

Minutes - KTC Executive Meeting
October 8, 2019, 7:00-10:12pm
Gary's home

In attendance: Mike Bartlett, Doug Bowie, Taco Meuter, Bud Nelson, Chloe Wilson, Gary Wilson (Secretary).

Regrets: Nerissa Mulligan

1. Agenda approved.

2. Moved by Gary, seconded by Taco, carried: Approval of minutes from September 10 Board meeting (with corrections).

3. Membership Committee Update

Bud reported this late in season, nothing specific to report. Queen's Tennis Club, has been active.

4. Programs

Chloe reported she was approached by the parent of a camper who felt camp staff didn't do enough to help her daughter overcome her shyness so she'd feel welcome. Chloe thought the incident could be used in the training of next year's camp instructors.

5. Finance Committee/Treasurer Update

Taco reported he'd finally been able to bring the club's financial transactions up-to-date (which earned him unanimous praise from board members). (See Appendix 1)

In response to a question about the drop in profits, he said this has happened occasionally in the past so we can expect they will bounce back next year.

6. Facilities & Infrastructure

Doug gave a fall construction work update: important that project begins soon to ensure paving of courts 2 & 3 is completed this fall so they can be painted as soon as it's warm enough next spring.

Last shift for stewards will be Thanksgiving Monday. Overall did a good job this year with some room for improvement in grass-cutting. Doug worked with a crew of four from a lawn service.

Net on court 4 is in poor shape and the one on court 5 is showing signs of wear. Doug and Rick Donaldson worked a couple hours to repair a crank on a post on court 6 after a member had damaged it trying to operate it.

7. Communications Committee Update

Taco said the next KTC Announcements will feature the steps of the upgrades to the club beginning after Thanksgiving. Also, there will be notice of the 2019 AGM at Ongwanada.

8. Governance

Chloe initiated a discussion about the operation of the club. How can we avoid the situation where some board members, who are after all volunteers, must work nearly full time trying to carry out their duties? This is unfair and unsustainable for these people, and undermines the effective operation of the club.

To continue as a member-run club, we'll have to do things better by, for example, clearly defining achievable goals and improving our committees. While hiring a club manager might appear to be a solution, the added expense, need for supervision and change to club culture could outweigh any benefit.

These are issues club boards will have to address if the KTC is to prosper.

Chloe reminded committee chairs about submissions for the Annual Report for the AGM. She also said Gary has volunteered to chair the meeting.

9. Other business

None

10. Adjourned at 19:12 p.m.

Appendix 1

Treasurer's Report – October 8, 2019

2019 Collection of **Revenues**: \$218,693 (2018: \$232, 895). Revenues are down 6.1%, mainly because of lower camp revenues across the board, and lower membership revenues. The year's (unaudited) financials are included at the end of this report.

Cash Position: Cash flow to the end of September is \$42,412, down from last year as a result of lower income overall, unexpected repairs to the clubhouse, and consulting fees. Cash at the end of September is \$497K (2018: \$454K).

Members: Total 481 (-30): Adult 180 (+4), Student&Jr 55 (-3), Couple 118 (-18), Family 128 (-13). Total Membership Revenues this year was \$115,323 (2018: \$119,235). Membership rates were slightly higher than the year before, but the year saw a reduction in membership revenues as people continued to migrate to free public courts, and to other sports and recreation.

Camps: The Tennis Camps brought in \$64K, down 11% (2018: \$72K). Net income declined to \$23K (2018: \$28). Staffing costs were lower in 2019: a reduction of \$1600. Following a review of the tennis camp experience at the end of 2018, we planned long-term improvements that focused on quality over quantity: implementing these improvements in 2019 has resulted in very positive feedback from campers and their parents, and will likely lead to increased revenues in subsequent years.

Lessons: Revenue from lessons are slightly below last year's: \$18K vs \$19K. Revenue from pros, net of all payments to the pros, is also less: \$1,000 (2018: \$5,200). Payment to the pros does include administrative costs this year. These have not yet been separated out from the total as I don't yet have all the data, but they could add up to a few thousand dollars.

Shared Costs: The main driver of higher shared costs this year are: repairs & maintenance costs that increased from \$5.1K to \$7.7K; higher utility costs (\$3K, up \$800) reflecting the winter repairs that required round-the clock heating; property taxes that continued their annual increase (\$13.6K, up from from \$12.5K). Higher interest income on GIC's (\$8.9K vs \$6.6K) reduced net shared costs.

Fiduciary Responsibilities: There appears to have been inadequate oversight by the 2018 Capital Project Committee over the \$5,000 retainer extended late last year to the design consultant of a previously commissioned, largely completed clubhouse design. The retainer was for future work for KTC, and was expected to cover, firstly, some minor tweaks of the old design, as described in Appendix A-4 of the October 30th 2018 minutes. The cost of those tweaks was expected to be in the range of \$1,500 to \$2,500. Instead, the consultant claimed the entire \$5K retainer, without providing the normal detailed accounting in support of such claim. I have asked him for the detailed accounting so I can determine where the monies were spent, whether his claim was justified, and where we should allocate any of the expenditures.

Take Away: This was another difficult year, that saw large repairs to the clubhouse to fix damage caused by a water leak. We also had some costly but necessary consulting work performed. Camp revenues decreased even as we began the long-term process of restoring the camps and their reputation. On the revenue side we were lucky in having many pros but we did not have a continuous offering of lessons over the Summer and that impacted the bottom line; as well, membership cooled for a variety of reasons. Our net income declined from \$89K in 2018 to \$67K.

Kingston Tennis Club

Balance Sheet

As of September 30, 2019

	Total	
	As of Sep 30, 2019	As of Sep 30, 2018 (PY)
Assets		
Current Assets		
Cash and Cash Equivalent		
1015 Royal Bank Chequing Account	71,645.95	1,611.48
1017 Tangerine - Ing Savings	25,533.28	62,683.60
1017-01 - Tang - IP Reserves	0.00	0.00
Tangerine - GIC	0.00	0.00
Total 1017 Tangerine - Ing Savings	\$ 25,533.28	\$ 62,683.60
1019 RBC Dominion Securities	399,391.52	390,000.00
1019-01 RBC DS Accrued Interest	136.31	
Total 1019 RBC Dominion Securities	\$ 399,527.83	\$ 390,000.00
1025 Debenture Reimbursement Allow.	0.00	0.00
Petty Cash	0.00	0.00
1499 Undeposited Funds	0.00	0.00
Total Cash and Cash Equivalent	\$ 496,707.06	\$ 454,295.08
Accounts Receivable (A/R)		
1300 Accounts Receivable	228.00	508.00
Total Accounts Receivable (A/R)	\$ 228.00	\$ 508.00
1018 Accrued GIC Interest	2,169.25	3,091.00
1020 Cash Register	240.15	0.00
12100 Inventory Asset	219.30	219.30
1450 Prepaid Expenses	0.00	0.00
1450-01 Debenture Interest	0.00	0.00
1450-02 Insurance	1,019.04	943.38
1450-03 Mortgage Interest	0.00	0.00
1450-04 Property Taxes	3,398.41	3,399.12
1450-05 Prepaid Repairs & Maint	0.00	0.00
Total 1450 Prepaid Expenses	\$ 4,417.45	\$ 4,342.50
Total Current Assets	\$ 503,981.21	\$ 462,455.88
Non-current Assets		
Property, plant and equipment		
2000 Building	55,916.64	48,196.64
2000-01 IP	0.00	0.00
Total 2000 Building	\$ 55,916.64	\$ 48,196.64
2005 New Building	63,702.47	53,702.47
2010 Court 1	2,273.95	2,273.95
2020 Courts	36,744.21	35,054.26
2025 Fence	9,316.11	9,316.11
2030 Land	283,910.00	283,910.00
2035 Equipment	4,574.92	4,574.92
2037 Computer Equipment	1,906.13	1,906.13
2040 Washroom Renovation	671.25	671.25
2050 Accumulated Depreciation	-41,328.72	-41,328.72
2050-01 Building	-647.80	-227.79
2050-02 Courts	-11,354.27	-9,219.93
2050-03 Fence	-5,315.73	-4,871.24
2050-04 Equip	-2,958.71	-2,554.41
2050-05 Computer Equipment	-1,867.05	-1,819.28
Total 2050 Accumulated Depreciation	-\$ 63,472.28	-\$ 60,021.37
Total Property, plant and equipment	\$ 395,543.40	\$ 379,584.36
Total Non Current Assets	\$ 395,543.40	\$ 379,584.36
Total Assets	\$ 899,524.61	\$ 842,040.24

Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable (A/P)		
3000 Accounts Payable	0.00	6,027.75
Total Accounts Payable (A/P)	\$ 0.00	\$ 6,027.75
2200 Deferred Revenue	0.00	0.00
3130 HST/GST Payable	-1,274.63	38.71
HST/GST Payable	-219.69	0.00
Total 3130 HST/GST Payable	-\$ 1,494.32	\$ 38.71
3133 Reg EoY Outstanding Cheques	1,738.30	0.00
3134 Accrued Liability	4,081.27	4,081.27
3132 Club Credit	875.04	708.54
Total 3134 Accrued Liability	\$ 4,956.31	\$ 4,789.81
3135 Unclaimed Cheques	0.00	0.00
3150 Loan	0.00	0.00
3190 Payroll Liabilities	532.64	4,032.83
3200 Current Portion LT Debt	0.00	0.00
Total Current Liabilities	\$ 5,732.93	\$ 14,889.10
Non-current Liabilities		
3500 Debentures Payable	0.00	0.00
3500-01 Series 1	0.00	0.00
3500-02 Series 2	0.00	0.00
3500-03 Series 3	0.00	0.00
Total 3500 Debentures Payable	\$ 0.00	\$ 0.00
3501 Contingent Liabilities	0.00	0.00
3510 Queen's Mortgage	0.00	0.00
Total Non-current Liabilities	\$ 0.00	\$ 0.00
Total Liabilities	\$ 5,732.93	\$ 14,889.10
Equity		
4000 Opening Bal Equity	0.00	0.00
4500 Prior Years Dep. & Reno. Costs	0.00	0.00
Retained Earnings	827,151.14	739,255.92
Profit for the year	66,640.54	87,895.22
Total Equity	\$ 893,791.68	\$ 827,151.14
Total Liabilities and Equity	\$ 899,524.61	\$ 842,040.24

Kingston Tennis Club Profit and Loss

October 2018 - September 2019

	Total	
	Oct 2018 - Sep 2019	Oct 2017 - Sep 2018 (PY)
INCOME		
5010 Donations		
5010-02 Donations from Memberships	2,495.00	3,149.00
5010-03 Other Donations	-362.60	55.00
Total 5010 Donations	\$ 2,132.40	\$ 3,204.00
5020 Guest Fees	525.00	
5020-01 Court Rental	2,433.26	2,200.00
5020-04 Ball Machine Rental	30.00	495.00
Total 5020 Guest Fees	\$ 2,988.26	\$ 2,695.00
5030 Interest Income	8,956.27	6,647.47
5040 Junior Camp	2,310.00	
5040-01 Full Day Camp	34,465.00	38,216.00
5040-03 Half Day Tennis Camp	175.00	635.00
5040-20 Morning Tennis Camp	23,255.00	25,919.00
5040-21 Afternoon Tennis Camp	2,975.00	7,066.25
Total 5040-03 Half Day Tennis Camp	\$ 26,405.00	\$ 33,620.25
5040-04 Camp Lunch		-1,277.28
5040-05 Supervision	60.00	
5040-50 AM Supervision	675.00	652.00
5040-51 PM Supervision	175.00	347.25
Total 5040-05 Supervision	\$ 910.00	\$ 999.25
Total 5040 Junior Camp	\$ 64,090.00	\$ 71,558.22
5060 Lessons	960.00	
5060-01 Group	5,477.00	5,128.00
5060-02 Private / Semi-private	5,225.00	7,807.00
5060-20 Lesson Private/Semi A		368.33
Total 5060-02 Private / Semi-private	\$ 5,225.00	\$ 8,175.33
5060-04 Junior Group Lessons	6,733.00	5,634.00
5060-05 Shot of the Week		465.00
5060-06 Weekly Junior Tournament		90.00
Total 5060 Lessons	\$ 18,395.00	\$ 19,492.33
5061 Lesson Re-imbusement		
5061-01 Group	-233.33	-363.33
Total 5061 Lesson Re-imbusement	-\$ 233.33	-\$ 363.33

5070 Membership Dues		
5070-01 Adult Membership	58,465.00	56,933.00
5070-02 Couples Membership	29,765.00	32,496.00
5070-03 Family Membership	19,053.00	20,950.00
5070-04 Junior Membership	1,800.00	1,579.00
5070-05 Student Membership	6,240.01	7,277.00
Total 5070 Membership Dues	\$ 115,323.01	\$ 119,235.00
5090 Sales		
5090-01 Clothing	50.00	
5090-02 Drinks	594.00	529.00
5090-03 Food	86.25	95.25
5090-04 Tennis Balls	78.00	0.00
5090-40 Tennis Balls NEW	2,037.95	3,095.50
5090-41 Tennis Balls USED	15.00	21.00
Total 5090-04 Tennis Balls	\$ 2,130.95	\$ 3,116.50
5090-05 Misc/Myst	13.44	
5090-06 Parking revenue	2,060.00	2,125.00
Total 5090 Sales	\$ 4,934.64	\$ 5,865.75
5095 Misc revenue	0.00	
5100 Social Events	1,750.00	1,476.00
5100-01 Rogers Cup	-1,375.00	-125.00
Total 5100 Social Events	\$ 375.00	\$ 1,351.00
5110 Tournaments	3,241.00	3,210.00
5150 Uncategorized Income - Unreconciled Deposits	0.00	
5150-01 Uncategorized Income - Cheque Deposits	5,062.10	
5150-02 Uncategorized Income - E-transfer Deposits	-224.59	
5150-03 Uncategorized Income - POS Debit Deposits	-1,456.00	
5150-04 Uncategorized Income - POS Credit Card Deposits	476.00	
5150-05 Uncategorized Income - Cash Deposits	-5,367.25	0.00
Total 5150 Uncategorized Income - Unreconciled Deposits	-\$ 1,509.74	\$ 0.00
Total Income	\$ 218,692.51	\$ 232,895.44
GROSS PROFIT	\$ 218,692.51	\$ 232,895.44

EXPENSES		
7000 Advertising/Publicity	335.65	859.77
7020 Canteen Expenses	128.75	
7020-01 Drinks	66.49	263.74
7020-02 Food	50.47	117.68
7020-04 Tennis Balls Purchased - Canteen	3,559.50	3,581.75
7020-05 Clothing	363.63	419.54
Total 7020 Canteen Expenses	\$ 4,168.84	\$ 4,382.71
7030 Depreciation / Amortization	3,450.91	3,058.00
7040 Insurance	1,962.36	1,870.19
7050 HST/GST Expense	10,815.15	12,048.76
7065 Court Supplies - Teaching	450.90	338.89
7070 Junior Camp Expenses	3,839.70	4,324.45
7070-01 Tennis Balls Purchased - Junior Camps		188.71
Total 7070 Junior Camp Expenses	\$ 3,839.70	\$ 4,513.16
7090 Office Supplies	471.33	763.96
7094 Bookkeeping	5,500.00	5,075.00
7095 Legal and Accounting	3,277.00	2,825.00
7100 OTA Fees	1,545.00	1,545.00
7105 Parking expenses	2,443.69	2,085.85
7110 Property Tax	13,594.23	12,505.74
7120 Repairs & Maintenance	7,661.31	5,124.78
7125 Infrastructure Project		0.00
7130 Social Expenses	552.56	
7130-01 Socials	922.66	2,408.83
7130-02 Tournaments	2,071.76	1,045.13
Total 7130 Social Expenses	\$ 3,546.98	\$ 3,453.96
7140 Telephone	1,428.65	1,222.52
7160 Tournament Expenses		100.20
7170 Utilities	3,009.55	2,173.96
7180 Uncategorized Expenses	820.47	0.00
7190 Transportation	34.28	241.10
7200 Payroll Expenses		
7200-01 Junior Camp	37,153.87	38,743.03
7200-02 Stewards	25,114.75	24,618.67
7200-03 Tennis Pro Retainer	17,042.65	13,567.50
Taxes	30.93	0.00
Wages		0.00
Total 7200 Payroll Expenses	\$ 79,342.20	\$ 76,929.20
7500 Bank Charges	1,517.31	1,348.22
7505 Computer and Software expense	2,791.36	2,409.83
7520 Credit Card Charges	45.10	62.63
Total Expenses	\$ 152,051.97	\$ 144,938.43
OTHER EXPENSES		
7900 Over/Short		61.79
Total Other Expenses	\$ 0.00	\$ 61.79
PROFIT	\$ 66,640.54	\$ 87,895.22

Kingston Tennis Club
Statement of Cash Flows
October 2018 - September 2019

	Total
OPERATING ACTIVITIES	
Net Income	66,640.54
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1300 Accounts Receivable	280.00
1020 Cash Register	-240.15
12100 Inventory Asset	0.00
1450-02 Prepaid Expenses:Insurance	-75.66
1450-04 Prepaid Expenses:Property Taxes	0.71
3000 Accounts Payable	-6,027.75
3130 HST/GST Payable	-1,313.34
3132 Accrued Liability:Club Credit	166.50
3133 Reg EoY Outstanding Cheques	1,738.30
3190 Payroll Liabilities	-3,500.19
HST/GST Payable:HST/GST Payable	-219.69
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-\$ 9,191.27
Net cash provided by operating activities	\$ 57,449.27
INVESTING ACTIVITIES	
1018 Accrued GIC Interest	921.75
2000 Building	-7,720.00
2005 New Building	-10,000.00
2020 Courts	-1,689.95
2050-01 Accumulated Depreciation:Building	420.01
2050-02 Accumulated Depreciation:Courts	2,134.34
2050-03 Accumulated Depreciation:Fence	444.49
2050-04 Accumulated Depreciation:Equip	404.30
2050-05 Accumulated Depreciation:Computer Equipment	47.77
Net cash provided by investing activities	-\$ 15,037.29
Net cash increase for period	\$ 42,411.98
Cash at beginning of period	454,295.08
Cash at end of period	\$ 496,707.06