Treasurer’s Report 2023

The club finished the year ended December 31, 2023, breaking even, with a modest profit of $4,044, compared to the $179,993 profit in 2022. Although it didn't match last year's high, breaking even was a commendable result given the circumstances. The lack of monsoonal rains that fell during April and May 2022 meant approximately 2000 fewer rounds of golf were played on our course in 2023, as visitors went back to their drier home courses. This decline in rounds, particularly at visitor rates, led to a $43k decrease in our course fees.

We decided to increase green fees on 1st of September and, although not the intended aim, this wasn’t enough to offset the drop in playing numbers with increases to members and visitors generating an added $32k to fees. Nor was it enough to offset continuing inflation, which was the intention. As everyone is unfortunately all too aware, inflation has been difficult on the hip pocket and the club isn’t immune to those pressures. We hadn’t increased green fees since 2017 when they were $16 for members, as you’ll recall. That same $16 in 2017 is worth $19.37 in 2024. As we kept the increase to a modest $18, we’ve been losing value to inflation and still haven’t reached parity to the last increase meaning we’ve been losing relative value while our expense prices have continually risen, as you’ll see from the expense items listed below. While we try our best to keep expenses to a minimum, we do need to make the unpopular decision to increase fees when necessary.

Below are the headline income and expense lines that drove the year’s result compared to prior year:

Income:

Green and Competition Fees - $716k, down $44k or 6% (2000 less playing numbers)

Membership Subscriptions - $360k, up $36k or 11% (visitors who joined during wet 2022)

Bar Trading - $169k, down $13k or 7% (addition of Bar Manager)

Kitchen Trading - ($16k), down $17k or 19% (4.5% inflation on $179k of food expenditure; sub-optimal rostering practices addressed in 2nd half of year, monthly profit ever since)

Expenditure:

Greens Wages - $331k, up $45k or 15% (replacement of apprentice with qualified staff, pay increases)

Depreciation – $168k, up $37k or $28% (full year of depreciation from $543k of CapEx in 2022)

Insurance - $63k, up $13k or 27% (national inflation of 8.1%, additional assets purchased in 2022to cover)

Electricity & Gas - $40k, up $16k or 67% (rising inflationary pressure)

Just because we made a modest profit, however, didn’t mean that we didn’t have cash to invest back into the course and club. After adding back depreciation, which is a non-cash, allocation expense, and after the net effect of other payables and receivables, $254k cash was available to us over the year. This was utilised in $291k of capital expenditure, made up mostly by the items in the table below, using a mix of cash and Hire Purchase arrangements. All the items below are continued investments in keeping the course in the best condition it's ever been in and improving the experience for our members which I think is the best it's ever been. Some capital expenditure, like the green shed renovations, were unavoidable due to building degradation and others, like the 3rd green renovation, continue to improve our already stellar course.

John Deere Mower	$ 106,921
Green Shed Renovations	$ 49,941
Fertiliser Spreader	$ 27,950
Gator	$ 19,573
Sand Tipper	$ 13,770
Blower	$ 9,082
3rd and Temp 9th Greens	$ 10,848
Beer Taps	$ 9,712
Kitchen Appliances	$ 8,003
Bar & Kitchen Electrical	$ 7,319
Deck Rail & Blinds	$ 7,806

Overall, the club has done well financially for another year and our total equity remains at $1.795m slightly up from $1.791m at the end of 2022. We head into 2024 in an enviable position with playing numbers already surpassing monthly records for the first 2 months. Furthermore, we don't have any debts other than hire purchases, we have just under $450k liquid cash sitting in the bank at the end of the year, and we are still one of the only community owned and run golf courses on the South Coast. On that note, I'd like to thank all our members for their continued support of the club and especially those that volunteer their valuable time in any capacity. The club would be in a much worse position without you.

Finally, I'd like to personally make thanks to those that help me prepare the financials, without whom I wouldn't have the time available to act as Treasurer. Marilyn Schott kindly volunteers her time to help with the bookkeeping and any other curveballs that arise. Leeanne Jeffs for going above and beyond what her role entails. Brian Rowe and David Wilson for reconciling our cash takings to the cent every week; a tedious but necessary task that they complete meticulously. Last but not least, Greg Collins who keeps detailed playing numbers that drive nearly all of my financial analysis and help the club plan for the future. Thank you all for your invaluable contributions.

Sam Stalgis

Treasurer.