

ACTISA AGM 2016 Treasurers' Report

I am pleased to present the Audited accounts for the 2015 financial year of the Association. I would like to thank Ms Amanda Booth for conducting the audit. She asked quite sensible questions and I was able to provide her with any additional documentation that she requested. I will return to some comments she made in her report later. I would like to foreshadow that I will be nominating (with her agreement) Ms Booth as our Auditor for this financial year.

The headline is a loss of just under \$16,000. This compares with a profit last year of \$4,421. I would like to outline some reasons for this turnaround. In 2014 we received a further grant from the ACT Government. However, some of the income from the 2014 grant was not expended until 2015, thus explaining the profit in 2014 and to some extent the loss in 2015. Other reasons include the pre-purchase of Aussie Skate backpacks and new jackets in 2015 (which will result in future income) and the payment of a backlog of fees from our previous Auditor.

Support for our skaters continues to be a feature of our accounts – this year \$17,436. This money supported skaters going to the Australian Figure Skating Championships and other premier interstate events (such as Hollins Trophy). We also substantially subsidised participation in the very successful Training Camp held in January 2014.

Income from competitions was largely balanced by expenditure on ice hire and trophies. In fact, a very deliberate policy from Council over the past years has been to keep competition costs at a minimum and not seek to make extraordinary profits from our premium events. The same is true of ISA test sessions conducted by ACTISA.

A large component of our fund raising income is generated by Skate in the City (SITC). Skaters participating in this event are provided with reimbursement for their time conducting demonstrations for SITC, and other than a modest (but gratefully received) donation made by SITC management to ACTISA, the payments received by ACTISA are returned to skaters.

I would like to particularly acknowledge David Leong's contribution to ACTISA's fund raising effort.

I also need to thank my co-signatories on the ACTISA account – Julie Stalker and Wendy Tobin. Compared with my first stint as Treasurer, the ability to do electronic approval of payments saves an enormous amount of time compared with the old method of having to write cheques, arrange to meet with someone to countersign cheques and then to disburse these funds. Both Julie and Wendy were able to approve payments (often the same day the payments were prepared) and this has resulted in timely payments to our creditors.

One comment made by the Auditor is worthy of some analysis. Ms Booth said that she gave a qualified opinion based on the transactions in the main account. She was satisfied that our processes for reconciling net receipts were "thorough and effective". However, she said that "it is not practical for the Committee to establish accounting controls over all the cash receipts prior to their receipt, recording and banking". This comes down to a question of risk management for the Association. I submit that the processes we have adopted are reasonably rigorous and transparent. For example, most of the cash received is documented through either membership records, competition entries or test entries. Against a background that most of the money received for these activities is directly deposited by skaters and parents into the ACTISA account, those amounts that are received as cash or cheques are routinely reconciled by all the coordinators. If there was any attempt to defraud the Association, this would soon become evident.

So it is up to the incoming Council. Do they want a more rigorous accounting of all cash received by the Association or are they satisfied that the current processes are reasonable and sustainable?

Two further questions to ponder are:

- the amount or real disposable income available to the Association – most income received is directly account by expenditure – for example competitions and tests. The net income for the Association is mainly derived from fund raising, periodic dividends on term deposits and membership net of insurance.
- The related question of how much a not-for-profit community-based Association should be carrying in fixed investments. Last year income received from investments was just under \$1,500, from \$45,000 invested.

My personal view is that our net position, where we are holding approximately one year of expenditure in reserve is sound, but this proposition can and should be debated.

I submit my report to the meeting and move that the accounts be accepted as an accurate reflection of our position.

Dr Greg Ash
Honorary Treasurer
30 March 2016