

Treasurers Report – Goolawah Annual General Meeting 04/10/2014

Financial Year 2013/14 Audit

There are a few important points to note about the financial year ended 30 June 2014.

1. The statutory reporting requirements have changed with the introduction of the Cooperatives National Law in NSW and Victoria on 3 March 2014. Goolawah qualifies as a 'small' cooperative so the reporting requirements are reduced and an audit is no longer required.
2. The accounts for 2013/14 were nevertheless audited as usual by Wrights accountants in Kempsey. The audit report has been submitted to the directors for review and should be adopted at this AGM.
3. Discussion with the auditor revealed an anomaly arising from the 2004/05 audit report and not resolved at that time. In that year our share capital changed from \$546,000 (78 shares) to \$539,000 (77 shares), and has continued at this reduced level ever since. Our share register shows 78 shares at \$7,000 (\$546,000). This anomaly needs to be investigated, explained, and corrected with a resolution approved by a general meeting. It is my intention to have it resolved before the 2015/16 AGM.
4. Although an audit is no longer required by NSW Dept. of Fair Trading, I think it is essential to have an annual audit in the interests of transparency. Members need to know that our bookkeeping has been examined by an external qualified person. Despite expectations to the contrary our audit fee increased this year from around \$1600 to \$2500. I propose to find an alternative auditor who can satisfy our requirements at a lower cost.

The treasurers report for 1 July 2014 to 27 September 2014 follows.

Financial Position as at 27/09/2014 (Transactions after this date are not included.):

Cheque Account	\$14,240.05
Investment Account	\$119,923.66
TOTAL available funds	\$134,163.71

Receipts (this financial year)

Source of Payment	September	This financial year
Total Cash Receipts	\$6,275.00	\$68,960.38
Levies paid by approved work claims	\$490.00	\$2,643.00

Since invoicing 2014/15 levies, 10 members have an account balance of zero (i.e. fully paid up!)

For members paying quarterly, invoices for Q2 have been sent dated 1 October 2014. due 30/12/2014.

Of the \$125.00 Q1 Annual Levy for 2014/15, 26 members have not paid and will now start accumulating a 1.5% finance charge until paid.

Of the \$489 DA Fee advance, \$6357 has been paid and \$978 is still outstanding (unchanged)

Of the \$800 Road Levy 2013/14, \$44,800 has been paid and \$14,220 is still outstanding.

Bush mulching in The Outback

Paid by 6 members - \$4365

Still to be paid by 1 member \$1815.00

These amounts were invoiced on 3 May 2014 with 30 day payment terms so are now overdue.

Items in italics have shown very little recent movement and will receive further reminders this month.

Delinquent members

A share cancellation letter was sent to Jackie Rada on 12 September. No payment or further correspondence has been received so her share is now forfeit.

Payments and Expense Reimbursements in September 2014

Date	Memo	Amount	Job No.
12/09/14	Peter Nielsen Share Refund	5875.00	
01/09/14	Kempsey Shire Council Rates	3735.61	
19/09/14	NAB Connect Fee access and usage	15.00	
19/09/14	Denise Cobourn Bunnings and Mitre 10	149.28	Camp Kitch Refu
19/09/14	Denise Cobourn - Bunnings	96.90	Camp Kitch Refu
05/09/14	Macleay Treated Timbers Decking Oil	265.70	Camp Kitch Refu

Camp Kitchen Project

Paid by cash, cheque or expense reimbursement and levy claims **\$11,650.55**

Budget Review

Road Funding

Road works are the single greatest expense at Goolawah. Additional road levies have been essential to help us meet these expenses and preserve working capital for other operational needs. A recent review of expenditure on roads indicates that the total cost of road works has exceeded the total road levies charged to date so the shortfall has been paid for from working capital and income from other levies.

The anticipated pressure from Kempsey Council to undertake even more substantial road-works makes increasingly important that we adopt methods to manage our finances responsibly and accumulate a reserve specifically for this purpose.

1. For the roads budget I propose that we quarantine \$50,000 of our general funds specifically towards meeting the council's DA road requirements (including professional services required to support negotiations).
2. All receipts of road levy money from 1 July 2014 to be added to this fund as received and reserved for specifically DA road work requirements. I am looking at setting up a separate bank account for this fund. Payments from this account to be approved by the DA committee.
3. We may need a separate budget allowance for non-DA related road work including maintenance of existing internal roads. This probably doesn't need a reserve fund and can be managed from our normal operational account.
4. Each budget item (i.e. DA Roadwork, Camp Kitchen upgrade, a structure on Red Hill Evacuation / Fire Retreat Area) should be reviewed at each General Meeting to see if the budgeted amount and timing is still appropriate. Maybe someone has come up with a better, cheaper solution meantime and the budget can be revised.
5. All purchases over \$1000 to require a purchase order number (issued by the treasurer) to ensure that we are still within the current budget for that item and to confirm that we have sufficient funds to cover the expense. Until the purchase order number is issued, payment is the personal responsibility of the member making the purchase.