

TREASURER'S REPORT Year to April 2020.

We started the year with \$136,846 in the bank account being \$130,504 of club funds and \$6,342 separately held from sponsor's money received for the Cara Bowl team. At the end of the year the balance left in the Caro bowl account has dropped by \$5,165 while the club funds have increased by \$3,514 to \$134,019. This means that from a club cash perspective we are in a better position at the end of the year than at the beginning. And The Sunnyhills Tennis club continues to be in a strong financial position.

The Covid-19 lockdown is fresh in all our memories and resulted in the club being closed for two months. Financially the impact was not too bad as all our subscriptions for the year had been paid. The key financial impact was the loss of rental income totalling \$2261 and a reduction in the profit from drink sales of around \$650. Against this there have been overhead savings such as, provisions, cleaning, and electricity leaving the overall impact on the club at around \$2500. On May the 28th we received \$1150 from Aktive Sport to support losses during the shutdown and this will be recorded in next year's accounts.

For the full year membership fees were \$5363 lower than last year and totalled \$38,612. This is a 12% reduction from last year and, unfortunately, a continuation of longer term trend. If we look back to 2014 when total subscriptions were \$55,578 subscriptions have reduced by over 30%. This year the biggest reduction was from the junior membership, with an 18% reduction. This may have been due to the uncertainty of who would be our club coach at the start of the year. We now have stability and enthusiasm from our head coach and junior convenors and we hope that will help with junior membership numbers next year.

Funding grants for our juniors program, for which we received \$10,000 for last year, were not available this year and the junior coaching program was funded through membership subscriptions. We were fortunate that our quiz night was such a success, it raised over \$5000 thanks to the generosity of our members.

Our overall costs are recorded as higher than last year by \$2200 but the underlying position is actually an improvement. Our coaching costs were \$3687 lower following the move away from Kiwi Tennis and contracting directly with Gabriel, our underlying repairs and maintenance were well below last year once we adjust for the \$9940 timing credit recorded last year. The Cara Bowl costs and funding are recorded within the accounts and were \$4596 higher than last year however these funds flow through a separate back account and do not impact on the club funds. Rates continue to escalate and at \$5029 represent 13% of our subscriptions. In 2004 they were \$3703 and represented 6.6% of subscriptions.

Overall our operating loss was \$23,660 and \$1,025 before depreciation, once we adjust for the Cara Bowl costs and sponsorship income there is a small cash profit of \$3281. The cash position of the club remains strong however we can't ignore the long term trend of declining membership, the lack of grant opportunities, particularly following COVID-19, and inflationary pressure on our overheads which will push the club into small but increasing losses over the coming years. Indeed this year may mark the tipping point. If membership subscription continue to decline by 5% per year and our overheads increase by 2.5% per year our cash reserves of \$130,504 will be gone before the end of 2028 and the club will face cash shortfalls of nearly \$30,000 per year. Arresting membership decline is clearly a priority and in the current environment that will be a challenge. Increasing membership fees does not feel realistic at the moment as other clubs in the area are holding their current fees and in one case significantly reducing them. We propose to hold the subscription fees at the current level.

Are there any questions?