



CARIBBEAN DEVELOPMENTS
(ANTIGUA) LIMITED

2024 BUDGET
OWNER QUESTIONS &
ANSWERS

1. Commercial Centre contribution: previously feedback was that no one knew how this cross charge has been calculated. If however you are now increasing it due to the Casino, there must be some understanding on the data behind it. Please could you share please how this cross charge has been calculated?

The casino is contributing \$4000 EC per month to the community charge (this amount is higher than required in the covenants established in 2002 for the casino land). We intend on having an assessment of the commercial contribution conducted once 2023 is complete and a third-party independent assessor can make recommendations.

2. Other Revenue into the community has increased slightly, what is the driver of this increase?

We applied the current expected inflationary increases to the budget projections.

3. Finance Charge income: what is this income? I thought this had been eliminated with the community charge now absorbing the credit card and wiring in fee's and HO's are no longer required to pay for this fee's?

This is the 2% interest that is applied to accounts if they are not paid on time, please refer to the monthly invoices as it is stated on them.

4. The planning manager role? Will this role be responsible for the enforcement of all rules around contractors: working hours etc? Will CDAL be charging a developer fee to new developments to help cover the cost of this role and also any damage to assets such as roads etc?

Yes, the planning manager is responsible for the enforcement of construction rules, including hours etc. A development fee is charged to help offset the cost of this role. Owners are also required to put up a security deposit for any damage incurred.

5. Villa Maintenance: I understand why there is an increase in costs as the way the villa's are painted is changed, however do we foresee over time we will see a cost saving here as the need to repaint so regularly will decrease?

Potentially, however we only paint 12 blocks per year. It's possible once we get through this round of re-paints that it may come down for the next time those villas are painted.

6. Bad Debt: I thought bad debt has reduced? It is somewhat surprising to see more money budgeted here than last year. Why is this?

Bad debt expense is booked on a formula basis, we had several collections in 2023 that reduced the expense, and we are not expecting the same level of collections in 2024.

7. Computer software: it is somewhat surprising that the soft ware is changing for receivables, I understood we had recently changed all software for the finance department?

There is no change to the receivables software for 2024.

8. What are the incremental HR activities at \$28000 a year?

Staff recognition awards for excellent service and long service awards. Some of CDAL's staff members have been here 25-30 years and are now receiving monetary rewards thanking them for their time at CDAL.

Quarterly events are also planned for 2024. Spread over approximately 40 employees, it's roughly ECD\$700.00 per person per year. This cost also includes training such as firefighting.

9. If there are a planned increase in properties across JH, is the increase in the number of properties paying in to the community charge included in the forecast? If not when will these be included. Also can the monthly report be adjusted to advise us how many properties are included in the community charge forecast and the actuals so that we can understand increases and decreases and the budget impact.

There are no planned properties to be added in 2024. We will update on timelines when they are available.

10. When will the golf course improvements take place, and will the golf course be a 9 hole or 18 hole golf course. I assume the cost of running the golf course remains outside of the community fee?

The timeline and number of holes have not been determined. The cost of running the golf course will remain outside of the community charge.

11. Where will the new sports centre be built?

The current plan is to build it in the open field between the commercial centre and CDAL administration building.

12. When will the new waterfront developments take place?

We do not have a timeline at present. We will update the Community when possible.

13. It was advised a new work order system is being implemented. It makes absolute sense to me from a facility management perspective. However, will the tracking from this system be shared with homeowners: types of jobs requested, response time to the jobs etc, also will HO's be able to directly access the system to create their own requests or will this have to be via the operations manager?

Homeowners won't have direct access to the system. However, owners will have access to submit a maintenance report through the CDAL website once they're logged into the owner section. We can look at including some of the results in the newsletter.

14. Currently the Maintenance and repairs of utility infrastructure flows to HO's via the community charge. Why does this cost not flow via the utility bills? In the UK for example these costs are known as standing charges. Surely if they flowed via the utility bills they would be ABST exempt? Is this something that can be negotiated with the government? I personally feel there are quite a lot of costs flowing through the community charge that should be ABST exempt: should we really be paying a sales tax for employing people, and paying for their benefits for example? Paying ABST on these kind of costs, hardly encourages investment in roles and infrastructure for the benefit of the country.

The reason these charges are not put through the utility bill is because we need our accounting records to properly reflect the utility expense and the separate infrastructure expense. The Utility infrastructure expense is dynamic and varied so we would not be able to establish a standing charge.

Requests for additional reports & information:

15. Could we have a headcount report going forward? It does not need to include names or job titles but numbers of employee's per department so we can understand what was budgeted and who is in position against the budget? We can also understand year on year when the headcount changes or if there are vacant/unfilled roles.

Yes, we can. Effective January 2024 month end we will include this report with the monthly financial reporting.

16. Could we have a monthly report detailing what has been spent against infrastructure replacement? There has been a lot of myth and misunderstanding around what has been spent on this cost element, and better transparency would be very helpful.

Yes, we can also provide this report. Starting January 2024 month end we will provide this detail with the financial statement.

17. Could we have a monthly report detailing what has been spent against the Ownership Grant Money? Again there has been a lot of myth and misunderstanding around what this is being spent on and better transparency would be very helpful. I know it's not our money and as such we are not entitled to such information but I really think it will help the community to understand this better.

We intend on giving periodic reports on this spend.

18. Also on the sinking fund report, the income now coming into this it seems from the presentation is related to CDAL's decision to now self insure rather than use an insurance company. I have no issue with CDAL building a reserve from our contributions to "self insure" but can we make this clearer in the description as to what is flowing in to the sinking fund? Also can we understand what we are self insuring, can this be clearly detailed to us?

The Sinking Fund report is now the Property Self Insurance report. We no longer have a balance in the Sinking Fund. We have reported each month on any activity that went through the Sinking Fund with the monthly Financial Statement.

When you receive the year end financial statements you will receive a balance sheet which will outline the assets owned by the Community. The self-insurance funds would be applied against these fixed assets in the event of a catastrophic event. Please note this fund accumulates only US\$90k per year so this would be the extent of the insurance available year on year or cumulatively until it is used.

19. Would it also be possible to have a quarterly presentation on the budget? The same format as the annual one? I can read the data and come to my own conclusions but I do not have the context behind the costs charged so it would be really useful to have more in depth context than the current monthly report only, with comments. Please do not get me wrong, I find the monthly report very helpful too and I would not want it to stop.

Thank you for your feedback, however we are unable to provide a quarterly presentation at this time.