

Treasurers Report – Goolawah Community Meeting 07/06/2014

Financial Position as at 04/06/2014 (Payments made after this date are not included.):

Cheque Account	\$61,414.91
Investment Account	\$39,690.68
TOTAL available funds	\$101,105.59

Anticipated payments not yet in bank statements:

The above funds will be reduced by share Refunds due to be paid to members who have sold their shares, subject to new members being ratified:

John Harkins – two shares sold to Tarrik and Mohini \$14,000 refund due on ratification.

Bud Cook – Share sold to Peter and Julica \$4,286 refund due on ratification.

Vincent Ryan – Share sold to Tony and Louise \$7,000 refund due on ratification.

TOTAL \$ \$25,286.00

Receipts (this financial year)

The cash-based P&L gives a breakdown of cash income and expenses overall.

Approximately 25 members have an account balance of zero (i.e. fully paid up!)

Of the \$489 DA Fee advance, \$5379 has been paid and \$1506 is still outstanding.

Of the \$800 Road Levy 2013/14, \$25,600.00 has been paid and \$33,328.33 is still outstanding.

Bush mulching in The Outback cost \$6435.00 paid as follows:

Community Land – Forest Way \$330.00

Paid by 3 members - \$1155.00

Still to be paid by 4 members \$4950.00

These amounts were invoiced on 3 May with 30 day payment terms so are now overdue.

Outstanding Levies as at 02/06/2014 are:

Levies Due Aged Balances					
Date	TOTAL	0-90 Days	91-180 Days	181-270 Days	Over 270 Days
07/12/13	\$146,405.01	\$66,495.56	\$41,050.60	\$0.00	\$38,858.85
10/01/14	\$132,582.76	\$61,839.56	\$0.00	\$37,639.35	\$33,103.85
31/01/14	\$123,462.00	\$0.00	\$57,686.66	\$35,722.25	\$30,053.85
26/02/14	\$114,017.00	\$0.00	\$53,754.06	\$34,951.40	\$25,312.00
31/03/14	\$94,238.00	\$0.00	\$43,545.00	\$0.00	\$50,693.00
30/04/14	\$87,844.81	\$445.68	\$0.00	\$40,345.73	\$47,053.40
02/06/14	\$78,927.73	\$5,025.00	\$0.00	\$34,834.33	39,068.40

I have been contacting seriously overdue members by phone, email and registered mail and receiving payments or promises to pay. I will continue to follow up.

Delinquent members

The following members will become 'inactive' before the October AGM unless payment is received meantime:

Registered mail to Ingrid Williams (Barrett) was confirmed as delivered person-to-person. There has been no response. Ingrid's last payment was on 24 October 2012. It would be helpful if anyone can provide information about how to contact Ingrid.

Similarly, Jackie Rada's last payment was 10 October 2012. I have had phone/SMS contact with Jackie. The last phone call was a promise to pay by 22 May but that has not yet eventuated.

Profit and Loss Report

A cash-based profit and loss report for the year-to-date is available

Custom Invoices/Statements/Reports

Goolawah is not your typical small business. Consequently standard accounting packages like MYOB and QuickBooks need some customisation in order to satisfy our unique needs. I have been researching tools that would allow the development of more highly customised invoices, statements and financial reports. The most promising prospect is Datawise report writer at a cost of \$495.00. Unfortunately it is not yet compatible with the latest version of MYOB but a new release is expected in 'a few months'. Pending.

Term Deposit Account

Our Term Deposit matured on 13 May. The balance was transferred to the investment account. Once the three expected levy refunds of \$25,286.00 have been paid I will consider further term deposits

Items for discussion and provisional approval at the meeting.

I will submit resolutions to the July General Meeting based on the discussion points I submitted to the community meeting in May. These resolutions will be included in the next newsletter. Obviously they cannot be approved until 7 July. Pending that approval I request provisional approval of the following:

1. Preferred mode of communications with treasurer to be by email.

The great majority of our members communicate about treasury matters by email. A quick review shows that we have email addresses for approximately 75%-80% of members. Since taking on the treasury I have had only one member corresponding by 'snail mail'. It would make the treasury task much simpler if email was adopted as the preferred method for sending invoices, statements, etc. and for dealing with account queries. For the small number of members for whom this is not an option, correspondence can be via Australia Post directly from the treasurer, rather than included them with the newsletter. The additional postage cost will be small compared to the benefit of reducing overdue levies. If approved by this meeting, the invoices for 2014/15 Annual Levy and Work Levy will be sent by email where possible.

2. Payment terms for Annual Levies Q1 2014/15

Invoices for 2014/15 levies to be sent (mainly by email) as soon as possible after the invoice date of 1 July 2014:

- Annual Levies for the first quarter (\$125.00) with payment terms of 90 days (i.e. due date 29 September)
- Work Levy \$180.00 with payment terms of 365 days (i.e. due date 1 July 2015)
- I assume the Road Levy for 2014/15 will be set at the AGM and invoiced thereafter.

After the due date a finance charge of 1.5% per month to be added to unpaid invoices until paid. If the new payment terms are not approved by the General Meeting the finance charge can be waived retrospectively. This should make it easier for members to pay promptly by keeping the amounts small and providing an incentive to meet the due date.

I need seconders for the following resolutions so that they can be included in the next newsletter and voted on at the 5 July General Meeting.

Resolution 1 - Preferred mode of communications with treasurer to be by email.

Proposed: John Tennock – Treasurer

Seconded:

Rationale: The great majority of our members communicate about treasury matters by email. It would make the treasury task much simpler and more effective if email was adopted as the preferred standard method for sending invoices, statements, etc. and for dealing with account queries. For the small number of members for whom this is not an option, correspondence can be via Australia Post directly from the treasurer, rather than including them with the newsletter. The additional postage cost will be small compared to the benefit of reducing overdue levies. A quick review shows that we have email addresses for approximately 75%-80% of members and this will steadily increase. Since taking on the treasury in October I have had only one member corresponding by 'snail mail'.

Resolution 2 - Annual Levy from 1 July 2014 to be invoiced quarterly on 1 July, 1 October, 1 January, 1 April with option to pay the full year, in advance, prior to 30 September.

Proposed: John Tennock – Treasurer

Seconded:

Rationale: Invoicing all members Annual Levies at \$125.00 per quarter is consistent with our current practice and makes it much easier for members who may be financially constrained to pay on-time. Members will still have the option to pay the full levy of \$500.00 in advance provided they do so, in full, within the first quarter (i.e. before 30 September).

Resolution 3 - Payment terms for invoices from 1 July 2014 to include a finance charge of 1.5% per month on balances still unpaid after the due date. Standard payment terms as follows:

Annual Levy quarterly invoice – due within 90 days.

Work Levy annual invoice - due within 365 days.

Road Levy as invoiced - due within 365 days

Other invoices (Slashing, DA Fees etc.) – due within 30 days or as circumstances demand.

Proposed: John Tennock – Treasurer

Seconded:

Rationale: Some members find it difficult to keep their accounts up-to-date. The only incentive is the threat of forfeiting their share if inactive for 2 years. By this time and the accumulating overdue amounts may become beyond their means to pay, even with the best will in the world. A finance charge of 1.5% per month provides an incentive to comply with the above payment terms while the amounts are manageable. Outstanding invoices prior to 1 July 2014 will remain subject to current rules (forfeiting their share if inactive for 2 years).

Resolution 4 - Members who pay annual levies in full within the first quarter to be entitled to a cash refund payment for work done during the year at \$10.00 per hour. The following conditions to apply:

Annual Levy must be paid in full within the first quarter. No exceptions.

Refund available only after all outstanding work levies have been worked or paid.

Refund to be paid my bank transfer only. No cheques or cash.

Proposed: John Tennock – Treasurer

Seconded:

Rationale: Members are inhibited from paying annual levies early because they can't predict how much will be covered by community work. This measure will have no effect on overall income but will assist those who prefer to pay their levies up-front.