

## Treasurers Report – Meeting 01/05/2021

Apologies that I am (again) unable to attend the meeting. I hope the flood water is gone, the rain clouds have cleared, and the roads are getting fixed.

This report includes activity from 29/03/2021 to 25/04/2021.

Modern banks such as Bank Australia process transactions almost immediately unlike older banks which, at best, process them overnight on business days only. The effect of this is that payments are often received during the weekend and after I have prepared the treasurer's report and audit materials so need to revise these. In future I will change the reporting period cutoff from the Sunday before the meeting to the Friday of the week before the meeting. This means that the treasurer's report for the June meeting will include activity from 26/04/2021 (following on from this report) to 28/05/2021 (the Friday of the week prior to the meeting)

Bank accounts are reconciled up to 25/04/2021.

**Cash Position as at 25/04/2021** (Transactions after this date are not included)

Current Bank Account Balances		Term Deposit Matures
NAB Cheque Account	20.00	
BSB: 082-798 Acct: 488646867		
BA Cheque Account	103,376.87	
BSB: 313-140 Acct: 12088171		
BA Investment Account	14,663.53	
BSB: 313-140 Acct: 12086245		
BA Term Deposit	186,648.40	14/07/2021
BSB: 313-140 Acct: 138382457		
NAB Term Deposit	110,502.48	30/05/2021
BSB: 082-674 Acct: 345229783		
<b>Total Cash at Bank</b>	<b>415,211.28</b>	
Accounts with zero balances omitted for clarity		

**Term Deposits.** Unless directed otherwise by the meeting (minutes) I will continue to leave the banks to automatically reinvest Term Deposit principal plus interest for the same term at the best available rate.

### Coastline Credit Union

New account setup in progress.

### Appended Reports

Income/Expense Cash Summary, Expense Detail, Jobs Budget Summary reports appended at the end of this report. Please note that share capital refund payments are not an operating cost and are therefore not allocated to any budget.

### Share Transfers

All 'In Progress' share transfers are now complete EXCEPT that Ingrid Barrett has asked that her \$7000.00 share capital refund be paid in instalments. \$2000.00 paid so far and Ingrid will advise when she would like to receive the next instalment.

As a non-profit enterprise we are exempt from GST so long as our annual turnover does not exceed \$150,000. We are keen to avoid all the issues that will arise if we cross this threshold.

Our reportable turnover for this financial year so far, including Non-Refundable Joining Fees from new members, is \$148101.62. Pretty close to the threshold! This is not expected to change significantly before 30 June provided no further joining fees arise so no new memberships can be ratified until after 01/07/2021 (just two months).

However, the refundable \$7000 Share Capital Contribution is not included in our reportable annual turnover. It simply creates a liability in our balance sheet. If a prospective new member wants to 'show willing' by paying this

before 30 June it is not a problem. However, it must be understood that this is not a deposit that secures anything or influences any decisions by the community about eligibility for membership.

Also please note that the non-refundable joining fee for any new members ratified in Q1 2021/22 is \$9126.25

### **Overdues summary as at the time of writing (25/04/2021):**

A PT message was sent on 21 April to remind members that Q4 levies are payable before 1 May (30 days terms). Overdue reminders were emailed on Friday 23/04/2021.

At the time of writing there are currently 7 members appearing on the overdues report with a total amount overdue of \$2427.86. This can be expected to change significantly when unpaid Q4 levy invoices become overdue on 2 May.

As usual I will send an updated overdues report to the directors after 5pm on Friday 30/04/2021.

If anyone is unclear about their overdue status they should feel free to contact me by email or SMS (below).

### **Overdue Charges Misinformation**

Since overdue charges were introduced to encourage members to keep their accounts up-to-date there have been occasional appearances of misinformation about compound interest, effective rates and so on. These are incorrect!

The overdue charges of 1.5% per month are not calculated as compound interest.

This is best demonstrated by the following test I performed in the Goolawah billing system by:

- Creating an invoice for \$100.00 dated 7/3/2020
- With our 30 day terms the due date is therefore 6/4/2020
- I then processed a payment dated 6/4/2021 (one year overdue)
- The overdue charge was calculated at exactly \$18.00
- That's 1.5% per month x 12 months = 18% per year. Simple Interest - NOT Compounding.

If you use one of the many on-line interest rate calculators you can also prove that, even if the overdue charge was calculated as compound interest, it makes very little difference over a short period, even one year.

I tried this one with an imaginary 'investment' of \$100.00 at a rate of 1.5% per month with a compounding interval of 'Daily' and it came out at an effective rate of 19.716% per annum. Instead of 18% per annum for simple interest.

Compound Interest is only effective with long term loans or investments, typically mortgages of 25 years.

### **Paid in Advance**

It is worth noting that quite a few members pay various amounts in advance. These pre-payments are applied to future levies as they are invoiced. The total amount paid in advance is currently \$3503.91.

### **Work claims to be approved on 1 May.**

Share Name	# of shares	Annual Max \$ WL and ML	Claimed/Paid This Year \$	Available to claim \$	This Claim \$
John Tennock (Treasurer) Q4	1	805	603.75	201.25	201.25

### **GMBS Progress**

The Goolawah Membership Billing System is now functionally complete as are theed 37 video training modules. I continue to 'tweak' and refine minor issues as they arise but don't contemplate any significant further development in this version.

My main focus for the next few months will be to refine and simplify the Invoice/Receipt/Statement document that members will now be familiar with. It has been important to leave this change until last in order to observe members' diverse payment preferences and ensure that all members receive the information they need regardless of their preferred way of managing their Goolawah membership

account.

The first two steps in the process will take effect from 3 May and will apply to all Invoices, Receipts, Work Claims, Expense Claims and Account Credits. The changes are:

1. The summary at the end of the form, which often slips to the next page, will be moved to the top of the form immediately before the transaction details. This will make it immediately obvious how much is owed, including any overdue charges.
2. The listing of 'already paid' invoices will be reduced to include only those most recently paid. I will continue to monitor this to ensure that no essential details are omitted. These details are necessary for members to be able to clearly see which invoices their payments, work claims, expense claims or credits have been applied to.

Once I have had time to observe the effects of these changes there may be further adjustments to this key document which is the main information portal between our members and the billing system.

John Tennock - Treasurer  
25 April 2021

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From: 29/03/2021 to: 25/04/2021

Category	Bank	Expense Claims	Work Claims	TOTAL
<b>Income</b>				
Infratructure Levies	(8108.94)			(8108.94)
Membership Levies	(10355.17)			(10355.17)
Work Levies	(877.00)			(877.00)
Interest on deposits	(162.19)			(162.19)
Overdue Charges	(21.43)			(21.43)
<b>Total - Income</b>	<b>(19524.73)</b>			<b>(19524.73)</b>
<b>Expenditure</b>				
Bank Charges	18.00			18.00
Clearing Vegetation (Fire Hazard			40.00	40.00
Construction Materials	331.22			331.22
Fire Protection	215.00			215.00
Fuel Gas & Lubricants	102.94			102.94
Insurance	4091.66			4091.66
IT Expense	105.71			105.71
Professional Services	5289.80			5289.80
Repairs and Maintenance	812.50			812.50
Road Maintenance			40.00	40.00
<b>Total - Expenditure</b>	<b>10966.83</b>		<b>80.00</b>	<b>11046.83</b>
<b>Assets</b>				
Levies Owing	2000.00			2000.00
<b>Total - Assets</b>	<b>2000.00</b>			<b>2000.00</b>
<b>Liabilities</b>				
Prepayments (unallocated Income)	(285.16)		(80.00)	(365.16)
<b>Total - Liabilities</b>	<b>(285.16)</b>		<b>(80.00)</b>	<b>(365.16)</b>
<b>TOTAL (Surplus)/Deficit</b>	<b>(6843.06)</b>			<b>(6843.06)</b>

## Expense Detail Report

Including transactions from: 29/03/2021 to: 25/04/2021

Date	Reference	Description	Project	Bank	Expense Claim	Work Claim
31/03/2021	102655	Bank Australia Purchase Bank Charges	Administration costs	8.00		
31/03/2021	102662	NAB Purchase NAB Account Fee	Administration costs	10.00		
7/04/2021	102674	Peggy S Hughes Purchase Accounts Review	Administration costs	100.00		
7/04/2021	102675	Wayne and Jenny Skinner Purchase Hardware for Disabled Toilet	DA Camp Kitchen Disabled Toilets Project	100.22		
7/04/2021	102676	Ralph van Hulst Purchase Fuel	Tractor and Machinery Maintenance	102.94		
7/04/2021	102677	Hones Lawyers Purchase Legal Advice	DA Legal Support	1339.80		
7/04/2021	102678	Wayne and Jenny Skinner Purchase Fire Safety Certification	Fire Management APZ Maintenance	110.00		
12/04/2021	102686	Roger and Belinda Ball Slashing, Mowing, Fire Hazard reduction	Fire Management APZ Maintenance			40.00
12/04/2021	102686	Roger and Belinda Ball Road Maintenance	Road Maintenance (Internal and			40.00
12/04/2021	102694	Nityama Martin and Sattwa Home Purchase Construction Materials	Last Resort	231.00		
12/04/2021	102695	Wayne and Jenny Skinner Purchase Fire Safety Certification	Fire Management APZ Maintenance	105.00		
12/04/2021	102696	Anne and John Tennock Purchase Avast anti-virus annual subscription	Fire Management APZ Maintenance	105.71		
13/04/2021	102697	Ingrid Barrett Refund Share Capital Refund		100.00		
13/04/2021	102698	T & S Mechanical Purchase Repairs to old tractor	Tractor and Machinery Maintenance	812.50		
14/04/2021	102699	Ingrid Barrett Refund Share Capital Refund		1900.00		
15/04/2021	102700	Hones Lawyers Purchase Traffic Consultancy Advice	DA Traffic Consultants	3850.00		
21/04/2021	102708	Coverforce Insurance Broking Pty Ltd Purchase Business Insurance	Administration costs	2604.23		
21/04/2021	102709	Coverforce Insurance Broking Pty Ltd Purchase Management Liability Insurance	Administration costs	1487.43		
			TOTAL Expenditure	12966.83		80.00

# Goolawah Co-operative Ltd

## Budget Report

Includes transactions for Annual projects from 1/07/2020

Budget Date	Budget Type	Job/Budget ID - Description	Initial Budget (Projects Only)	Updated Budget	Income	Expense	Total	Unspent
1/07/2020	Sinking	ABF - Fencing Replacement		(500.00)			(500.00)	(500.00)
1/07/2020	Annual	ADMIN - Administration costs		0.00	(1162.85)	2717.65	<u>1554.80</u>	
1/07/2018	Annual	APZ - Fire Management APZ Maintenance		(2500.00)		410.71	(2089.29)	(2089.29)
1/07/2020	Sinking	CK - Camp Kitchen upgrade, maintenance and repair		(500.00)			(500.00)	(500.00)
1/07/2019	Annual	CKM - Camp Kitchen Amenities		(500.00)			(500.00)	(500.00)
4/07/2020	Project	CKT - DA Camp Kitchen Disabled Toilets Project	(10000.00)	(10000.00)		6304.82	(3695.18)	(3695.18)
1/07/2020	Annual	CONS - Consumables		0.00		18.02	<u>18.02</u>	
1/07/2020	Sinking	DM - Dam repair sinking		(1000.00)			(1000.00)	(1000.00)
1/08/2020	Annual	FNCMNT - Fencing Maintenance		(500.00)			(500.00)	(500.00)
1/07/2020	Sinking	INFRASTR - Infrastructure (from DA ROAD)		(219590.39)		30.00	(219560.39)	(219560.39)
4/07/2020	Project	» DA LS - DA Legal Support	(20000.00)	(20000.00)		11898.40	(8101.60)	(8101.60)
4/07/2020	Project	» DA SE - DA Supervising Engineer	(5000.00)	(5000.00)			(5000.00)	(5000.00)
7/11/2020	Project	» DA TC - DA Traffic Consultants	(5000.00)	(10000.00)		3850.00	(6150.00)	(6150.00)
1/07/2019	Annual	INS - Insurance		(8500.00)		9968.41	<u>1468.41</u>	
1/07/2019	Annual	LCM - Land Care Maintenance		(400.00)		39.18	(360.82)	(360.82)
6/09/2014	Project	LR - Last Resort	(24200.00)	(29200.00)	(500.00)	26354.03	(3345.97)	(3345.97)
1/07/2020	Sinking	LRMAINT - Last Resort Maintenance		0.00				
1/7/2019	Annual	RATES - Rates		(8500.00)		9970.40	<u>1470.40</u>	
1/07/2018	Annual	RM - Road Maintenance (Internal and External)		(25000.00)		1148.25	(23851.75)	(23851.75)
1/07/2018	Annual	TM - Tractor and Machinery Maintenance		(2000.00)		2376.32	<u>376.32</u>	
1/07/2020	Sinking	TMR - Tractor and Machinery replacement		(5000.00)			(5000.00)	(5000.00)
1/07/2020	Sinking	WM - Water Infrastructure Sinking		(300.00)			(300.00)	(300.00)
Budget totals in <u>red</u> and underlined indicate amount overspent				(348990.39)	(1662.85)	75086.19		-283650.18

Budgets in italics and prefixed with &gt;&gt; are child budgets grouped immediately below their parent

Annual budgets re-start on 1 July each year

Project budgets continue until the project is completed, possibly over several financial years

Sinking budgets are increased regularly to accumulate funds for major replacement or refurbishment in future years

**Current Bank Total: 415367.53**

**Less - Remaining Budget Commitments: -283650.18**

**Unallocated Funds: 131717.35**