

MORGAN HILL COMMUNITY GARDEN 2021 DUES INCREASE STUDY

At our last meeting discussing the financial condition of our finances we listed the Y/E balance as \$9,600 in the bank. This was both true and misleading. True because we did have the money, misleading because it gave the impression that was the amount left over at year-end 2020. That was not really true. We operate as a 'cash' business, money in, money out. Much of that \$9,600 was 2021 dues that we received in 2020 and was just added to the bank account. No problem but when the new budget was planned, we listed the expected total 2021 dues paid \$7,900 as Income while also carrying over the \$9,600 Y/E balance. What we were doing is double counting 2021 monies paid in 2020. The real number for the monies left over at Y/E 2020 is around \$6,000. That is the true "saving account".

This problem has been carried over for many years, that is why we have showed Y/E balances (carry over) in the \$11,000 range. An everyone took that to be the savings account.

The solution is to not include monies received in the current year that are dues for the next year. Two organizations I know accept checks but do not cash them until the New Year, simple but very effective for booking keeping.

In 2020 we over spent our income by \$2,400 even with almost \$2,000 in grants and other gifts.

The 2021 prosed budget was \$12,800. After much review and deletions, the new budget is \$10,230 with projected income of \$7,880 – that is with all plots rented at full year rates. Much of the saving came from people 'signing up' to do jobs that we normally pay someone to do.

That leaves a deficit of \$2,350 or ½ our savings. If this is not corrected this year, we might not have enough left in savings to cover 2022 deficit if there is one.

The recommendation is to increase the 2021 dues by \$25 per plot which will put us \$75 to the good. That means we will need to be very careful with all spending this even with the increase. This will bring the total 2021 plot dues to \$105/plot.

It should be noted that every other garden group we searched pay more than we do. San Jose charges a \$150 annual registration fee plus a sq/ft charge. Also, the first \$27 of the dues goes to cover just the water bill. We use a lot of water due to our open location.