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Khemamarangsi Buddhist Temple of ACT Inc.

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BUSINESS PLAN FOR THE CAMBODIAN BUDDHIST TEMPLE PROJECT IN ACT

BRIEF DESCRIPTION OF ORGANISATION'S ACTIVITIES/SERVICE

Khemamarangsi Buddhist Temple of ACT Inc. is a not-for-profit and non-political affiliated Association; which bears no distinction of race, gender or religious faith. It aims to preserve the Cambodian rich culture and traditions, foster and maintain good relationships amongst the Cambodians living in Canberra, as well as providing information on Cambodian Buddhism within Australia.

Essentially our activities and services are the teaching of Buddhism, accessible to all Cambodians living in the ACT. Our long-term goal is to further promote good relationships between the Cambodian Buddhist society within Australia as well as communicating with other Buddhist societies and religions around the world. The organisation's service represents a body corporate to liaise with government authorities on issues relating to Buddhist monks.

The Khemamarangsi Buddhist Temple of ACT Inc. office is currently resided at 3 Arkell Place, Charnwood ACT. Currently as part of the temporary arrangement, there is one Buddhist monk living at the Charnwood residence, with two additional Buddhist monks being sponsored. The residence is used as the temporary centre of Buddhist teaching, and is accessible to all Cambodians living in the ACT. In addition to religious activities, it also used as a place to maintain the existence of the Cambodian culture and customs.

VALUE

"Teach this triple truth to all: A generous heart, kind speech, and a life of service and compassion are the things which renew humanity." – Buddha

VISION

As a representative of the Cambodian-Australian society, we strongly believe in a community-based development through social participation and volunteering. Incorporating this type of culture is certain to bear us fruits of happiness, prosperity, and sustainable development.

MISSION

Our mission is to promote happiness, peace, harmony, prosperity, human rights, democracy and sustainability. This is attained through the practice of the Khmer culture and Buddhism among the Cambodian-Australian community, as well as the local mainstream society.

OBJECTIVES

1. To find a meeting space or build a Buddhist temple as a centre and main place for gathering of community members.
2. To provide religious and educational programs which include: retreats, mindfulness meditations, knowledge and teaching of the Buddhist philosophy, chanting from Buddhist scriptures, a short religious address and a traditional blessing.
3. To open a Khmer language class, promoting the culture and tradition through education in both theory and practice.
4. To provide a venue and opportunity for people to gather for cultural and religious purposes and to the community at large for a variety of activities.

COMMITTEE MEMBERS

Under the Association's constitution, the overall responsibility for operating and managing the Association is in the hands of committee members including the control and management of business affairs for the temple.

Please find attached the Association's constitution, list of committee members and list of the Association members living in ACT together with the Association certificate of incorporation in the ACT.

LEVEL OF NET COMMUNITY BENEFIT ON DELIVERY

The Buddhist Association will provide enormous community benefit to many members throughout the ACT. Providing a facility to participate in the spiritual worship of a particular kind of Buddhism. Furthermore, it will enhance the ability to promote education through moral and social virtues. It will be used as a place for preaching Buddhism, a special place for discussion of Buddhism, the establishment of a Buddhist library and publication of a newsletter. As stated above, in addition to the religious benefit, it will also provide a pleasant opportunity to maintain the existence of the Cambodian culture and customs.

Please find the attached a list of the Association members living in ACT together with the Association's certificate of incorporation in ACT.

PROPOSED DEVELOPMENT PLANNING

The present establishment lacks adequate facilities needed to achieve these objectives. Primarily there is not enough suitable space for a community gathering. Furthermore it is located in a residential zone and bears the hardship of neighbours in the surrounding area during festival ceremonies.

When the land is approved, it is estimated that the building will take approximately 9 –12 months to complete, this includes landscaping to harmonise with the surrounding environment. As this is considered to be a special project, the time will vary depending on the availability of building materials, tradesmen to take on the actual construction, and the time taken to obtain building approval from the Land Agency.

At this stage it is not possible to provide an accurate estimation of the project completion due to the allocation of land, which has not yet been identified. However, upon the approval/allocation of the available land for the project, the Association will take immediate action with a building plan followed by a builders costing report.

FACILITIES INCORPORATED IN BUILDING

The residence will provide cooking facilities, toilet and shower facilities as well as car parking for the monks living onsite. These facilities will also be used for various functions – please see the attached plan for more details.

PROPOSED BUILDING PLAN AND SITE LAYOUT

LAND AREA: 3400 sq m

FLOOR AREA: 470 sq m

TYPE OF BUILDING: A Buddhist temple consisting of one building, the main temple for the monks residence/community hall – please see the attached plan for more details

BUDGET PROPOSAL

The Association is proposing two possible options to fund this project. The first option is seeking a bridging loan from Royal ANZ Bank in Cambodia to support the total costs of the project and later we propose to sell the Charnwood property to offset the total cost. The second option is to sell the property in Charnwood before the project starts and the proceeds will be used to fund the construction. As the proceeds from selling the property in Charnwood together with the reserved fund held in the banks are estimated to be 80% of projected costs of construction, a shortfall will be covered by fundraising during the construction period. However, if the Land Development Authority does not consider the fundraising as a possible option to generate funds for the shortfall within the 12 month period, the members of the Association are willing to obtain a personal loan at the beginning of project and the loans will be collectively used to cover any shortfall of the project cost.

OPTION 1 – BRIDGING LOAN FROM ROYAL ANZ BANK

The Association is currently seeking additional funding from the Royal ANZ Bank in Cambodia for a bridging loan to support the total cost of the project while the temple is being built. The Association will also later sell the Charnwood property to offset the total cost upon completion of the project. Note that the borrowed amount is \$346,756 to cover the sale of the residence plus shortage to offset the total cost.

Regarding the attached bank statements and the property appraisal, please see below the detailed breakdown of the funding arrangements:

The Association is planning to use the Charnwood property as security for the bridging loan from the Royal ANZ Bank and is willing to agree with the terms and conditions as set out by the bank, within a reasonable limit.

The Association anticipates it can raise sufficient funds to pay off the bridging loan before the final stage, or at the completion of the project. However, should the funding target not be reached, the Association will have no difficulty in meeting loan payments as they have already proven their ability to undertake mortgage payments for the Charnwood property.

Raising funds will rely heavily on the other states such as NSW and Victoria where a traditional Buddhist thanksgiving festival, Bon Kathena, holds a major fund raising concert receiving donations from major sponsors. It is anticipated that upon near completion of the project the property at Charnwood will be put on the market and the sale amount will go towards paying off the loan. Please see below the details of the project budget proposal.

ESTIMATED DEVELOPMENT EXPENDITURE

Buildings(Resident Hall & Shrine)	350,000
Site Works	2,000
Ancillary Works	3,500
Plant & Equipment	5,000
Car Parking	2,500
Others(land cost)	65,000
TOTAL	<u>428,000</u>

SOURCE OF FUNDS

Commonwealth Bank - Account 06 2813 10457957	7,875
Commonwealth Bank - Account 06 3154 10283003	20,492
St George Bank - Account 112-908 464510332	43,460
Market price \$330,000 – owing \$52,610 - commission fees	268,150
Others	
TOTAL	<u>339,977</u>

BORROWING FUND (option 1)

Total Estimate Development Expenditure	428,000
Total Cash in Hand (from the bank account statements)	71,827
PROPOSED BRIDGING LOAN FROM ROYAL ANZ BANK	<u>356,173</u>

BORROWING FUND (option 2)

Total Estimate Development Expenditure	428,000
Total Cash in Hand (from the bank account statements)	71,827
Total Cash from selling Charnwood property	268,150
SHORTAGE	<u>159,850</u>

BUDGETING CYCLE TIME FRAME

1. Construction period (12 months from starting date)

- The estimated starting date will depend upon the decision of LDA and a chosen construction company
- During the transitional period until completion of the Temple, the Charnwood property will be used as security to the Royal National Bank and ANZ Bank. It will remain as a residence for the monk and for the traditional religious functions and other community facilities
- The Association will organize to refinance the Home loan of (for Charnwood property) with ANZ to pay interest only with an estimated monthly payment of \$500

- The Association will negotiate with Royal ANZ Bank for interest only repayments. It is proposed to borrow the bridging loan of \$346k which will be made in the first 12 months. Based on the current interest rate of 8.97%, the monthly prepayments will be approximately \$2,600 per month for the 12 month period.
- Please see below the details of the estimate of 2008-2009 Budget.
- Note that the estimate of fund raising, donations and member contributions based on last years figure (period between March 2007 to February 2008) Annual fund raising activity
- The Association will organise a Major Fund Raising event via a different state of the project cycle in conjunction with major Buddhist festival activities (Bon Kathina) and fund raising concerts. It anticipates major contributions from Cambodians living in Sydney (35,000) and Melbourne (25,000).
- Monthly contributions from the Cambodian Buddhist Monk Council of Australia \$1000- refer to confirmation letter & past transactions (bank statement)
- There is no cost for meals and entertainment reflected in this report as the meals are regularly provided at no cost to the monk by elderly members living in surrounding suburbs.

CASH FLOW BUDGET FOR 12 MONTHS CONSTRUCTION PERIOD
JULY 2008 to JULY 2009

CASH
INFLOW

On-going Funding		
Annual Fund raising		13,103.80
Member contributions		2,545.30
Donations		11,102.00
Monthly contribution from Cambodian Buddhist Monk Council		12,000.00
Major Funding		
One-Off Fund raising Gala for Construction project		20,000.00
Total Income		58,751.10

CASH
OUTFLOW

General expenditure		
Water, Sewerage & electricity	\$ 2,690.00	
Phone bills	\$ 851.21	
Building maintenance	\$ 1,648.80	
Stationary & supplies	\$ 68.30	
Other activity costs including fundraising activities	\$ 2,486.25	
		7,744.56
Borrowing Costs		
Interest charged ANZ (Charnwood)	\$ 6,000.00	
Interest payment (Bridging loan)	31,392.00	
		37,392.00

Annual Donations & contributions	400
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Total Expenses	<u>45,536.56</u>
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CASH SURPLUS OR DEFICIT	13,214.54
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2. Loan payoff period

During the final stage or near completion of the construction, the property at Charnwood will be put up for sale with a settlement period the same as the completion date and the proceeds will pay off the loan at the ANZ bank.

The market value of Property in Charnwood	330,000	(see attached appraisal report)
Loan to ANZ for Charnwood property	66,284	
Agent fees from seeling Charnwood property 2.8%	9,240	
Available funds	254,476	
Bridging loan from Royal ANZ Bank	<u>346,722</u>	
Outstanding Bridging Loan	<u>92,246</u>	

Please see below the detail proposal for the ongoing funds – 2009 to 2014

- Pay off period will be 5 years – Interest & Principle for \$92k – at current interest rate of 8.97%, the monthly repayments will be approximately \$2000 per month
- Assuming the regular contributions of \$1000 from the Cambodian Monks Council will continue until the loan has been paid off in July 2014
- General expenditure is anticipated to increase by 20% due to the larger size of the building
- The Khmer population in the ACT community is not anticipated to increase, so the income from fund raising, member contributions and donations will remain the same.
- Assuming there will be 3 monks living in the residence.

ANNUAL CASH FLOW BUDGET JULY 2009 to JULY 20010

CASHINFLOW

On-going Funding	
Annual Fund raising	13,103.80
Member contributions	2,545.30
Donation	11,102.00
Monthly contribution from Monk Council	12,000.00
Total Income	<u>38,751.10</u>

CASH OUTFLOW

General expenditure (increased by 20%)	10,000.00
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Borrowing Costs

Interest & Principle payments for bridging loan \$92k	24,000.00	24,000.00
Annual Donations & contributions		1,000.00
Total Expenses		<u>35,000.00</u>
CASH SURPLUS OR DEFICIT		3,751.10

OPTION 2- SELLING CHARNWOOD PROPERTY

The Association currently owns the Charnwood residence. If the loan from ANZ is not approved, the Association is planning to put the property on the market before the project starts and the proceeds will be used to fund the construction. The Association will negotiate with the new owner of the Charnwood property to rent the property for the temporary residence of the monk to facilitate the traditional religious functions and other community facilities until the new residence is built. However, if the negotiation is not successful, the Association will consider renting premises nearby during the construction period, estimated to be 12 months.

Regarding the attached bank statements and the property appraisal, please see below the detailed breakdown of the funding arrangements:

ESTIMATED DEVELOPMENT EXPENDITURE

Buildings(Resident Hall & Shrine)	350,000
Site Works	2,000
Ancillary Works	3,500
Plant & Equipment	5,000
Car Parking	2,500
Others(land cost)	65,000
TOTAL	<u>428,000</u>

SOURCE OF FUNDS

Commonwealth Bank - Account 06 2813 10457957	34,297
Commonwealth Bank - Account 06 3154 10283003	27,938
St George Bank - Account 112-908 464510332	23,000
Market price \$320,000 (net) – owing \$66,284	253,716
OTHERS	
TOTAL	<u>338,951</u>

FUND RAISING REQUIRED

89,049

As the construction cost is estimated to be \$428,000 and the available funds including proceeds from selling the Charnwood property is only \$338,951 which is 80% of the estimated construction cost, there is a shortfall of \$89,049. Based on the previous year, the Association anticipates that there will be extra funds of \$30,846 generated during July 2008 to July 2009 (Please see Cash Flow Budget below). This will reduce the shortfall to only \$59,049 which is only 13% of total construction cost. On top of its annual fund raising activities, the Association is planning to organise a special Gala night which will raise funds to be used for the construction project. While the progression of the construction project is visibly in place, the Association is optimistic that it will raise enough funds to cover any additional funds that may arise unexpectedly. The Association is confident that any additional expenses, or shortfall in funds, will be met by fundraising activities. This is based on the experience of the Monk Council during construction of Buddhist Temples in other States

In the situation that the Land Development Agency does not consider fund raising as an possible option to cover the shortfall of \$59,049, the members of Association are willing to obtain individual personal loans at the beginning of project and the loans will be collectively used to cover the shortfall of the project costs. While the Association is continuing with its fund raising activities, the Association will cover the cost of loans such as loan establishment fees and interest rates on behalf of the members until the Association generates enough funds to pay off the loan.

Please see below the details of the project budget proposal.

BUDGETING CYCLE TIME FRAME

1. Construction period (12 months from starting date)

- The estimated starting date will depend upon the decision of LDA and a chosen construction company
- Immediately being informed of LDA approval for the loan, the Charnwood property will be put on the market and the Association anticipates that property will be sold during auction via a real estate agent.
- The Association will organize to refinance the Home loan of (for Charnwood property) with ANZ to pay interest only with an estimated monthly payment of \$500 until the settlement date.
- After the property is sold, the Association anticipates payment of \$380 per week rent for temporary residence for the monk.
- Please see below the details of the estimate of 2008-2009 Budget.
- Note that the estimate of fund raising, donations and member contributions is based on last years figure (period between March 2007 to February 2008) Annual fund raising activity
- The Association will organise a Major Fund Raising event via a different state of the project cycle in conjunction with major Buddhist festival activities (Bon Kathina) and fund raising concerts. It anticipates major contributions from Cambodians living in Sydney (35,000) and Melbourne (25,000).
- Monthly contributions from the Cambodian Buddhist Monk Council of Australia \$1000- refer to confirmation letter & past transactions (bank statement)
- There is no cost for meals and entertainment reflected in this report as the meals are regularly provided at no cost to the monk by elderly members living in surrounding suburbs.

CASH FLOW BUDGET FOR 12 MONTHS CONSTRUCTION PERIOD

JULY 2008 to JULY 2009

CASH
INFLOW

On-going Funding		
Annual Fund raising		13,103.80
Member contributions		2,545.30
Donations		11,102.00
	Monthly contribution from Cambodian Buddhist Monk Council	12,000.00
Major Funding		
One-Off Fund raising Gala for Construction project		20,000.00
	Total Income	<u>58,751.10</u>
CASH		
OUTFLOW		
General expenditure		
Water, Sewerage & electricity	\$2,690.00	
Phone bills	\$851.21	
Building maintenance	\$1,648.80	
Rent	\$19,760.00	
Stationary & Office Supplies	68.3	
Other activities	\$2,486.25	
		\$27,504.56
Annual Donations & contributions		400.00
	Total Expenses	<u>\$27,904.56</u>
CASH SURPLUS		\$30,846.54