

Canberra Organic Growers Society

Annual General Meeting

27 March 2022

Treasurer's Report

Audited financial statements for 2021

The calendar year 2021 was another strong year financially, with a net surplus of \$20,121 (down from last year's surplus of \$33,398). The surpluses over the last two years follow on from combined deficits for the preceding four years of \$62,029.

The surpluses in 2020 and 2021 saw COGS' cash at bank at the end of December last year rise to just over \$161,000. Table 1 below provides a summary of our results for the last five years.

TABLE 1 – FINANCIAL SUMMARY FOR LAST 5 YEARS

	2017	2018	2019	2020	2021
Member fees	\$11,021	\$12,556	\$13,162	\$17,665	\$17,156
Plot fees	\$31,382	\$33,128	\$48,131	\$59,795	\$58,838
Other revenue	\$14,911	\$18,495	\$9,469	\$7,605	\$7,642
Total Revenue	\$57,314	\$64,179	\$70,762	\$85,055	\$83,636
Capex	\$12,900	\$22,655	\$22,435	\$1,021	\$19,669
Garden exp	\$14,399	\$8,097	\$10,383	\$8,881	\$12,809
Water Bills	\$20,401	\$27,264	\$25,443	\$23,208	\$16,157
Other expenses	\$23,094	\$21,003	\$18,265	\$18,548	\$14,881
Total Expenses	\$70,794	\$79,019	\$76,526	\$51,658	\$63,516
Surplus(Loss)	(\$13,480)	(\$14,840)	(\$5,764)	\$33,398	\$20,121
Cash at bank	\$113,838	\$104,296	\$101,302	\$138,185	\$161,006*
Net Assets	\$138,882	\$123,982	\$118,218	\$151,616	\$171,737

*Balance as at end February was \$130,696.

Key things to note from the above:

- Cash at bank has risen over the last two years, driven by the surpluses. The stronger financial position has been driven in part by a significant increase in our membership during the pandemic (up 21% from end 2019), and also fee increases in 2019 and 2020. Plot fees per square metre did not increase in 2021;
- Capital expenditure was up to historical levels (compared to 2020 which was significantly reduced in the first year of the pandemic). Key investments were the new shelters at Charnwood and Erindale, and improvements to the pergola at Cook;
- The water bill in 2021, which also drove this year's surplus, reflected the above average (more than 150%) rainfall. This contrasts to the very hot and dry conditions in 2018-19 – we should plan for hot/dry weather in the future;

Infrastructure Review

I led a review of COGS' infrastructure during 2021. The Committee considered that the certainty of our 10 year lease with the ACT Government and our relatively healthy cash balance presented an opportunity to invest in improvements to our assets. The highest priority investment identified by the review was to replace the fence at Oaks Estate. Three sides of the fence have now been replaced and a decision on replacement of the final side will be taken later this year. Other key investments already completed, or committed to, are the new shed and shelter at Erindale, replacement of taps and risers at Holder (which was partly funded by a \$1,000 grant from the ACT Government), and a new shed at O'Connor. More investments are likely to be considered at the May meeting of the Committee. Major investments are now considered on a quarterly basis. These investments should result in a lower surplus (or a possible deficit) for 2022 and a decline in our cash balance.

Income tax

During 2021, COGS received a number of letters from the Australian Taxation Office noting that we had not submitted income tax returns for a number of financial years and threatening to charge us tax and late lodgement penalties. COGS' has consistently regarded itself as an income tax exempt not for profit association under Division 50 of the *Income Tax Assessment Act, 1997*, following the self-assessment guidelines on the ATO website. Following discussions with the ATO this matter has largely been resolved with ATO accepting our opinion with respect to the years 2014-2020. A further letter to resolve our tax status for earlier years has been sent and I expect a similar result. The tax exempt status needs to be reviewed annually as circumstances can change.

Attachments

- Attachment A - table and graph summarising expenditure by Garden.
- Attachment B - the audited financial statements for the year 31 December 2021.
- Attachment C - the auditor's opinion.

Neil Williams
Treasurer
Canberra Organic Growers Society
March 2022

Expenditure by Garden in 2021

Garden	Water Bills	Capital Expenditure	General Expenses
Betty Cornhill			\$989
Charnwood		\$12,284	\$260
Cook	\$2,963	\$1,712	\$2,198
Crace			\$624
Dickson	\$753		\$193
Erindale		\$4,100	
Holder	\$2,225	\$2,374	\$1,614
Kaleen	\$1,393		\$42
Kambah	\$2,129		\$1,553
Mitchell	\$3,517	\$1,068	\$84
Oaks Estate	\$877		\$201
O'Connor	\$1,591		\$3,302

