was decided during the year to transfer excess funds from the call to the money market account in order to reap the benefit of higher interest rates. In the shorter term,

CSOS Maintenance Levy Reserve Requirements

The levy reserve requirement should be 25% of annual levies - this equates to R416,324. After excluding Ehurhuleni provisions from cash reserves, we are left with a shortfall of R70,000 .

Variance between 2018/19 Actuals and 2018/19 Budget

Notification letter admin fees (R 9 454 Favourable) - As agreed at the last AGM, an administration charge would be levied for notification letters for conduct rule transgressions or late levy payments. The number of letters that had to be written during the year was not anticipated when preparing the budget. We have noticed an increase of people not paying their levies on time which is a concerning aspect receiving our close attention. **LEVIES ARE TO BE PREPAID AND ARE DUE ON THE FIRST DAY OF EACH MONTH.**

Store room Rentals (R5100 favourable)– Additional storage areas were built at the end of the 2017/8 financial year. This additional revenue was not included in budgeted revenue.

Clubhouse booking. (R 3 800 unfavourable) - A larger interest in the clubhouse was anticipated when preparing the budget.

Electricity Consumption (R 21 415 unfavourable). At the end of the 2018 financial year an under recovery on pre-paid electricity had to be expensed. We can expect a deficit again this year with the substantial increase in the fees, and the difference when the residents have purchased electricity for their units pre the increase, but utilization will take place at the increased rates which we will be billed for.

Sewerage and water services (R 54 715 favourable) It was discovered that the complex water meter was not being read correctly and a new meter needed to be installed. Ekurhuleni will correct historical billings when they have installed the new meter but for now they have stopped billing altogether. This has placed us in a difficult position regarding our budgeting as we don't know what the outcome will be when the meter is finally installed. We are getting no joy from the municipality regarding this matter and have now taken the problem to our local Councilor for assistance

Repairs and Maintenance (R 24 000 unfavourable) - Water Meter installations of R45 000 was not provided for in the budget. Water meters for all units are to be phased in over three years.

Administration Costs (R 54 962 unfavourable) – mainly due to lower than expected billings from ADT R44 798.

Variance between 2018/19 Actuals and 2019/20 Budget

Utilities (R 51 113 unfavourable) - Ekurhuleni Tariff's increased 1st July 2019. Electricity 13%, Water 15% Sewerage 11% Refuse 7%.

Repairs and maintenance (R 52 664 unfavourable) – Balance of Car Port project amounts to an additional R 64 911).

Building maintenance (21465 favourable) – Maintenance on buildings will be restricted during 2019-2020.

Administration variance reflects normal cost increases in line with anticipated inflation.

Section B :- Projects planned 2019/2020.

Car port Refurbishment

The roofing project is nearing completion. However intermittent work on this project will be possible during the rainy season.

Water Meter installations

With Large Water and Sewerage tariff increases experienced last year and anticipated in future years, the Installation of water meters at body corporate expense was started in 2018-2019, as approved at the last AGM, and will continue during 2018 2019 and in future years until all units have their own

meters. It is hoped that residents will be able to monitor their water usage and only water used will be billed once all meters have been installed.

After 2019 / 2020 water tanks may be installed to further reduce water billing from Ekurhuleni.

CCTV Cameras and monitoring systems.

The CCTV control panel in the clubhouse will be moved to the guardhouse so that CCTV cameras in the clubhouse area can be monitored constantly by the guards on duty. Other cameras are to be re-positioned in order to extend coverage the whole playground.

Replacing and re-grouting balcony tiles

This project is almost finalized and will be completed this year.