



TREASURER'S REPORT FOR CANAL EAST HOME OWNERS ASSOCIATION

Dear Homeowner

1. Introduction

It is my pleasure to present to you the:

1.1. Annual Financials Statements as at the 30th April 2022

1.2. Budget for 2022/23

2. 2021-2022 Financials

2.1 The committee, having regard to the management of the financial affairs of the Association and the compilation of the financial position as at the 30th April 2022, is satisfied that the Association is and will remain, for the foreseeable future, a going concern.

2.2 Operating income is cash flow positive. Bank balances as at the 30th April 2022:-
Current Account R266 336.48
Reserve Account R405 323.56

2.3 There has been an enormous effort by the Managing Agents to recover unpaid levies, more especially those levies outstanding for more than 12 months. Part of this process resulted, unfortunately in the Association having taken legal action against defaulting homeowners. Legal action has resulted in a positive recovery of default levy payments but it still remains a challenge that over 18% of homeowners have not paid their levies.

3. Budget 2022-2023

3.1 Following the initial preparation of the budget for the next year, the Committee invited homeowners to participate in a review session thereof.

3.2 Despite that the turnout of homeowners was not as many as we would have liked, we did have a number of homeowners across the age groups and within different areas of the Association and varying income groups actively engage the Committee to debate the budget items.

3.3 Significant in these discussions was the need to ensure the Association is not only concerned with the administering the status quo of the Association but that is must continually look to effect improvements in and around the area.

3.4 Improvements for the coming year have been set aside in the budget.

3.5 The planned operating costs for the forthcoming year is anticipated to be R602 270.07, based on 7% inflation rate.

3.6 Mindful of the need to continue to manage the Association by way of the constitutional obligation on homeowners to pay levies and the pressures experienced by homeowners with the rising costs, the increase in the yearly levy in below inflation and takes into account the views of then homeowners expressed at the budget meeting held on the 06th July 2022.

4. Conclusion

4.1 Based on the prepared financials and the proposed budget, I regard such to be:

4.1.1 an accurate financial account of the affairs and solvency of the Association and that the Association is solvent;

4.1.2 a reasonable and necessary increase in the levies to operate the Association.

4.2 I wish to thank the Finance committee, accountants and those homeowners who participated in the budget planning sessions helping us to prepare and present the attached financials and budget for the Association.

4.3 My best wishes is reserved to the incoming Treasurer for the year ahead.

Treasurer
July 2022