

Treasurers Report 9/4/2018
GDTA trading as Gosford Tennis Club

Current Position

The current cash surplus position as at 8/4/18 is as follows:

Total Payable	\$25,473.00*
PAYG Outstanding	\$26,900.00
Total Payables	\$52,373.00
Total Receivables	\$26,897.53
Total Cash on hand	\$38,472.46
Surplus	\$12,996.99

**\$3477.27 marked as "older" on payables not included given all these payments are more than 150 days old and have not been followed up by the creditor.*

Our cash surplus position remains precarious and I again outline as I had done at last month's AGM the club is close to trading insolvent. These figures do not include income from the JDS tournament completed Sunday, 8th April.

My concerns on our current financial position are amplified given the following:

- As of 8/4/18, a termination payment to the former GM has been made and in line with our legal obligations of an amount totalling \$9,031.25. The Executive has agreed to transfer this amount from the capital works account to make the payment.
- The former GM has disputed this amount in an email to the President as of 4 April 2018 seeking a total pay-out of \$17,503.15 that includes an amount of \$5,027.96 to cover his mobile phone and vehicle re-imburement. This will be discussed separately at tonight's meeting.
- The non-materialisation of the Brian Hilton sponsorship as arranged by the previous GM, which was to be used to sponsor the 3 JDS tournaments Gosford has hosted. I will need to defer to the former GM to outline the sponsorship proposal to Brian Hilton as I have no details on the matter.

We have now 2 pathways, which I outline as follows:

1. Meet with council and advise the position with a view to trade out of this position or have Council take over the management and day to day running of the club.
2. Take a complete review of expenditure and cut where required, and to take immediate steps in raising funds as outlined in my AGM report of 26/3/18.

My preferred stance, and I am seeking committee support for the latter although this is the more difficult path and requires an immediate fix, which I have outlined a plan below and previously outlined at my AGM report on 26/3/18. It also challenges in how we operate as my assisting the club is not sustainable in the medium to long term.

The Proposed plan and what Items have already been actioned.

- a) **Accept and determine a membership fee structure as per a motion** I have outlined in the minutes.
- b) Since taking over Jackie and I have **commenced a review of all income and expenditure** items where we have identified the following and are trying to rectify this as we get a greater understanding of the business operations:

Expenditure:

- Several customer accounts totalling approx. \$1200 that are on credit which we are trying to recover. This has now stopped, and all accounts are now on a debit or top us basis, just like an Opal Card.
- Recovery of \$1530 from a \$1860 accreditation payment made in early March for Tom to become a level 1 coach, approved by the previous GM. It is my belief that coaches are portable as we had seen with Nathan. It is important that like any industry, coaches required to pay for their own accreditation or licencing requirements. I do wish to emphasise that Tom is an important member of our staff and I would like him to continue in the role.
- Advised Tom that his mobile phone and monthly tank of fuel package is to cease and to be replaced by him transferring to another mobile plan under the current Optus plan to January 2019 and provide a log book of kilometres used for maintenance and coaching work.
- Currently in the process of trying to exit 3 mobile telephone plans established in January 2017 and expiring January 2019 costing the club approx. \$330 per month.
- Exploring a cheaper alternative to the Mindbody System which is costing the club \$315 per month plus an international fee of \$7.60pm. It is suggested an easy POS Retail system for taking product sales at the counter, and a lower cost coach and court hire booking system. My Operations report refers in more detail to this.
- Ceasing current procedures involving coaches in taking product without any payment or process to record on their accounts. This includes ceasing coaching kids in some classes helping themselves to ice-creams. I would also like to extend this to Tennis officials at tournament time.
- Recovering invoices that were not recorded in the system.
- Paid junior staff who helped prior to and during the January tournament in the last payroll, although claims have only been made over the past 3 weeks.
- In assessing coaching and competitions, profitability and prices for Term 2 are to be determined after taking into account the coaches hourly salary plus super, workers comp, marketing, equipment, admin and court-hire fees.
- Re-assessing private coaching where currently the club receives private coaching fees and pays out salaries, super etc. The current 10.25 hours of private coaching are costing the club \$1449 per annum. In term 2 I have asked coaches to cover all their own costs, however only pay court hire to the club - \$10 per hour for a day rate, and \$20 per hour for a night rate. Based on the same hours this would make the club a profit of \$4,300 per annum. This should allow us to reduce wages/super over a 40-week period of an amount of \$26,537, plus the associated costs of worker comp.

- The Bendigo Bank debit card has been stopped, until we understand if there is a need for the card, which I think we may need to continue. This card was used previously to pay for minor small purchases. We will also be cancelling the Netflix and Apple iTunes monthly payments that are automatically being deducted from the card account.
- Taking upfront term payments for all Hot Shot, Squad and Adult Point and Play programs. We would look to implement a Ezidebit system for players and parents to use to assist with their personal cash flow/budget requirements.
- Where possible reduce hours for non-accredited higher cost coaches and replace with lower cost, accredited or supporting non-accredited coaches.
- Paid large suppliers such as Coke who had ceased supply due to outstanding unpaid accounts.
- Review IFS court hiring cost on lower courts to incorporate some maintenance and support costs for the upkeep of the property.
- Clear all stock from open area's and place this behind retail desk. Since I started to look at the operations of the club we have identified 4 racquets missing and given this it is possible this may extend to other products located outside the retail desk area. Some retail fridges which we have 8 on site have been shut down to reduce electricity costs and the stocking of product and will be taken by Schweppes within the next month, with a stock control program to be implemented on a regular basis. I have asked Peter Campbell to assist here.
- Replace at times of the day salary earning staff with volunteers. In fact, we need to grow the volunteer base as much as we can to undertake as many duties that current cost the club – cleaning, maintenance, front desk, tournament management, cooking, baking and making meals.
- No item is to be given free as has happened previously – everything that we purchase has a cost and must be recovered.
- New Wages book created and now checked with new date entered for new start of week.
- Set up of a Pro Shop Purchase stock list, to organise Bonnie in setting up a stock list for Pro Shop Purchases. We are still making last minute purchases for events such as the JDS, however by implementing checklists and learning from previous experiences should assist in eliminating this.
- Staff now are receiving fortnightly salary slips and we are checking with the ATO to see if tax declaration forms have been submitted for all staff.

Income

- We now invoice monthly and follow up after issuing. Gosford High School outstanding accounts currently at \$4351.00, or 4 terms in arrears. I would be recommending that if no payment is made before beginning of T2, Gosford High will be advised that we will no longer accept their booking.
- Court-hire to be determined by the committee and also to determine an off-peak/on-peak fee and a social/member fee, if required. As a start I am recommending the continuing of the \$5 per player per hour program for both day and night court hire, plus a night hire level of \$10 per hour to cover our electricity costs. It is noted based on our current electricity and maintenance

costs for tennis court lights, we would need to have a minimum of 4 courts operating to break even.

- Jackie has invoiced Nathan Healey to repay to the club an accreditation fee of \$600 plus an outstanding account of \$140. We have received a response from Marnie (wife) that given their arrangement with the previous GM of accepting GTC to pay, there would be no recovery of this amount. However, the \$140 account will be paid once they agree to the items purchased in December 2017.
 - School holiday camp provision of food to increase from \$5 per day to \$8 per day. Volunteers may be able to assist here in reducing costs by donating food and items for the 2 weeks commencing 16 April.
 - Despite the majority of toilets being out of action for some 5 weeks, following vandalism, an insurance claim was submitted on 19/3/18 which we should have tonight in the bank account an amount of \$2842.92 after paying an excess of \$200. The toilets are now fixed. In saying this we now need to commence a log of incidents to assist with future claims.
 - Recovery of an outstanding invoice dating back to 2016 from IFS for \$1950 which is due to be paid next week relating to a tennis tournament they ran when they operated the tennis club. Unfortunately, we had to pay a TNSW bill covering this amount in a total bill of \$16,693.49 that covers the additional tournaments – July AMT, December and January Junior events totalling \$16,693.49. If we had not paid this bill we may have according to Susan Harris at TNSW jeopardised remaining tournaments scheduled at GTC up to October 2018.
 - End of February banking's were very difficult to reconcile as money has been banked in a bulk amount, this makes reconciling time consuming. Also, some eftpos receipts are not matching Mindbody due to the fact that any eftpos transactions completed after 9.30pm actually go into the next day through the merchant facility but will go in the same day for Mind Body, this can be quiet time consuming going through the ANZ Merchant facility if it does not match to the MB sales sheet. Banking is now broken down on a day to day basis and deposited separately through the account.
 - We are attempting to recover an invoice dating back in July 17 relating to Tennis NSW's prizemoney contribution for an AMT event totalling \$2500. I have a meeting with TNSW this week to discuss.
 - We have now received all funds from the Active Children's program operated by the NSW government, totalling \$7,900, and we are still receiving these for next term.
 - We have now negotiated on a recovery of coaching fee's to be paid by 4 CC Grammar students that have never been invoiced since private lessons commenced in Term 3 2017.
 - Tom is now texting Jackie every time he has a lesson, so we have a history to invoice and we are advising CCGS of a minimum \$60 coach fee to be paid before programs can commence.
- c) **Generate \$50,000 in cash sponsorship prior to the 30th June.** This is incumbent of all of us at this table to look at sponsorship opportunities. I would like some help from some members of the committee in putting together a formal sponsorship package to companies from \$500 as a minimum base. Please refer to the operations report for guidance on this.

- d) **Introduce a Social Membership Fee** to cover affiliation costs due in July 2018. I am recommending \$10 per annum.
- e) **Introduce a donation program**, fully tax deductible for this financial year to give members the opportunity to give from \$25 per annum and upwards towards assisting the club. Please refer to the operations report for guidance on this.
- f) **Spend a maximum \$2,000 on a new website**, incorporating a court and coaching booking system, access for members to donate, organise payment of membership and competitions. I believe this would pay for itself by increasing traffic through our website and generating income from the fee's outlined. Please refer to the operations report for guidance on this.
- g) **Recommend we provide court hire to TA accredited coaches** for their private lessons and increase court usage. Please refer to the operations report for guidance on this.
- h) **Put in place with council our needs for finance to assist with a grant** under the Regional Sporting infrastructure funding/Communication / Stronger Country Communities Fund which closes 4th May 2018. Minimum grants are \$50,000.
- i) **If and only if, we can trade out of this and become more financially stable, I would be recommending the TA loan of \$80,000 offered to us in late 2017 which is repayable over 10 years at a rate of approx. 2%.** This would be used to replace lights with LED saving us approx. \$1900 per month. It is noted that we have 2 lights out at present and to have them repaired will cost the club \$2,050. The club would be also eligible for a Places to Play Tennis NSW rebate of \$15,000 to pay down this debt. Loan repayments at \$80,000 over 10 years at 2.12% would cost \$740.41, with this reducing after the \$15,000 pay down of the debt with revised repayments at \$601.59pm. I think this is a "no-brainer" given our current costs estimated at \$31,000 per annum (ongoing electricity cost \$1500pm plus \$13,000 per annum for light replacements).

Acknowledgements

I would like to acknowledge the work carried out by Mick Courtney who has worked over the past 3 weeks some 50-60 hours, on top of his own job, to paint, install security gates over the toilets, weed, repair fences, clear rubbish, provide plants, mow, replace locks and have a contractor mow the lower complex, at his own personal expense. He has also paid in full the Veolia account in full so rubbish which had piled up due to the non-payment of account could be picked up. His wife Kylie is willing to provide 6 hours of front desk service voluntarily, and his son Riley will work in Term 2 at no cost for school work experience.

Other items approved or requiring approval, and to be noted in the minutes of tonight's meeting.

1. The executive has approved and actioned a transfer of \$10,000 from the capital account to the operating account to pay pressing bills.

2. The executive has approved and actioned a transfer of \$9,031.25 from the capital account to the operating account to pay the former GM's termination pay-out.
3. The executive has approved Nick to have full access to Xero and I will defer to Nick after my report to raise his own comments on the financial position of the club. If we have a finance committee, I would like to extend this accessibility to members of the finance committee.
4. We need to have in tonight's meetings approval to issue a cheque book, continuation of the visa debit card, previously stopped to deduct payments such as Xero, which will be managed by Jackie.
5. It is also to be noted in the minutes that Steve and Maureen will need to be placed as signatories, with Kat Lee's to be removed. It will be a 2-person signatory requirement as per current process.