

Treasurer's Report – 2017

1 OVERVIEW

The results for 2017 are very similar to the past two years:

	2017 ACTUAL	2017 BUDGET	2016 ACTUAL	2015 ACTUAL
NATIONAL REVENUE	148,133	114,219	115,209	114,494
NATIONAL PROFIT	22,030	(7,282)	31,931	22,804
CONSOLIDATED REVENUE	601,963	n/a	470,350	472,833
CONSOLIDATED PROFIT	56,034	n/a	48,690	48,454
NATIONAL CASH RESERVES	296,673	n/a	258,606	238,936
CONSOLIDATED CASH RES.	777,418	n/a	634,667	570,997

The club has two main revenue sources, Membership and Ride Fees. All membership revenue is credited to National, and regions contribute a share of ride fees (brevet fee and temporary membership).

The higher revenue this year at National revenue is due to the sale of the new jersey design. At a consolidated level reported revenue from ride support has increased by 90,000.

Regions run events, generally at a profit, with any surplus funds being available for regional administration.

National administration costs include insurance (Cycling Australia affiliation), checkpoint, awards, membership and brevet processing.

2 MEMBERSHIP & NATIONAL RESULTS

There were no changes to the Standard Single & Family membership for 1 yr (\$70/\$105) or 3 yr (\$195/\$295).

The financial memberships on record at the conclusion of 2017:

Single	742
Single 3 year	255
Family	103
Family 3 year	34

Total Membership Fees were \$68,858, down slightly from \$69,768 in 2016. Wild Apricot, the new membership system, has now been in place for two years. Rolling memberships have now been in place for 12 months, so the impact of legacy membership renewals on 1 November will decrease over time. The Wild Apricot system enables easy reconciliation of receipts through the accounting system to the bank statement.

National Administration Expenditure was \$81,716 (2016: \$76,383). Main components were:

- Cycling Australia Affiliation/Insurance \$31,000 (2016 \$21,000). We still carry a \$12,818 accrual from previous years to offset any large increases without immediately needing to consider any increase in membership fees. However the current schedule of increases will use this provision rapidly and begin to eat into our substantial cash reserves. We considered alternative insurance policies, however this will be more expensive than the current arrangement as we cannot demonstrate full claims history.
- Checkpoint \$22,041 (2016 \$16,046). There were only three checkpoint issues in 2016. We enter 2018 without a checkpoint editor.
- National Conference \$0 (2016 \$6,053). The biannual conference was not held in 2017.
- Awards \$-1,838 (2016 \$4,581) - The cost of all annual and lifetime awards issued during the year. The prior provision for future awards was written off in 2017 - \$5,814 so the actual awards expense for the year was \$3,976

3 RIDE ORGANISATION & REGIONAL RESULTS

Membership revenue at current rates is insufficient to cover all national administration costs. To cover the shortfall, \$4 of each standard \$6 brevet fee is remitted to National by the regions, as is \$5 from each temporary membership fee. The actual national revenue is \$3.64 per brevet after GST is deducted.

National Ride Revenue reported is \$32,833 (2016 \$31,431), and includes:

- Alpine Classic \$9,470 (1,443 brevet, 929 temp memb)
- Region brevet fees \$18,476 (5,081 regional brevets reported, plus 219 Fitz's challenge)
- Temporary Membership \$4,886 (1,075 @ \$4.54)

Ride revenue includes accruals to 31 October for all regions.

Ride Support revenue is shown at consolidated level only, as National do not run events. For 2017 Regions reported \$140,307 in support fees received and paid \$114,520 in ride support costs. Alpine Classic collected \$238,449 and paid \$235,969.

At the National level it is our aim to breakeven by generating a gross profit from membership & ride organization activities to cover our administration costs and to provide capital for improvements to the club. At the regional level the \$2 per brevet retained enable regions to cover local administration costs, market the club locally or spend as they see fit to the benefit of the club. The regions should have enough funds at \$2/brevet to breakeven. The consolidated results included the following adjusted results by region, based on the latest reported information before the audit deadline. Note the consolidated result is not currently audited.

- ACT PROFIT \$596
- VICTORIA PROFIT \$10,002 (excludes Alpine)
- ALPINE PROFIT \$11,576
- NSW PROFIT \$(3,561)
- QLD PROFIT \$13,455
- SA PROFIT \$63
- WA PROFIT \$(294)

- TAS PROFIT \$2,166

Regional operations in conducting rides is overall profitable, and that the club as a whole is profitable if we exclude Alpine Classic results.

4 OTHER MATTERS

Other items within the National result that should be mentioned:

- Merchandise sales \$35,863 (2016 1,712) (2015 \$5,851) (2014 \$12,037)
 - Clothing sales of the "Since 1981" jersey are falling by year, and small orders of the jerseys will be made only to replenish popular sizes. During the year we sold 19 units (2016:23 2015:30 2014:75) and still hold 94 units or \$8,486 inventory.
 - The new jersey range was sold in two runs during the year. In Feb/Mar we sold 245 units for \$19,332. In October, a further 154 units were sold \$12,310. A small amount of demo stock is held.
 - Sales of Badges and Medallions were \$3,914.
- Interest Income \$4,094 Nationally and consolidated \$15,862.

Whilst most of our club activities are willingly undertaken in a volunteer capacity, some services require financial compensation. Our constitution (Section 25(b)) permits us to make payments to members for services rendered. These include Trevor Gosbell (checkpoint editor), Phil Bellette (AAC director), Robyn Curtis (AAC bookkeeping) and Hans Dusink (AAC audit). All services are paid lower than arms-length amounts.

The club remains in a strong financial position, and our membership/ride fee operating model serves us well. There is a growing pressure from increased affiliation/insurance costs through Cycling Australia and this relationship will continue to be reviewed. We are sufficiently able to cover increases at present.

The current reporting system with the regions provides visible accountability to myself and the regions of the performance of the club. However not all regions are prepared to support this system with timely reporting and we need to look ahead to automating most of the ride financials using the current processes developed for the regions. My vision on this is it will allow regions to concentrate on running rides and marketing the club, with the necessary burden of reporting same.

I had not intended to re-nominate for the treasurer position as I felt 7 years was long enough. However, the opportunity to develop a unified financial system is sufficient incentive to continue in this role and hopefully when I eventually hand it over it will not be as daunting a prospect as it is now. Possibly that is in twelve months, so if there is interest in the role please step forward!



RICHARD SCHEER

NATIONAL TREASURER