



Ipswich Kart Club Inc
PO BOX 577
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Treasurer's Report for the year ending: 30 September 2009

Financial Reports

Attached is the full financial and independent auditor's report prepared by:
GJ Walsh & Co – Certified Practicing Accountants
213 Brisbane Street, Ipswich Qld 4305

Financial Reports Summary

Summarising the balance sheet as at 30/9/09 the salient points are:

- The club has \$71,424.46 in bank accounts and cash and \$1,168.33 in saleable stock (soft drinks and alcohol)
- The club has property, plant and equipment assets valued at \$602,454.73 after provision for depreciation.
- The club owes \$150,000 in interest free loans to the AKA Qld and other trade liabilities of \$4,485.07
- The club's total value stands at \$520,562,45

Summarising the income statement as at 30/9/09 the relevant points are:

- The club received a total of \$145,353.85 from its activities. This is well down (about \$100,000.00) on the previous year because of the amount of time the track has been closed.
- The club spent a total of \$139,501.02
- Depreciation of property, plant and equipment and a loss on sale of assets amounted to \$82,390.00
- The club therefore suffered a paper loss of \$76,537.17 for the year.

Independent Auditor's Report

- The auditor's report states: "*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion*".
- Audit evidence relates to the documentation and electronic information provided to the auditor and indicates that he was satisfied with them.
- The auditor's opinion further states: "*It was not practicable to confirm that all sources of revenue of the Association have been received and banked prior to*

their initial entry in the accounting records. Our audit relating to these items was therefore limited to the amounts recorded”.

- As treasurer I have been aware that our documentation and systems relating to the receiving of monies such as practice fees, membership fees and licence fees have been inadequate. This is an area of reporting that needs to be tightened up significantly in the future.

I move that the auditor’s report be accepted by the members as an independent report on the financial status of the club.

Treasurer’s Comment

In 2008 I, like most club members, simply turned up at race meetings with my car and trailer, expecting that everything was properly organised and ready for me to have a good day’s racing. I never gave a thought to what “*properly organised*” really entailed. I complained when there were problems and had a go at the organisers as well. Then somebody said to me; “*Well why don’t you do something about it, instead of just whinging*”.

So in 2009 I decided to attend the club’s meetings to see what I could do to help out. I found that most meetings were attended only by the committee members and a few regulars and had to be lapsed through lack of attendance. I found that, in a club boasting over 400 members then (over 500 today), the committee were mostly the only ones doing the enormous amount of work required to keep the organisation going.

In May 2009 we lost the secretary and treasurer at the same time. No doubt these good people just caved in under the pressure of too much work and decided they had had enough.

I put my hand up for the treasurer’s position and was elected by default (no one else offered to do it). Kelly Johnson indicated a willingness to take on the secretary role and was also elected by default. So we became acting treasurer and secretary.

When we received the books of the club from the previous treasurer, we found them in complete disarray.

- BAS statements had not been submitted, going back to December 2008.
- The accounting files (MYOB) were not up to date and not in proper accounting format.
- Bills were outstanding and creditors clamouring for money

As a committee, we decided to engage a bookkeeping firm to sort through the paperwork and get the books back to a good standard. This was duly accomplished and from June onwards I took over and have managed to keep everything up to date since then.

The only problem I have had is trying to put a system into place that adequately accounts for the monies we receive from our various activities. I have had some success but it is still very much a work in progress.

However, if I thought that being the treasurer was going to be my only job for the club, I was very much mistaken. To be a committee member of the Ipswich kart club one has to be able to multitask. To date I have had to do all of the following:

- Shovel dirt around the track in darkness and rain.
- Learn how to use the AKA smartcard system and suddenly become the “expert”
- Man the office on the day before race day
- Man the office on race day
- Shovel dirt around the track minutes before the start of a race meeting.
- Take nominations
- Scrutineer karts
- Help run a come and try day
- Help in the canteen
- Shovel more dirt around the track
- Learn how to use the race timing system
- Run the race timing system on a race day
- Give up racing at all this year
- Shovel more dirt around the track

All the other committee members have had to do all or most of the same jobs, not to mention dragging their partners along to help. The question I keep asking myself is this; where are the other 500 members of the club?

Looking to the future

From a financial point of view, it seems to me that the club has to decide on one of two options:

1. Run the club as a volunteer organisation
2. Run the club as a professional entity

Volunteer Organisation

As a volunteer organisation, members help out voluntarily with the essential jobs of keeping the track clean and tidy, manning the various stations before and during race days. The committee does its job of running the club and making sure that members have a well-run facility to use.

- The advantage of this model is that we can charge relatively low fees.
- The disadvantage of this model is that, if members do not volunteer their help, then members cannot expect to have a well-run facility because the committee cannot realistically be expected to do all the essential jobs and run the club.

Professional Entity

As a professional entity, the club hires professional companies to do all the work required to keep the track clean and tidy and man the various stations before and during race days. The committee manages these professional people and ensures that members have a well-run facility to use.

- The advantage of this model is that there is no dependence on members to volunteer their time to do jobs. The club pays somebody to do whatever is required.
- The disadvantage of this model is that the club must increase fees significantly to have enough money to pay professionals to do the work.

Members must decide on a model at this AGM and the committee must report to members before the end of the year on the fee structure, based on the model chosen.

Richard Losper
IKC Treasurer