



OFFICIAL MANAGING AGENT FOR THE ELISENHEIM HOME OWNERS ASSOCIATION

NOTES TO THE BUDGET 2024 to 2025

GENERAL NOTE

In years past we have accounted for all Levies invoiced as income in the budget, predicting the income statement as at the year end of the following year. This position leaves does not account for the potential cash flow problems that the EOA may face because not all income invoiced is received in the bank.

In this regard we deduct the interest received on arrears and make a provision that we will not receive N\$23,500-00 in levies every month

EXPENSES AS A PERCENTAGE OF TOTAL EXPENSES

Meeting Charge	0.03%	3,250.00
Legal Fees E103	0.10%	10,000.00
Nursery EN300	0.10%	10,000.00
Total Bank Service Charges EB500	0.25%	25,200.00
Audit Fees	0.35%	34,882.00
Telephone MTC TEL1001	0.62%	62,916.00
Insurance EI700	1.84%	185,678.76
Total Maintenance & Repairs EM800/ER900	3.91%	395,652.00
Total Office Expenses	4.03%	407,562.84
Waste Water Treatment E108	4.27%	432,000.00
Total Vehicle Repairs/ Expenses EV200	5.28%	533,380.00
Management Fees MAN1008	7.30%	737,619.00
Total Staff Expenses STAFF4000	27.87%	2,817,010.77
Total Security	44.06%	4,453,512.00
TOTAL	100.00%	10,108,663.37

The notes below comment on the specifics in the budget.

NOTES	ERVEN ANALYSIS
1	The market is sluggish and based on the sales of last year - we expect 2 new erven to register per month
2	Total number of Residential erven registered
3	Total number of GR units registered
4	Total number of Business erven registered
5	Levies per Erf Payable – please note that an increase of 3.0% is budgeted from 1 October 2023
6	Levies per GR unit Payable
7	Levies per Business Erf Payable – The levy is for the Urban Village. We have only charged the village 40% of the total levies so as not to burden them with extra costs whilst the village is finding it difficult to attract more customers
8	Levies for Residential Erven Collected
9	Levies for GR units Collected
10	Levies for Business Erf Collected
11	Total levies collected per month/year
NOTES	INCOME AND EXPENSE BUDGET
	INCOME
1	Design Review Committee (DRC) Officer charges for approval of plans, Inspections, penalties and alterations etc. The major part of income is generated from the approval of new house plans – whilst the market is sluggish we do not forecast a large increase in income
2	Total interest collected on arrears
2.1	The Trustees resolved not to account for the income because the interest is mostly not received from members that are in arrears and negatively affects the budget
2.2	Interest Received on current account
2.3	Interest received on cash investments with Elite Save, FNB
2.4	Total interest received – reduced because we have used cash to purchase the business erf
3	Total levies invoiced per erf, Sectional Units and Business Erf Increase in levies of 3.0% is budgeted from 1 October 2024.
3.1	The average calculation for the past years illustrate that we have a constant negative recovery of approximately 2,5% of levies invoiced. The adjustments for non-collection is reflected to provide for the negative cash flow
3.2	The net levies collected in Cash for budget purposes
4	Total Special Levy Income
4.1	Special Levies charged to members that have business consent to operate from home
4.2	Special levies raised on owners that make use of the Tipper truck – Charged per hour use
4.3	Special levies raised on owners that make use of the TLB – Charged per hour use
5	Income from residents that make use of the picnic area

6	Contractors and domestic workers require access cards to enter the Estate. Cards are printed at a cost of N\$50-00 per card. The office issues approx. 50 cards per month
7	Every property that is sold must obtain a clearance certificate to certify that the levies are paid up before the property can transfer. Cost of clearance is N\$464-00
8	Income from penalty fees issued to members that have transgressed the rules
9	TOTAL INCOME for 2022 to 2023
	EXPENSES
10	Annual Audit fees. The Audit was placed on tender and the accepted tender price is quoted
11	Bank Service charges
12	Most of the insurance is paid with an annual premium payable in Dec/Jan every year. Monthly premium is payable for vehicles and Cell Phones.
13	We had no litigation by the EOA. All legal costs are recovered from members when they are in arrears. We do however make a provision for legal charges that we may incur
14	Repairs and maintenance – The line items are self-explanatory
14.1	Advertising for personnel
14.2	Cleaning Material for office and vehicles. Extra vehicles purchased increased the costs
14.3	Cost for tools and general maintenance items on the estate. The large increase is due to 8 river crossings that must be safeguarded. The cost per river crossing is estimated at N\$6000-00 meaning an additional N\$48,000-00 above the amount spent in the previous year
14.4	Signage that must be erected on the public open spaces, parks and streets
14.5	Repairs made to storage containers, staff toilets etc.
14.6	Provision for computer maintenance
14.7	Continuous maintenance on the electric fence
14.8	Repairs to Tools and Machinery
14.9	Service of machinery and equipment
14.10	Stones that damage property when cutting the grass
14.11	The Sewerage Pump Stations require continuous maintenance. The insurance have removed the pumps from insurance cover because of a high claims ratio that we had on the pumps. The large increase in cost is to pay for the repairs to the pumps
14.12	TOTAL Maintenance & Repairs
15	Management Fees for the administration of the EOA: Collection of Levies, Collection of arrear levies, Payment of Debtors, Arrange for the investment of surplus funds, all accounting for the operations of the EOA, Arrange insurance for the assets of the EOA, payment of salaries, tax and social security, Employee service contracts, all secretarial duties, management reporting to the Trustees
16	Cost for hiring of hall for AGM meetings
17	Previously the nursery was operated by the EPDC. The EOA took responsibility for the nursery in the latter part of last year concurrently the high increase in cost. Cost for operating the nursery to grow and plant trees and plants on the estate. Purchase of anti-weed, plastic bags, compost, tools etc.
18	Total Office Expenses
18.1	CoW - Office Rates and Taxes
18.2	Cost for operating copy machine
18.3	Trustee meetings are held from 13h00 to 17h00 – Cost for refreshments at Trustee meetings. Also includes cost for year-end staff party for staff and workers on the estate in December

18.4	Electricity consumption Office
18.5	Monthly rent for Office
18.6	Water consumption Office
18.7	Office repairs & Maintenance
18.8	Sweets and cost for annual Santa Drive through Elisenheim
18.9	Office Stationary – mostly for printing of Access Cards
19	Total Security
19.1	The Estate employed 5 Scanners to record license numbers Etc. The monthly cost for the scanners = N\$4,876-00
19.2	Monthly Cost for Security on the Estate
20	Total Staff Expenses
20.1	Casual Workers are employed from time to time when the work load increases on the estate
20.2	Estate Management Salaries
20.3	Estate management standby fees paid to staff that must attend to matters outside of office hours
20.4	The Trustees have implemented a <u>discretionary</u> Performance Bonus System whereby targets are set for management to achieve certain goals during the financial year and whereby a panel evaluates the staff performance against the goals set. A provision of 80% of the monthly cost to company is provided
20.5	Salaries for Office Staff
20.6	PAYE on Salaries
20.7	Social Security Payments
20.8	Uniforms purchased for workers on the Estate
20.9	Medical Kit to use for staff
20.10	Staff Training in various aspects of their duties
20.11	Worker Wages
20.12	Cost of staff transport to and from Elisenheim
21	Cell Phone charges for staff issued with cell phones
22	Total Vehicle Repairs & Expenses
22.1	TLB Service and Repairs
22.2	Diesel & Petrol charges are calculated at last year's cost. The budget includes the increase in fuel charges.
22.3	The tipper truck was purchased on HP. The monthly cost of finance is accounted for
22.4	License fees for vehicles
22.5	A few of the vehicles are due for new tyres and in addition, tyre repairs are a constant with the TLB and Tractor delivering heavy duty field work.
22.6	Cost for Vehicles that must be serviced.
22.7	Cost of Vehicle Repairs
23	In terms of the Articles of Association - The EOA is liable for a portion of the operations of the waste water treatment plant, whereby the CoW invoices the EPDC and the EPDC invoices the EOA for the additional expenses
24	TOTAL Expenses
25	Anticipated income after expenses as at 28 February 2025. This amount excludes levies not received as income and interest on arrears
26	Current Account balance after provision for accounts payable

27	Investments that matured in March 2024 and w2as reinvested to mature on 22 March 2025
28	Investment with FNB – Will be used to repay the final instalment on the HP of the TLB
29	Calculations for interest earned on investments and incorporated in Income
30	Anticipated depreciation on vehicles and equipment for the year in question
31	Provision for capital expenditure
32	Provision for installing Street Names
	ALLOCATION OF RESERVES
33	Cash Available
34	Accounts Receivable - Monies cannot be used because it is not in cash and must be collected
35	Available “Cash” Balances
36	Amounts provided as CAPEX for 2024 to 2025
37	Provision for Doubtful Debts – arrear levies
38	The EOA has a policy that we should at all times have a reserve of N\$2,000,000-00
39	Total Allocation of reserves
40	Surplus