



# KINGSTON TENNIS CLUB ANNUAL REPORT 2015-2016



## 2015-2016 Executive Board Members

Paula Loh	President
David Stocks	VP, Staffing Coordinator
Lynne Hanson	Secretary
Tom Thayer	Treasurer
Ginette Blais	Social Director
Doug Bowie	Member-at-Large
Rick Donaldson	Infrastructure & Maintenance
Flame Eadie	Membership, Marketing & Fundraising
Sam Faris	Tournament Director
Isabelle Pollock	Newsletter Editor
Jocelyn Purdie	Governance

## Finance & Risk Committee Members

Tom Thayer (Chair), Bill Cannon,  
Eric Davies, Gord Lee, Paula Loh

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## **Agenda for the 2016 Annual General Meeting**

Wednesday, October 26, 2016 at 7:00pm

Ongwanada Resource Centre

191 Portsmouth Avenue

1. Call the Meeting to Order
2. Approval of the Minutes of the  
2015 Annual General Meeting
3. Approval of the Minutes of the  
2015 Special Meeting
4. Treasurer's Report
5. Appointment of Auditors
6. President's Report
7. Elections
8. Volunteer Appreciation Awards (3)
9. New Business
10. Adjournment

*Refreshments to follow*

# **Minutes of the Annual General Meeting of the Kingston Tennis Club**

Tuesday, October 13, 2015, 7:00pm  
Ongwanada Resource Centre, 191 Portsmouth Avenue

## **1. Call the Meeting to Order**

Meeting called to order at 7:10pm by Chairperson, Bill Cannon. There were 74 registered members in attendance.

## **2. Approval of the Minutes of AGM for 2014**

Chair brought forward Agenda item no. 3, Quorum Question from 2014 AGM, for discussion. Two members expressed dissatisfaction with the acceptance of last year's AGM as valid because they believed that quorum was not met.

The president and one other member defended the actions of the executive as being appropriate under the circumstances and recommended the AGM should be considered legitimate. The Chair suggested that by approving the minutes from the 2014 AGM the members at the 2015 AGM would be confirming the legitimacy of the 2014 meeting.

Moved by George Clark, seconded by Eric Davies, the minutes of the 2014 AGM were approved with one minor amendment.

## **3. Treasurer's Report**

Treasurer Taco Meuter gave the Treasurer's Report, consisting of part 1, *Financial Overview of 2014-2015*, and part 2, *Expansion Project and Risk: Outlook for 2016 and Beyond*.

- A member asked about comparing this year to last year. The Treasurer responded that this was problematic because all the figures from this year were not yet available.
- The response to a question about camp revenue being down while membership was up was that it was a random event.
- In response to a question about staffing, the response was that "low student levels still need staff" and that "this year more was spent on staffing."
- A member drew attention to the phrasing used at the conclusion of the financial statements, as it gives the incorrect impression that the statements are audited. It was agreed last year that this phrasing should not be used.
- Several members had questions about part 2 of the Treasurer's Report. There was a discussion about what some members saw as "editorializing" and the inappropriate expression of opinions about the financial viability of the proposed redevelopment of the club.

Moved by Gill Turnbull, seconded by Erling Armson, that 5.2 *Expansion Project and Risk: Outlook for 2016 and Beyond* be removed from the Treasurer's Report. Carried.

Moved by Eric Davies, seconded by Lars Thompson, that the Treasurer's Report be approved.

#### **4. Election of Auditors**

Taco recommended **Wilkinson & Company LLP** be re-appointed to audit our financial records. A member suggested that the auditor's report should be available at the AGM. Paula responded that it has been suggested that the books be closed at the end of August to allow the auditor to begin work earlier and thus complete the audit in time for a mid-October AGM. Most club transactions are completed by August-end; a second smaller submission would be made to the auditor with the September figures and the two submissions merged for their final report.

#### **5. President's Report**

Paula Loh gave the President's report.

- A question arising from the report was about whether there would be a presentation to the members in November about the proposed redevelopment of the club.
- Paula responded that this meeting will take place, but only after all the cost estimates are received so that the members can make a decision on the redevelopment project knowing the complete cost.
- The club's by-laws also came up for discussion by several members. Paula in her report mentioned she had approached a clinic at Queen's Law School that she understood would help clubs like ours to write by-laws.

#### **6. Motion by Lars Thompson and Jim Martin**

- Two members, Lars Thompson and Jim Martin, had asked that the following motion be added to the agenda: "That all positions on the KTC executive be open for further nominations at the AGM."
- After some discussion, the motion was withdrawn with the understanding that the executive would take the intent of the motion into account when the by-laws are rewritten.

#### **7. Elections**

Paula Loh was elected President.

David Stocks was elected Vice-President.

Tom Thayer was elected Treasurer.

#### **Members-at-Large elected:**

Ginette Blais

Doug Bowie

Rick Donaldson

Flame Eadie

Sam Faris

Lynne Hanson

Isabelle Pollock

Jocelyn Purdie

Lars Thompson thanked the outgoing executive for all the work they did on behalf of the membership.

Moved by John Sylvester, seconded by Lars Thompson, that the ballots be destroyed immediately after the meeting. Carried.

**8. Awards Presentations** - postponed due to delays in the delivery of the shirts

## **9. Other Business**

A committee has been struck to respond to a member's concerns about court usage. The membership will be informed of the outcome.

Other court usage concerns expressed at the meeting:

- The club should try to avoid bumping members from courts they've booked to allow for last-minute lessons
- When players among groups larger than four rotate on and off the court to play doubles, those not playing should await their turn well away from other courts.
- Some courts in the Toronto area have one-hour booking for singles and 1.5 hours for doubles, which frees up playing time.

## **10. Adjournment**

George Clark moved adjournment at 10:00pm. Carried.

Refreshments were available at the conclusion of the meeting.

# Minutes of the Special Membership Meeting

Sunday, November 22, 2015, 3:00-5:00pm

Memorial Hall, Kingston City Hall

## 1. Call to Order: 3:03 p.m. Bill Cannon, Chair

**Introductions:** Paula Loh, Eric Davies, Mike Preston, Tom Thayer, Lynne Hanson

## 2. Motion to approve holding the membership meeting with less than 20 days' notice:

Paula moved Tom Thayer seconded, carried unanimously

## 3. Presentation of Capital Project:

### a) Paula Loh

- A question from floor was whether members could propose an amended motion. The answer was no, only friendly amendments would be permitted, nothing substantive.
- Members were advised of the electronic vote, to be explained at the end of the meeting.
- The history of club and a film were discussed prior to addressing the needs of the club going forward. There was a meeting 3 years ago, with a motion passed to relocate the clubhouse, and demolish the old clubhouse. There have been many problems with the old clubhouse – it is a deteriorating wood structure, with old wiring, it is inaccessible, not up to code, and has had a leaky roof and rotten deck in the past. There are holes in the ceiling of the men's room, a mouse problem in the kitchen, and no insulation, so it is cold in spring and fall.
- The options looked at by Capital Project Committee were then reviewed – renovating the old clubhouse, considering the size, location, layout of a new clubhouse, choosing a designer, and further considering aesthetic appearance, cost and financial risk. An environmental assessment was done this past week in anticipation of demolition; we have paint with lead, arsenic, and some asbestos. Finally, renovating the old clubhouse would also be quite costly, but without similar benefits of a new clubhouse. We need to renovate for employees, and to foster a younger generation of tennis players.
- We now have zoning approval to build 20 feet closer to Napier Street, which will allow us to widen Courts 2 and 3 and make room for the new clubhouse. There would be 2000 square feet on each of the ground floor and main floor, and the stewards would now be on the ground floor, visible as you enter and exit. We would also have a lounge, men's and women's change rooms each with two showers, and an accessible washroom and showers, all on the main floor. We will also have to put in an elevator for the second floor because of code requirements. On the second floor will be an all-purpose room, mainly for the summer camps. We can also use it for board meetings and social events. There will also be an administrative office where we can store documents, as they are currently in

various members' homes. There is a small kitchen upstairs, and a small lounge as well.

- Mike Preston was chosen by the Board as the designer for the project in May, 2014.

#### **b) Mike Preston**

- Mike Preston reviewed his experience (mostly residential), and showed some slides of his recent work, including the Ivy Lea Club in the Thousand Islands. He then showed multiple slides of the proposed project and reviewed various design features.
- Looking at the design for the new clubhouse, he noted that the shape is fairly boxy and rectangular to limit the footprint. The materials proposed are white wood siding guaranteed for 50 years, with stone at the base, a red metal roof and darker windows for contrast. There will be an electronic gate to one side to allow access to the courts when the clubhouse is closed.
- Mike started on this last November, and concluded in June of this year.

#### **c) Eric Davies**

- Eric Davies reviewed his familiarity with the club as a member over the past 30 years, and as a parent whose child attends tennis camp in summer. He is also a local builder and was consulted by Taco Meuter, Anees Karmally, and Doug Bowie to advise on the project. He joined the Executive two years ago and has served on the Capital Project Committee.
- Eric reviewed the budget for various soft costs (some already incurred), including an architectural survey, property survey, site plan, phase 1 environmental site assessment (looking for possible contaminants), designer fees, 3-d renderings, and accounting fees to obtain financing from Infrastructure Ontario (so that we can get locked-in low interest rates). Eric noted that his firm will pick up the cost of the civil engineer (working on the site plan), in the range of \$10,000 to \$15,000. There was also a cost to get the minor variance, which went over budget because of the City's recent issue of on-site parking. There will also be a tax to tap into the sewer system.
- On the hard costs, for the building itself, it should come in at around \$900,000 (the elevator should cost around \$50,000 - included in clubhouse construction cost), \$50,000 for furniture, \$50,000 for kitchen appliances, \$25,000 for landscaping. It all adds up to around \$1,076,000, including a 5% contingency fee.
- In addition to this, there will be costs for court lighting, moving fences and courts. These also went out to tender to three large companies, and they chose the least expensive of those quotes, which came in at \$190,000 firm. The demolition of the clubhouse should be about \$20,000, \$10,000 for electronic systems, and then a \$20,000 cost for repainting the courts.



- The grand total for the project is \$1,548,000.

**d) Tom Thayer**

- Tom reviewed the financing so that club members can answer the question, “Can we afford it?” We have \$183,616 on hand, \$101,865 in projected net cash inflows for 2016, and KTC may be eligible for up to \$150,000 in a Trillium grant. The loan will finance around 60-80% of the cost of the project. We would borrow from Infrastructure Ontario (IO), and IO feels very positively toward the whole project. IO loans to municipalities, colleges, universities, and sports facilities, all non-profit. They have very good rates and will commit to 25 year funding, currently at about 4%.
- In order to have sufficient cash flow to cover this loan, the KTC’s annual net cash inflows should be at least 140% of the annual loan servicing costs (i.e., 140% of the blended interest and principal repayments – just like a standard home mortgage).
- Tom explained his assumptions and various projections, analysing the numbers from a pessimistic, neutral and optimistic perspective. If we don’t get a Trillium Grant, then that is more problematic and will slow up the project. The risks are not getting the Trillium grant, higher construction costs, cash inflow decreases, or an increase in long term interest rates. His conclusion is that if we get a Trillium grant, then things look good to go ahead with the entire project - our cash inflow is very stable, and increases in interest rates are very unlikely.

**The following motion was put to the membership, to be voted on electronically over the next 7 days, moved by Paula Loh on behalf of the board, seconded by Eric Davies:**

*Proceed with the capital project as outlined in the presentation to the membership of November 22, 2015:*

- *New clubhouse*
- *Eighth court*
- *Widening and lighting of courts 2 and 3*

*All aspects of the project will be completed simultaneously if total funds allow, otherwise work will be done in stages as financially feasible.*

Chair Bill Cannon called for friendly amendments, none forthcoming.

**4. Paula explained the electronic voting procedure, and assured that votes are confidential.**

**5. Question Period**

- One question was whether the big increase in membership in the past few years is something that is likely to continue. Tom responded that we don’t know for sure, and

acknowledged that membership might drop if fees go up. We will be increasing our court capacity by 20% so that may help. Bud Nelson (former Membership Director) observed that we have done very little advertising over the past few years, and if we did so, we could probably increase membership substantially.

- One person observed that the demographics show an older membership with a decline in junior enrolments – is this something we should be worried about? Tom noted that revenues are actually going up as we can now have a higher camper to instructor ratio. Dave Stocks noted that the Court Usage Committee is going to look at court usage patterns (i.e., rate of play, doubles, singles, etc.) in connection with this issue.
- One member asked if we would consider changing the scale of the project, given concerns about cost. Paula answered that that is not desirable because the current project suits our needs, and the current proposal is not exorbitant.
- If you have to phase in the project, will that have an impact on the quotes for cost? Eric Davies replied that in his professional opinion, the cost should not go up because the different components were costed out separately, so there were no economies of scale in doing them together.
- Is the front door wide enough? Mike Preston replied that it is a double door with a 7 foot wide opening, which will be wheelchair accessible.
- Another member suggested that we have a few other options, following on the previous suggestion to have a scaled-down project, because there is a lot of risk and it may handicap us from doing other things in the future. Paula responded that the committees have considered these questions and set out what they consider to be the most viable option, especially in light of the deteriorating condition of the current clubhouse.
- One member asked whether we could have a forum on the website and extend the voting time for at least two weeks. There was no “buy in” from the Executive re this suggestion.
- One member asked whether we would need to double our staff. Paula responded that the stewards actually currently have a lot of free time on their hands (once the season is underway), and much of their work might be reduced by new on-line self-serve facilities.
- One commenter on the financial projections noted that the KTC does not actually have the full 20% down payment on the Project in the bank now, and asked whether or not we should use the whole property as collateral for the loan. What happens if the KTC defaults on this mortgage? Who is responsible – the Board, the members? The Finance Committee asked Infrastructure Ontario about this, and IO said that – with the precautions it takes prior to its loan approval - only one of its borrowers had ever defaulted, and IO reassured us that, if the KTC ever ran into trouble, IO would work with the KTC to ensure that we won’t default.

- One member asked whether a delay in beginning the project would be a problem in terms of club usage; Eric Davies replied that there may be some inconveniences to members, for example, closing a bit earlier in the fall and starting up later in the spring.
- One member asked about whether the property tax increase has been underestimated; Tom responded that he had spoken to MPAC, and the property will be assessed again in 2016, when there will be no new building on the property. For dates after the new clubhouse construction, Tom acknowledged that his figures could possibly be a little light, but noted that his projections for doubled property taxes over 5 years (from current \$8,000 to \$16,000 annually) would seem to make allowance for this.
- One member said that we should explicitly consider the possibility that we might lose the club, and Tom replied that this is always a possibility.
- One member indicated that we can tolerate some degree of risk and asked what is the best estimate for the project? The conclusion of the presenters is that this is a manageable and viable project.
- Another member thanked the members for all their work and observed that this is an important step in a legacy for the younger generation.
- One member asked about the additional elevator cost, and was told that it has already been included in the current cost estimates.
- One member asked about an indoor court and Paula replied that the Executive's mandate was confined to a new clubhouse, per the 2012 resolution by the membership, so they did not go beyond that.
- One member asked whether we are concerned about the City developing new courts, and if that will affect our membership. Paula and Chloe Wilson have been trying to meet with the City, but we do not have an inside track on those plans at this point. Eric observed that we offer our members different services and will appeal to a different demographic. There will be increased cleaning and maintenance costs, but this should be covered by higher membership fees. The member noted that we need a new clubhouse and the design is spectacular, but it might perhaps be good to slow down a bit. Paula responded that we can't really afford the delay timewise unless we want to put the project back another year.
- One member asked about whether we have a solution to the parking problem. The City rejected angle parking, but we are working on getting permits for next year. We will only have street parking (no on site parking is required), but the question is how much it will cost us. This will be negotiated over the winter, and it is an unknown right now.
- One member asked about the court lighting – if we don't remove the old lighting on Courts 4, 5 & 6, will that be a problem for the City, alongside the new lighting? Paula responded that we won't receive approval until the site plan application is submitted, but

the City's only concern is that the light is confined within the property. The member also asked whether we would have to have an elevator if we rebuilt the old clubhouse, and Mike responded that you might not have to have an elevator if it is just renovated, but if you tear down and rebuild, you would have to have an elevator.

- One member commented that it would be a real problem if the membership went up to 600, because it is difficult to get a court now, and it would be impossible with higher membership. We will also need more staff to run the new clubhouse, and we need to be more conservative in our financial projections. [There was no opportunity for a response as we had to vacate the meeting room.]

**6. Meeting Adjourned 5:27 p.m.**

# TREASURER'S REPORT – Tom Thayer

## FINANCIAL HIGHLIGHTS

Financially, 2015-16 was another good year: excess of revenue over expenditures increased by \$27,834 to \$117,427 (\$89,593 in 2014-15) and the cash balance plus short term investments at September 30, 2016 increased by \$100,000 to \$283,486 (\$183,392 at September 30, 2015).

### Revenue

**Membership revenue** increased by 6.7% to \$121,229 (113,555 in 2014-15) due mainly to a 10% fee increase. Membership numbers stayed strong at 524. The revenue would have been greater except for a large number of medical refunds (\$2,500). Also, sale of fall memberships was about \$1,000 lower than last year.

**Summer camp revenue** increased by 7.8% to \$79,774 (\$73,950 in 2014-15). The summer camps continue to be a major factor in the KTC finances as well as introducing more than 200 kids to tennis each year. The following chart shows this contribution:

	2015-16	2014-15	2013-14
Revenue	\$79,774	\$73,950	\$77,568
Wages*	35,400	30,033	24,700
Other expenses	6,379	9,646	8,083
HST		6,508	6,826
Net	\$37,995	\$27,763	\$37,959

\*includes vacation pay and employer's share of EI and CPP

**Other significant changes in revenue:** the large drop in **net lesson revenue** was to be expected with the departure of Christian Carere. That plus the fact that we had only one pro in August resulted in a \$5,000 decrease. Net lesson revenue averaged \$9,500 in 2013 and 2014 so this year's result is not too distant from that norm. **Clubhouse sales** were down overall by approximately \$2,000, however about \$1,000 was the result of an accounting change. The net of clubhouse sales over canteen expenses increased slightly in 2015-16. The **wage subsidy** under the KEYS program was discontinued in 2016. \$1,000 of 2015 **contributions** came from a one-time contribution.

### Expenses

2015-16 expenses were largely in line with the previous year. Significant changes:

**Recovery of HST paid:** this is a one-time recovery of HST paid on Summer Camp revenue going back to 2010. More on this below.

**Bank charges:** with the adoption of Jegysoft, a new online club software package, we were able to accept credit cards for a wide variety of payments. Almost 80% of our revenue in 2016 came via credit card. As a result, credit card charges increased by \$3,700 to \$4,600.

**HST expense:** the Club is not required to pay HST on camp fees. More on this below.

**Repairs and maintenance:** for several years, the Club put off many repairs and maintenance projects on the expectation that there would be a new facility in the near future. In 2016, 90% of the expenditures were on things that either had to be done or could be used in a future facility. Some money was spent to “spruce up” the facility (some parts were looking decidedly run down), and some areas, such as the deck and bleachers, were becoming a health hazard. During 2016, the Club spent \$3,200 on removing trees at the southeast end of the property. The tree roots were growing under court 4, lifting the surface. The removal had to be done at some point if we wanted to continue using court 4. \$2,000 was spent on furniture, umbrellas, and similar. Replacement of old items was long overdue and new items can be used in a new facility. The club also spent \$2,000 repairing things that were either a health hazard or necessary to continue normal operation of the club.

I can assure you that every single significant expenditure was discussed at length and agreed to by the Facilities Manager, Treasurer, and President. We believe that the spending on repairs and maintenance in 2016 was money well spent.

**Software:** the cost of Jegysoft and our new website was almost \$4,000. About \$2,200 of the amount is attributed to start up costs and unlikely to be repeated in ensuing years.

**Junior camp supplies:** in 2016 we went from providing five lunches a week to one lunch a week.

**Professional fees:** the increase is due to the cost of drawings for the original capital project.

## **NOTEWORTHY DEVELOPMENTS AND INITIATIVES**

During the year we focused on a number of measures to improve the Club's financial and administrative foundation. For the most part, these are details that may not be apparent to most members, but are important to a sound, continuing operation of the Club.

**Recovery of HST paid:** this winter, it came to our attention that HST may not be payable on camp revenues. We researched the matter and found specific reference to the exclusion in Canada Revenue Agency (CRA) materials. We discussed this with our auditors, the CRA, and people who were in the sales tax recovery field. All confirmed that our interpretation was correct. We then refiled quarterly HST tax returns going back to 2010 (the start date of HST). In

early September, 2016, the Club received a refund cheque of \$32,000. This has been a significant accomplishment and I have many people to thank for this success: first is Paula Loh, second is a friend who has been recovering taxes for Not For Profit Organizations (NPOs) for over 40 years; finally, the people at the CRA were extremely helpful.

**Adoption of Jegysoft:** most members are familiar with Jegysoft, our new online club software package. It was adopted in March. While there were some early problems, most were ironed out and the system worked quite well during the year.

The main financial impact of Jegysoft was that people could register and pay membership fees, camp fees, and other expenses by credit card through our website. About 80% of the Club's revenue came via credit cards. This was definitely a convenience for most people and may have had a positive impact on revenue. We also calculate that the Club saved approximately \$1,100 and a lot of volunteer time by not mailing spring literature to the membership. The downside of this is the credit card fee of approximately 2.5% amounting to \$4,700 in 2016. This cost is too high and the Club is taking steps to reduce this cost in 2017 by providing less expensive payment options.

In addition, Jegysoft's financial functions allow the Club to do a number of things such as inventory control, tracking of revenue, and low-level bookkeeping. This winter, we will be working with the designers of Jegysoft to make small changes and to better understand the potential of the software.

**Abuse policy and abuse insurance:** we sought independent advice on insurance coverage for instances of abuse. We were advised that 1) abuse coverage is difficult to get; 2) if it is offered, take it because the cost of defending yourself in an abuse case can be significant. The Club's policy regarding abuse & harassment was approved by the Board in June and insurance coverage was obtained later in the month. The Club's policy sends a clear message that the Club will not tolerate any form of abuse.

**Concerns over membership fee increases:** a few people expressed concern last year with regard to a planned 10% fee increase and that the higher fee level would have a significant negative effect on membership numbers. While fee levels are a concern to everyone, predictions of a major decrease in membership as a result of a 10% fee increase seemed extreme. We had no evidence one way or another, so we conducted a "Lost Member Survey" in which we asked people who had been members in 2014 but did not join in 2015, why they did not join. Most responses indicated that they did not join in 2015 because of injury, work/family pressures, relocating away from Kingston, and the like. No one mentioned fee levels or difficulty in getting courts as a reason for not joining. This finding was confirmed in a more sophisticated survey conducted in May. From this, we conclude that current fee levels are reasonable. The "Lost Member" survey will continue.

**Concern about the Club's not-for-profit status:** some have expressed concern about the Club's not-for-profit status, claiming that NPOs that consistently earn and accumulate profits significantly in excess of their needs are at risk of losing their not-for-profit status. This would mean that the Club would become liable for tax on its income.

We discussed this with our auditors and read relevant CRA guidelines. CRA document IT 496R sets out the rules in this area:

“...accumulating funds in excess of its current needs may affect the association's status as a tax exempt NPO. However, in certain cases when an association requires a time period in excess of the current and prior year to accumulate the funds needed to acquire a capital property that will be used to achieve its declared exempt activities, the association's tax-exempt status may not be affected..... In such a case, any funds accumulated for this purpose should be clearly identified and any transactions concerning a special project should be clearly set out in the associations accounting records. Provided the funds set out for a special project are used for that project, an associations tax-exempt status should not be affected.”

In December, 2015 we added a note to our financial statements indicating that excess funds are being held for a future capital project. In addition, Board minutes indicate that the Club is going through a process leading to a significant capital project that will require most of our savings and some debt. Conclusion: we feel there is very little risk of losing the Club's NPO status.

**Adopted administrative procedures** which are common practice in well-run organizations. These include board approval of all travel expenses; two signers for cheques over \$2,000; requirement that any reimbursement to the Treasurer must be approved by President (and vice versa); inventory control of items sold through the office (e.g. tennis balls, drinks); procedures to ensure that audited financial statements are available for the Annual General Meeting.

There are many opportunities to identify savings through a close examination of the way the Club conducts its affairs. These savings will allow us to make improvements such as purchase more sophisticated court cleaning and court drying equipment or by reducing the debt required on a capital project.

I will not be continuing on as Treasurer in 2016-17. I believe the Board functioned smoothly and effectively in 2015-16 and I would like to thank Board members for their help and support during the year. I would particularly like to acknowledge the three people I worked most closely with: Paula Loh, Rick Donaldson, and Jocelyn Purdie. The unseen volunteer hours put in by these people is absolutely staggering. It was a pleasure working with them. Also, I want to thank this year's stewards and pros; they were unfailingly cooperative and helpful throughout the year.

Finally, I want to thank my wife, Alma, who patiently put up with my preoccupation with the job as long as she could, then decided to do something about it: first she became a volunteer, then a super volunteer. Treasurers can be replaced, but super volunteers are hard to find.



**KINGSTON TENNIS CLUB  
FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2016**

**KINGSTON TENNIS CLUB  
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AS AT SEPTEMBER 30, 2016**

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Kingston Tennis Club

### Report on the Financial Statements

We have audited the accompanying financial statements of Kingston Tennis Club, which comprise the statement of financial position as at September 30, 2016 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kingston Tennis Club as at September 30, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

*Wilkinson & Company LLP*

KINGSTON, Canada  
October 20, 2016

Chartered Accountants  
Licensed Public Accountants

**KINGSTON TENNIS CLUB**  
**STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2016**

	2016	2015
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	183,486	183,392
Investments - Note 3	100,000	
Accounts receivable	1,500	1,800
Prepaid expenses	3,642	3,861
	288,628	189,053
<b>LONG-TERM</b>		
Tangible capital assets - Note 4	353,237	341,427
	641,865	530,480
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	3,533	5,540
Government remittances payable	1,564	5,599
	5,097	11,139
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	636,768	519,341
<b>APPROVED ON BEHALF OF THE BOARD</b>		
	Director, President	
	Director, Treasurer	
	641,865	530,480

The accompanying notes form an integral part of these financial statements

**KINGSTON TENNIS CLUB  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	2016	2015
	\$	\$
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>519,341</b>	429,748
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR</b>	<b>117,427</b>	89,593
<b>NET ASSETS - END OF YEAR</b>	<b>636,768</b>	519,341

The accompanying notes form an integral part of these financial statements

**KINGSTON TENNIS CLUB**  
**STATEMENT OF REVENUE AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	2016	2015
	\$	\$
<b>REVENUE</b>		
Membership fees	121,229	113,555
Lessons	7,609	12,654
Junior Camp	79,774	73,950
Guest Fees	3,023	3,248
Clubhouse sales	2,426	4,243
Other contributions	1,603	2,801
Social and tournaments	3,653	3,922
Interest	1,066	1,281
Parking Revenue	2,850	
Wage subsidy		1,800
	<b>223,233</b>	<b>217,454</b>
<b>EXPENDITURES</b>		
Advertising	545	1,855
Amortization	2,763	2,939
Bank charges	6,097	1,957
Canteen	1,395	3,919
HST expense	12,289	18,652
Insurance	2,264	2,334
Junior camp supplies	6,379	9,646
Office	1,938	2,453
OTA fees	1,545	1,545
Parking expense	2,554	
Professional Fees	5,180	2,944
Property taxes	9,716	8,961
Recovery of HST Paid	(32,097)	
Repairs and maintenance	11,418	5,119
Social and tournaments	3,454	3,461
Software expense	4,521	
Transportation	223	490
Utilities and communication	4,050	4,040
Wages	61,572	57,546
	<b>105,806</b>	<b>127,861</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR</b>	<b>117,427</b>	<b>89,593</b>

The accompanying notes form an integral part of these financial statements

**KINGSTON TENNIS CLUB  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures for year	117,427	89,593
Adjustment for items which do not affect cash		
Amortization of equipment	2,763	2,939
Net change in non-cash working capital balances related to operations - Note 6	(5,523)	1,531
<b>CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES</b>	<b>114,667</b>	<b>94,063</b>
<b>INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of tangible capital assets	(14,573)	(25,385)
Purchase of investments	(100,000)	
<b>CASH FLOWS USED IN INVESTING AND FINANCING ACTIVITIES</b>	<b>(114,573)</b>	<b>(25,385)</b>
<b>INCREASE IN CASH AND EQUIVALENTS FOR YEAR</b>	<b>94</b>	<b>68,678</b>
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<b>183,392</b>	<b>114,714</b>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b>183,486</b>	<b>183,392</b>
<b>REPRESENTED BY:</b>		
Cash	183,486	183,392

The accompanying notes form an integral part of these financial statements

**KINGSTON TENNIS CLUB  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**1. NATURE OF OPERATION**

The Kingston Tennis Club is incorporated without share capital under the *Ontario Business Corporations Act*. Its principal activities are to foster, develop and promote the game of tennis in Kingston, Ontario.

**2. ACCOUNTING POLICIES**

Outlined below are those accounting policies adopted by the corporation considered to be particularly significant:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**(b) Accounting Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable. Actual results could differ from those estimates.

**(c) Tangible Capital Assets**

The tangible capital assets are stated at acquisition cost. Gains and losses on the disposal of individual assets are recognized in earnings in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rate set out below:

<b>Asset</b>	<b>Basis</b>	<b>Rate</b>
Buildings	Declining balance	4%
Equipment	Declining balance	20%
Computer Equipment	Declining balance	55%
Fence	Declining balance	10%
Courts	Declining balance	8%

**(d) Revenue Recognition**

Membership, subsidies, lessons, camp, social and tournament fees and parking revenue are recorded as revenue in the period to which the services relate. Clubhouse sales, guest fees, other contributions, interest and other income are recorded as revenue when earned.



**KINGSTON TENNIS CLUB  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**3. SHORT-TERM INVESTMENTS**

Short-term investments have been recorded at fair market value at September 30, 2016.

	<b>2016</b>
	<b>\$</b>
1% GIC maturing September 21, 2017	<b>100,000</b>
	<b>100,000</b>

**4. TANGIBLE CAPITAL ASSETS**

	2016		2015	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land	283,910		283,910	
Building	90,658	41,048	76,085	40,820
Equipment	2,856	1,632	2,856	1,326
Computer equipment	1,906	1,475	1,906	949
Fence	9,316	3,828	9,316	3,219
Courts	19,039	6,465	19,039	5,371
	<b>407,685</b>	<b>54,448</b>	393,112	51,685
Cost less accumulated amortization	<b>\$ 353,237</b>		\$ 341,427	

**5. FUND ACCUMULATION**

The Kingston Tennis Club, at a special general meeting on November 14, 2012, approved the resolution: "Demolish the existing clubhouse structure in order to construct an additional tennis court between Court 1 and Court 7; the new clubhouse is to be built within the space currently occupied by the front lawn adjacent to Court 3." To that end the Club has been accumulating funds in excess of normal operating needs to contribute towards the planning and construction phases of the capital project. After consideration of the costs and risk associated with the original resolution, and a vote by the membership in November 2015, the Board approved the construction of a smaller clubhouse than initially proposed, along with court improvements and lighting. Construction is expected to begin in the fall of 2017 depending on funding received.

**KINGSTON TENNIS CLUB  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**6. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS**

Cash provided from (used in) non-cash working capital is compiled as follows:

	2016 \$	2015 \$
<b>(INCREASE) DECREASE IN CURRENT ASSETS</b>		
Accounts receivable	300	342
Prepaid expenses	219	(155)
	<hr/> 519	<hr/> 187
<b>INCREASE (DECREASE) IN CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	(2,007)	(460)
Government remittances payable	(4,035)	1,804
	<hr/> (6,042)	<hr/> 1,344
<b>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>	<hr/> <b>(5,523)</b>	<hr/> <b>1,531</b>

**KINGSTON TENNIS CLUB  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**7. FINANCIAL INSTRUMENTS**

The fair value of the corporation's cash, assessments receivable and accounts payable and accrued liabilities approximate their carrying amounts due to the immediate and short term nature of these financial instruments.

The corporation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk. The risks that arise from transacting financial instruments are as follows:

**(a) Liquidity Risk:**

Liquidity risk is the risk that the corporation will not be able to meet all cash outflow obligations as they come due. The corporation's exposure to liquidity risk is dependent on the receipt of funds from its operations.

**(b) Credit Risk:**

Credit risk is the risk of financial loss to the corporation if a debtor fails to make payments when due. The corporation is exposed to this risk, however it has practices in place to ensure collectibility of outstanding accounts receivable.

**8. CAPITAL DISCLOSURE**

The corporation's objectives with respect to capital management are to maintain a minimum capital base that allows the corporation to continue with and execute its overall purpose as outlined in Note 1. The corporation's Board of Directors performs periodic reviews of the corporation's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the corporation.

## **PRESIDENT'S REPORT – Paula Loh**

### **OVERVIEW OF THE 2016 SEASON**

We had a productive board of directors this past year, with much energy and enthusiasm contributed by the blend of new and returning board members. Discussions reflected our different views, but we were able to obtain consensus on all matters brought before the board and the atmosphere was collegial, with all members abiding by the decisions of the group.

Members of the volunteer board manage the club's operations, in addition to overseeing policy decisions. The winter months are especially busy for board members, as we evaluate the past season and prepare for the upcoming season and beyond. As we grow both in membership size and the breadth of our programming, our members are increasingly demanding a higher level of professionalism from our club and its seasonal employees. This past year saw major changes at our club as we sought out information via surveys, compiled a manual for the stewards, adopted online technology for registrations and financial transactions, and overhauled the club's website, to name but a few items. The board is exploring the hiring of a part-time club manager who would provide continuity and expertise in the operation of the club.

Tom Thayer conducted an informal survey of members ("**Lost Members Survey**") from 2014 who did not renew their membership in 2015, in an effort to determine the reasons why each year 25-30% of the membership does not rejoin. There were 162 members in 2015 who did not rejoin; 53 of them had been members for only one year. We learned that most people did not renew due to personal circumstances: medical issues, relocation, and family demands. To our knowledge, this is the first time that such a survey has been done and we would like to enhance it and conduct it on an annual basis.

Valuable information was also gained from other clubs. To help with evaluating the structure of our junior tennis camps, I checked the websites of several other clubs to learn about their formats. One of them did not list **HST** as part of their junior camp fees and I enquired further, to learn that we, like them, were exempt from remitting HST on camps. Tom followed up with the Canada Revenue Agency and we received a refund of \$32,000 for past camp remittances made in error since 2010. Future savings will be approximately \$7,200 a year on the HST that the club will no longer remit for the junior camps.

The question has come up over the years as to whether the club would qualify for **charitable status** and would it be worthwhile to apply for it. We obtained an Opinion Letter from the Queen's Business Law Clinic on a complimentary basis which explains that the club has to demonstrate that its activities are open to everybody and that there is a public benefit to the organization. We would also have to show that all our resources go towards the charitable purpose. The major benefit to obtaining charitable status would be the ability to issue tax receipts for donations to the capital project. There are obligations associated with being a charity, however, and the failure to meet these obligations could result in revocation, the loss of charitable status. At that stage, all property must be transferred to an eligible donee or be subject to a revocation tax equal to the property's full value. There are hurdles for the club to overcome

to qualify for charitable status, such as providing programs to make the club accessible to people of all income levels. Even if we did qualify, we believe that the benefits are far outweighed by the risk that the club's property could be forfeited, and recommend that charitable status is not pursued.

In the Fall of 2015, we evaluated a Canadian **online software package** written specifically for tennis clubs, Jegysoft, that had been recommended by an Ottawa club. The company's director is a tennis player and his home club in Toronto subscribes to the software, along with several other clubs and Tennis Canada. February and March were extremely busy months as we tested and troubleshooted the many modules of the new online software package, as each module went live. In March, we launched online registration for membership and junior camps, followed by group lesson registration, court bookings, and ladder signups. Thanks go to Flame Eadie for calmly communicating with and assisting members and camp registrants during this stressful time.

We gave up some of the features of our former online court booking service, but gained efficiencies in the booking and monitoring of group lessons, camp registrations, member registration, and the financial interface. The flexibility of the online software gave us the opportunity to include registration fields specific to our club, such as "tell us about your tennis background" and encouraging volunteerism. Jegysoft provides us with an economical software package which can be customized, but at a cost. We will be providing a list of programming "must haves" and "nice to haves" to them for a quote this Fall, and then proceeding with some further customization to the modules.

We launched our new **website** to align with the opening of online registration on March 15. Planning for this began in late Fall, starting with the assessment of the look and feel of other websites to determine what layout would work best for our club, and then simplifying it to fit our limited budget. Kurt Carter provided his technical expertise at a much-reduced cost to help us make the new website a reality. In addition to facilitating online registration, the KTC website now contains a password-protected page with links to minutes of board meetings, minutes and reports for membership meetings, and the OTA's Annual Reports (accessed via Our Club/Board of Directors). The website also contains links to KTC newsletters dating back to 1975 (accessed via Events/Newsletters).

We had over 60 members come out to help during **Spring Cleanup Day** on April 16. Member enthusiasm continued, as Alma Thayer embarked on several projects to spruce up the old clubhouse, engaging many volunteers to assist her over several weeks. The "new" look was greatly appreciated by staff and members – thank you, Alma, for your passionate contribution.

Our season officially began on Saturday, April 30. Our **Junior Open House** was held that day, attracting 120 attendees. The Open House was jointly promoted with the City as part of *Kingston Gets Active Month*, the third year that we have done so. Fourteen volunteers, coordinated by Chloe Wilson, and our camp director provided guidance on court and helped with the BBQ. David Lea, Community Development Manager with the Ontario Tennis Association (OTA), contributed his enthusiasm and experience in making the day a great success. A photograph and writeup of the event was featured in the May 6 edition of the OTA's online newsletter, 'SPIN'.

Our **Adult Open House** took place one week later on Saturday, May 7. There were approximately 40 attendees, including members of the newly-formed **New Member Outreach Committee**. Thanks go to Normand Lalonde for raising this suggestion last year and to Alma Thayer for coordinating it. Nine returning KTC members were matched up with two or three new members as ‘buddies’ to help orient them to the club. Personal Note: I had a no-show for a game in May - the enthusiastic potential new member was from Kingston ... Pennsylvania ... and had not realized we were located in Ontario until 30 minutes prior to the scheduled court time.

Our club hosted the local and regional **high school tennis** competitions, KASSAA and EOSSAA, in May. The schools appreciate our support, as few clubs are able to host this type of event. The local tournament had a record attendance of 162 teenagers - the next generation of tennis players. Asia Zolnierczyk, a former steward and current member, was teaching at Holy Cross High School and started up a tennis team at the school. In early spring, the 26 members of the team shared six public courts with the Bayridge SS team, practicing for a few weeks without nets. Most of their team members were new to tennis and some did not have their own racquets, with one person arriving at practice carrying a wooden racquet.

We hosted a tournament in June between six members of the **Royal Artillery Tennis Team** and seven KTC members. KTC members Ralph Holah and Ed Frost-Kell are former members of the British Army and arranged for the team that was touring Canada this summer to include a match at our club as part of their itinerary. Spirits were high for the friendly matches, and the KTC emerged victorious.

Our Social Director, Ginette Blais, efficiently coordinated the first two **tennis socials** of the season. They featured product demos, first by our local store, Racquet Science, and then by the Toronto store, The Merchant of Tennis. She requested that attendees consider bringing a non-perishable food item donation to pay it forward during our socials by helping the less fortunate in our community. Ginette relinquished her social duties in June after she broke her ankle, and Alma Thayer stepped in to organize the BBQs for the Mixed Doubles and Doubles tournaments. Lorna Sim then assumed the social coordinator duties and provided us with delicious meals for the remaining Singles tournament and the August tennis social.

**Lessons** were taught this year by Isaac Jones, Club Pro, and Emile Flavin, Assistant Pro. They are both university students from the Kingston area and gained experience as camp instructors with the KTC. They were enthusiastic proponents of the game and often taught group lessons as a team with high energy levels.

Clare Webb returned as our Camp Director and began the season by offering Try/Learn/Play one-hour sessions, assisted by new camp instructor Kiko Kellway, to many classes from the local grade schools. We restructured the **tennis camps** this year to discontinue providing daily lunches for full-day campers, instead providing a pizza lunch for all campers on the Friday of each weekly session. This change reduced the workload of the instructors over lunch time and also reduced the cost of the camp sessions, allowing us to maintain the price of full-day sessions at last year’s rates. We also conducted an online **camp survey** that was distributed to parents the week following each camp session. 108 parents responded out of a possible 229, a response rate of 47.2%. Feedback was favourable, with many parents looking forward to sending their child to

camp again next year. There were many suggestions for water activities, especially given the hot summer that we experienced this year.

## **ON STREET PARKING**

Discussions with City managers to negotiate a long-term parking solution began in December, 2015. On March 22, 2016, a Report to Council recommended that “the City of Kingston enter into a license agreement with the Kingston Tennis Club, which will allow the Club to issue its own permits to its members, which exempt them from the parking restrictions while on-site playing tennis or participating in Club activities, in accordance with the conditions identified in the body of this report.” The recommendation was voted on and approved by Council that evening. The cost of the license was \$2,000 in 2016 and will increase by 3% each year. Following council approval, we placed an order for the printing of parking permits and began issuing them to members in mid-April at a cost of \$25 per permit for the season. Our objective is to breakeven on the costs of the parking permits each year. We sold 114 permits in 2016; parking revenue was \$2,850 and expenses were approximately \$2,600.

## **CAPITAL PROJECT**

Interest and attendance was high at the AGM of October, 2015, with 74 members present. The new board then worked towards holding a Special Meeting last November to present the design and costs of the proposed capital project, a project that had been worked on extensively for the past three years following membership approval at a Special Meeting in 2012. We had anticipated a large turnout by the membership for this important milestone and reserved an equally important meeting room to accommodate the numbers, Memorial Hall at City Hall, but only 65-75 members attended.

The design and costs for a two storey 4,000-square-foot clubhouse, along with plans to build an 8<sup>th</sup> court and install lights on Courts 2 & 3 was presented, followed by a Q & A session, then seven days of online voting. During the voting, some members began email chains and information was spread that could not be addressed by email. The vote passed to approve the project by a slim margin. Comments had not been solicited as part of the voting process, but many people did include comments. Many people who had voted “no” indicated their support of the project if the new clubhouse was smaller and the overall project cost was lower than that presented. The board decided to delay implementation and to explore options that included a smaller clubhouse and a project with less debt than that proposed, in addition to soliciting further member feedback in the form of a survey.

### **Membership Survey**

A survey of the 2015 membership was completed by 241 members in May, representing a 54.4% response rate. When asked to rate the attributes of a tennis club, the highest priority was court quality and maintenance. When asked to rate the importance of various capital projects, adding lights to Courts 2 & 3, building a new clubhouse, and constructing an 8<sup>th</sup> court all ranked high. The existing location of the club was repeatedly noted as being extremely important to the

membership. The responses for each survey question were posted in June on the club's website and on the notice board at the clubhouse (where they remain as of this date), and comments were invited from the membership. Some informal enquiries occurred on the courts, and one written comment was received in mid-September.

### **Indoor Tennis & The City of Kingston**

A meeting was held with City managers Neal Unsworth (Director of Parks) and Luke Follwell (Director of Recreation & Leisure) in May to discuss options to partner with the City on a future indoor tennis facility. They indicated that the City will be updating its Recreation & Leisure Master Plan in 2017, a plan which seeks to balance the services provided for sports with the demand and cost. ie. assessing the public benefit vs. the taxpayer burden. The previous Master Plan of 2009 generated 60 activities for consideration, with the Top 12 receiving attention. Tennis is one of the Top 12 activities in Kingston, and is estimated to be in the 4<sup>th</sup> or 5<sup>th</sup> position. They noted that tennis trends in Canada have been stable over the past 40 years; there have been some fluctuations, but overall the trend is healthy and tennis contains much potential for continued growth. Should the City receive clear directions from the 2017 Master Plan with regard to tennis, it would still take several years (at least five to six years) before any long-term solution would be implemented by the City.

According to City demographics, there is the potential for 7-8,000 tennis players in Kingston when the public courts are in good condition. The level of people playing tennis in Kingston needs to rise to its maximum level in order to sustain indoor tennis. This would then be implemented in stages, with the 1<sup>st</sup> stage being the bubbling of courts, and the 2<sup>nd</sup> stage being a permanent structure. If the City enters a partnership for an indoor facility, there would have to be open times available for the community. "Convertible space" is the dominant model for most public-private agreements. For example, John Machin Park in Kingston's east end has a soccer field with artificial turf and a bathroom facility. It was built with a paved curb around the perimeter which enables it to support a bubble in the future, should the need arise.

### **Discussion of Project Options by the Board**

In June, the board discussed the following capital project options, with consideration given to our level of savings and potential level of debt, in conjunction with membership survey results:

- A) Do nothing. Maintain & repair clubhouse and courts as needed.
- B) Repair & renovate existing clubhouse. This ranges from minor work to full-scale gutting & modernization of the interior.
- C) Build a new clubhouse on Napier Street, smaller than that proposed in 2015
- D) Relocate the club to a 'greenfield' site and sell the Napier Street location

Conclusions:

A) Doing nothing is a poor option, given the substandard building condition (wiring, plumbing, uninsulated, structure not up to code, landlocked location on property). The survey showed that many members believe the current clubhouse facilities to be poor.



B) There was some survey support for a renovated clubhouse. We asked a respected local builder to tour the clubhouse and to provide an educated opinion on the feasibility of renovating. It could be renovated, however the cost of complete gutting and renovation could easily cost close to \$450,000. We would also lose the opportunity to construct an 8<sup>th</sup> court, expand the deck area, and locate the clubhouse in a central location on the property with the option to further expand in the future (having the clubhouse serve as the club entrance enables controlled access and substantially greater opportunities for interaction between the stewards and members). Option B was deemed undesirable based on cost, value for money, entrenching the existing operational limitations, and membership survey results.

C) There was survey support to build a modest clubhouse, along with the construction of an 8<sup>th</sup> court. We would need to work with the designer to determine the minimum square footage that could still meet the club's needs, preferably one storey in order to avoid the expense of installing an elevator. A second storey could be constructed in the future, if/when the need arises.

D) The option to relocate the club received limited support in the survey, and a high number of respondents value the existing club location. A lot of effort is required to both investigate and implement this option; members who would like to pursue this option are welcome to do so.

### **Ontario150 Capital Grant**

We received notice in July that the club was eligible to apply for an Ontario150 capital grant, worth up to \$250,000 towards infrastructure upgrades. If awarded, work must be completed by March 31, 2018. Eligible work may be done concurrently with other work as part of a larger initiative. This opportunity to potentially fund a large amount of court improvements aligns with the high priority that court quality was assigned in the membership survey. The board decided to apply for the grant and to move forward with a capital project that includes building a new clubhouse adjacent to Napier Street that is smaller than the 2015 proposed clubhouse, construct an 8<sup>th</sup> court, and proceed with court improvements and lighting.

The Ontario150 grant application was submitted on September 14, with processing projected to be completed in December. Infrastructure work covered by the application: removing concrete slabs from three courts (Courts 1, 2 & 3) and rebuilding four courts (Courts 1, 2, 3 & 7); installing lights on Courts 2 & 3; replacing fencing.

### **VOLUNTEERISM**

Many people volunteered in a variety of ways during this past season to help the club operate efficiently. Many more are needed on an ongoing basis — please submit your name if you would like to be contacted to lend a hand as needed.

The KTC board of directors is comprised of volunteers who work tirelessly year-round to ensure the club operates efficiently. In addition to overseeing board policy and procedures, board

members perform an extensive range of operational and management tasks in lieu of a club manager.

The following KTC members & friends also donated their time this season in a variety of ways to make our club a better place:

### **Junior Activities**

#### Junior Open House

Chloe Wilson (Coordinator)  
Alex Drover  
Lucas Eckert  
Geoff Hodges  
Arsalan Ijaz  
Cathy Jarvis  
Jack Lott  
John Lott  
John Sylvester  
Alma Thayer  
Claire Tremblay  
Cole Vezina  
Gary Wilson

#### Try/Learn/Play

Kiko Kellway

#### Junior Camps

Katie Drover  
Euan Hughes  
Rishi Laird  
Ben Lienhard  
Reimy Mulligan  
Tristan O'Brien  
Max Stone  
Josh Vollebregt

#### Junior Tournament

Emile Flavin

### **Other Club Activities**

#### New Member Outreach

Alma Thayer (Coordinator)  
Susan Amari  
Viki Andrevska  
Nancy Druick  
Flame Eadie  
Len Guttenberger  
Normand Lalonde  
Jim Martin  
Mary Ann McColl  
Mariana Silva

#### Clubhouse Cleanup

Alma Thayer (Coordinator)  
Ginette Blais  
Rick Donaldson  
Tom Thayer  
Clare Webb

### Other

Erling Alstrup – grounds maintenance  
Peta Bailey – social events  
Mike Bartlett – painting  
Doug Bowie – grounds maintenance  
Bill Cannon – Chair of AGM & Special Meeting  
Sunil Chaudhry – canteen supplies; painting; social events  
Kristin Côté – vote tabulation for Special Meeting  
Maggie Daicar – donation of two picnic tables and coffee table  
Elaine Davies – donation of outdoor bench for deck  
Alec Donaldson – bleacher reconstruction  
Sam Faris – Adult Open House court activities  
Emile Flavin – Adult Open House court activities  
Lynne Hanson - vote tabulation for Special Meeting  
Gord Hunter – social events  
Isaac Jones – Adult Open House court activities  
Violeta Jost – social events  
Anees Karmally – social events  
Karl Montgomery – painting  
Darwin Muir – painting  
Bud Nelson – vote tabulation for Special Meeting; Court Usage Committee member  
Isabelle Pollock – outdoor furniture repainting  
Alexei Poustovetov – social events  
Ron Quon – painting; court powerwashing; social events  
Mark Ready – social events  
Mariana Silva – social events  
Lorna Sim – painting; social events coordinator  
Dave Stocks – recycling  
John Sylvester – staffing our booth at Spring Leisure Show; Court Usage Committee member  
Alma Thayer – clubhouse painting coordinator; social events coordinator; flower beds & planters; steward job description & reference manual  
Tom Thayer – painting; court powerwashing  
Heidi Traulsen – Governance Committee member  
Chloe Wilson – staffing our booth at Spring Leisure Show

*Sincere apologies go to anyone whom we may have overlooked when compiling this list.*

We also thank the many people – over 60 of you - who came out to lend a hand during our Spring cleanup day! The first round of scraping & painting of the deck area was done that morning, along with raking, pruning, sweeping, cleaning, and putting up windscreens.

## **GOVERNANCE REPORT – Jocelyn Purdie**

As a Board Member-at-large and chair of the governance committee my task this year was to form a committee that would review every aspect of the current KTC by-law that was enacted in 2012 and make recommendations for revisions. This is to ensure it meets the needs of the club going forward, follows best practices for non-profit membership driven organizations such as the KTC, and complies with the rules and regulations in the Corporations Act (CA) and the upcoming Ontario Not-for-Profit Corporations Act (ONCA).

### **TERMS OF REFERENCE**

- Seek legal advice to review and advise on compliance and best practices
- Form a committee with board and voting members to review the current by-law
- Submit by-law for review by legal advisors
- Submit amended by-law to the board for discussion and voting
- Submit approved by-law to the membership for discussion and voting

### **REPORT**

In November 2015 we contacted the Queen’s Business Law Clinic and contracted them to review drafts of the amended by-law and advise us on compliance and best practices issues.

The first phase in our review was to submit the current KTC by-law to the QBLC to revise the language and content as necessary so that it complied with the Corporations Act (1990). It was submitted in late November but due to holiday closures and staff changes we did not receive the draft revision until mid-March, 2016.

The Governance Committee was formed in December 2015 following a call to the membership for interested participants. The committee included Jocelyn Purdie, Chair (Board Member-at-Large), Heidi Traulsen (Voting Club Member), Paula Loh (President), Ginette Blais (Board Member-at-Large, who resigned due to injury) and Tom Thayer (Treasurer, replacing Ginette Blais). We held our first meeting in March followed by several meetings between April and June. Heidi Traulsen resigned from the Governance Committee on June 10th due to personal commitments. The final draft of the amended by-law was submitted to the QBLC on June 28th. I would like to thank all committee members for their contributions. The committee used the following resources to make their recommended amendments to the by-law:

- The amended draft from the QBLC
- The Corporations Act (1990) and the pending Ontario Not-for-Profit Corporations Act (2010) draft by-law
- Community Legal Education Ontario (CLEO) on-line resources. CLEO is the organization recommended by the Government of Ontario website as a resource. They provide detailed information for writing new by-laws and revising current ones.
- Several by-law documents from other clubs in Ontario including: Lawrence Park Tennis Club, Aldershot Tennis Club, Amberlea Tennis Club, Kew Gardens Tennis Club,

Elmdale Tennis Club, Kingston Yacht Club, Kingston Lawn Bowling Club, Kingston Curling Club, Kingston Women's Soccer League.

- The by-law template for non-profit organizations provided by Peter Tobias (Corporate lawyer, Tobias, Viner, Kennedy).

From March to June, the committee reviewed each section of the current by-law and made recommendations for amendments. In late June a revised draft was sent to the QBLC. This has been a long process and there have been several delays due to the nature of how the QBLC operates as well as staff changes over the course of the last 10 months.

## **NEXT STEPS**

Once we receive a response from the QBLC the amended by-law will be presented to the KTC Board to approve or further amend the draft. The amended by-law will then be made available to the membership to discuss and vote on at either a Special Meeting of the members or next year's AGM. It is important to note that according to the Corporations Act, amendment to the by-law may be approved by resolution of the board and if approved will be in effect until it is approved or rejected at the subsequent AGM.

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## **COURT USAGE COMMITTEE REPORT – David Stocks**

A committee of KTC members was established in the fall of 2015 to look into issues related to court usage and availability (CUC). The members were Bud Nelson, John Sylvester, and David Stocks. The CUC felt the following are the key pressure points and makes the recommendations in bold.

### **1. Membership numbers**

KTC is fortunate to have a large and keen membership base. The past 5 years has seen a 17.5% increase in membership year to year, but a 28% increase in May to May membership. Although we lose up to one third of the membership year to year we seem to be attracting more active players. This means members are joining earlier and probably playing more especially in the May-June period. Participation in the ladders, drop in doubles and leagues has all increased over the last number of years.

- **Limiting membership is an option to this issue but we do not recommend it at this time.**

### **2. Tennis camps**

KTC runs a very successful summer camp program. Although there are issues with the camps that need to be addressed by the board they do not involve the CUC. The number of campers has increased in the past few years but overall court usage has not. The camps have not put any new pressures on court usage.

### 3. Booking Online

KTC's online booking system has improved court bookings for members but we feel needs to be better monitored for walk-on, no shows, group bookings, leagues and drop in doubles.

- **Drop-in doubles needs to be monitored, as are ladders, leagues and group bookings, and member names taken and used as a booking.**
- **No-shows need to be better monitored and policed.**
- **Walk-on policy needs to be republished.**
- **All reserved usage of a court by a member needs to be counted as play towards weekly maximums.**

### 4. Tennis instructors

This past summer we had two full time teaching professionals. This was a unique situation. There were times when both pros were teaching and other activities also used courts.

- **Pros should be limited to one teaching court during peak usage times.**

### 5. Good neighbour policy on courts 1 and 7

Courts 1 and 7 have not been available to book prior to 8:30 am. This has limited the number of courts that can be used for doubles prior to the 11:30 am start of the summer camps increased court usage (i.e. 2 hour bookings). It is also not consistent with other courts' proximity to neighbours (i.e. court 6).

- **All courts can be booked from 7:30am.**

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## INFRASTRUCTURE & MAINTENANCE REPORT – Rick Donaldson

Nets were put up in mid-March and the utilities were hooked back up for the season, and the washrooms/change rooms were opened. It has been a busy year for maintenance and clubhouse upkeep. The clubhouse was purged of all the worn out furniture and clutter that had accumulated over the years and had become comfortable homes for mice, then was thoroughly cleaned. High-quality second-hand sectional seating was purchased. The kitchen tap was replaced.

Outside, we had a lot of tree trimming done to remove problems affecting court 4. We had five broken windows in the clubhouse repaired. The main bleacher was in terrible shape and was extensively repaired, with rotten wood replaced for the seating sections. New flower beds were dug and planted. Five new sun umbrellas were purchased. Both decks and railings were repaired and repainted. The metal tables and chairs on the deck were also repainted. We purchased 40 second-hand wooden chairs for junior camp use in the clubhouse. 30 broken plastic chairs and a bench were taken to the dump. Power washing was completed on Courts 4 and 5. Cleaning was begun on Court 6, but the old power washer broke down (it has since been repaired). Bathroom and cleaning supplies were maintained, gasoline and propane were

replenished, and 90 garbage bags were relocated to my home for free curbside pickup, since the City will not pick up our trash and recycling as we are not designated residential.

This has been the best year for volunteers in recent memory and I want to thank everyone for their help. We had over 60 volunteers for the Spring clean-up day. This year the Fall clean-up day is November 12th and the rain date is November 13th, so bring your rakes and gloves and come out and join in.

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## **NEWSLETTERS – Isabelle Pollock**

This was my second year serving as the Newsletter Editor. Using a similar format, newsletters were distributed throughout the 2016 season: March, April, July and October. The newsletters were made available online on the KTC's website, as well as being posted on the club's bulletin board. I would like to thank Doug Bowie for his help and support in the proofreading process.

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## **LADDERS – Bud Nelson**

As the leagues' coordinator, my annual perk is to (arbitrarily) come up with each season's league t-shirt winners and Honourable Mentions\* for the season. It is often easy to pick out the highlights, although difficult to limit to the recipients of the four t-shirts.

In the Singles league, Arsalan Ijaz received a t-shirt for 'most dramatic rise in the standings over the season' (from around 60's to as high as number 2). Renee Austin also received one for, far and away, the highest total wins (53), coupled with her rise into the top 20. The goal of the league is to provide the opportunity to play as much as you would like, and Renee certainly did that, after an injury-shortened 2015.

In the Doubles league, the team of Jeremy Dalglish and Thomas Choi each received t-shirts for rising to the top and holding onto #1. They only had one loss (from a low-ranked team!) all season. The doubles league is still developing, due to the slower pace and difficulty of arranging games, but should fully 'mature' next year.

Hopefully all have enjoyed the format of the leagues. The KTC is likely fairly unique in using a model which, unlike box ladders, is similar in feel to the ATP rankings, and is a true performance-based system meant to improve every participant's tennis level and ability to cope within sometimes tough matchups. Of course, always plenty of opportunity for fun games, too!

\*Honourable Mentions go to Aaron Zhou, who held #1 for all but the first days of season. As well, Aaron, Bud Nelson, Julius Breza-Boski, John Corrigan, and Susan Amari all had impressive 'Defence' numbers of 5 or more, which is probably the biggest indicator of competitiveness (Arsalan and several others were basically doing the same while rising through the standings).

That Defence stat will be enhanced for next year, to count wins within 6, for the lower-ranked player.

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## TOURNAMENTS

Our club tournaments continue to grow in popularity, with players young and old and of all skill levels participating. The Saturday evening BBQ on tournament weekends is a popular social event. Thanks go to tournament director, Sam Faris, for overseeing these competitive opportunities.

### Tournament Results for 2016

June 17-19, 2016	<u>Mixed Doubles</u> Winners: Michael Stych & Paula Loh Finalists: Danny Purdon & Lesley Furter
July 15-17, 2016	<u>Men's Doubles</u> Winners: Michael Stych & Isaac Jones Finalists: Joe Willemsen & Danny Purdon
	<u>Women's Doubles</u> Winners: Chloe Wilson & Claire Tremblay Finalists: Judy Karpinsky & Kim Mackinder
August 12-14, 2016	<u>Men's Singles</u> Winner: Michael Stych Finalist: Jeff Neasmith
	<u>Women's Singles</u> Winner: Chloe Wilson Finalist: France Couture
September 3, 2016	<u>Junior Singles</u> Winner: Emmett Brundage Finalist: Josh Haberer



## **Nominees for Election 2016-2017**

### Nominations for the Executive Committee

President	Paula Loh
Vice-President	David Stocks
Secretary	Viki Andrevska
Treasurer	Jim Martin

### Nominations for Members-at-Large (8 positions available)

Doug Bowie  
Julius Breza-Boski  
Rick Donaldson  
Sam Faris  
Graham Lord  
Taco Meuter  
Bud Nelson  
Gill Turnbull  
Chloe Wilson