

Treasurer's Report AGM 2017

The past year has been particularly exciting for the Con, and you do not need to look far to see why. These new premises have created a wonderful place of music and laughter, and the Con is revived with these exceptional surroundings.

Financially it has been an interesting year. The financials have been available on the webpage since last week, so I hope some of you have had a chance to look at them in detail. I have prepared a handout so you can follow what I am saying, and if there is anything you need more detail on, the full audit report will still be available online for another month or so, and all the reports are here available to be viewed tonight if that is your preference.

The first thing you will notice is that income is up by 7.5%. The grant from the Department of Education, and a grant from Gunnedah Shire Council, helped with this, and also an increase in ticket sales for our performance program. The Curriculum based programs are up as well as Professional Development income. There is also a figure there representing the government payment for maternity leave, which was passed on to Tammy after the birth of her child.

The next thing you will notice is a recorded loss of \$115,936. This figure sounds horrible, but is luckily easily explained.

In 2012, the Conservatorium, supported by other cultural non-profit organisations, was funded by the Shenhua Watermark Community Fund to upgrade the staging, sound and lighting facilities in the Town Hall for the benefit of all these organisations. Half of this funding was paid at the beginning of the project, and the other half (\$75,625) was due to be paid once we could supply all the invoices for the completion of the project. Unfortunately for the financial year we are considering, there was expenditure of \$106,821 during this year, and the final payment was received the week following the closing of the books. So realistically, this amount should probably be considered in isolation, as the Shenhua project has never been a part of the day-to-day operation of the Conservatorium. This project is now complete.

In addition to this, we have changed the way we are considering our allowance for annual and long-service leave, and you will see that an additional \$15,223 has been put aside to allow for our ongoing employment liabilities, so if you take this and the Shenhua expenditure into account it would actually give us a small profit for the year.

One of my major concerns during this year has been the cost of teachers in the context of the amount we receive for tuition and other income from schools. Besides wages for teachers, we have additional direct costs such as superannuation and video conferencing, and responsibilities such as administration, workers compensation and professional development, and it seems to me that we should be able to break even on this activity. This is not the case this year, but we did increase fees at the commencement of this calendar year, so I hope that by this time next year this will have crept to a better balance.

I am mindful that we are charged with bringing quality music to country areas, and in particular to those areas even more isolated than Gunnedah itself. I am confident that our grants monies are

being well spent in sending teachers to these schools and towns, so obviously teacher travel is not expected to be covered by fees – and we could easily find other expenditure which would be equally justified. Along the same lines, we do not expect that the costs of every concert we bring into the area will be covered, but I feel we need to be careful to maximise the benefit of these activities, while working hard to achieve as much return from them as possible – both financially and culturally.

This has been a challenging year financially, with having to shoulder moving costs and additional furnishings as well as some staff turnover in administration. One disappointing outcome is that we have a significant sum on our accounts receivable due over 90 days, which has been and will continue to receive significant attention from both staff and board.

We hope this year to be able to approach the community for additional support, particularly with the funding and naming of scholarships for our talented students. Scholarships cost over \$5000 last year, and although I firmly believe in the value of encouragement, I think there would be value in community partnerships for scholarships and also perhaps in assisting in bringing substantial performances to town.

Despite some disappointing results as outlined, I must say that I am encouraged with the progress we have been making financially. We have made some significant changes in management of finances since I became treasurer 3 years ago, and I believe the Board now has a much better understanding of the ins and outs of the finances, and therefore are in a better position to manage and advise. I feel confident that we have a great foundation to move forward, and that the Conservatorium is in a strong position to continue to deliver excellent music and performance education and opportunities to Gunnedah and the wider area.

Julie Glover

Treasurer