



2018

Fiscal Year End Report

The Keller Pointe 2018 Fiscal Year End Report

Introduction

The Keller Pointe continues to move forward in achieving fiscal success by improving the quality of the facility and levels of service. This commitment has allowed The Keller Pointe to continue to be successful in its 100% cost recovery model now in its 14th year of operation.

This report summarizes aspects of financial management and operational decisions for the Fiscal Year 2018.

Attendance

The total attendance for Fiscal Year 2018 was 276,217. This represents a 7% decrease over 2017 year numbers.

Memberships

Total memberships remained steady with a total of 3,841. Total number of individual members was 12,269. The total number of facility members gives The Keller Pointe a 20% penetration rate among Keller residents despite 19 other fitness facilities in the City of Keller, as well as a number of large chain facilities just outside of the Keller border. The national penetration rate for all fitness clubs is 16.7%, which demonstrates the strength of The Keller Pointe in the market today.

All numbers were pulled at the end of the fiscal year on September 30, 2018.

Goals for 2018

The Keller Pointe established goals for 2018 that focused on member satisfaction, revenue growth, and increasing the total amount returned to fund balance.

Member Satisfaction – Increase Net Promoter Score from 64% to 66% - Achieved 65%

Our members continue to be our focus. We believe strongly in our family atmosphere and nurture that environment. This commitment to the family contributes highly to an increase in our Net Promoter Score. This score is the willingness of our customers to recommend The Keller Pointe to others. The industry average is 46%.

Complete Facility Enhancements, Repairs, & Equipment Replacement - Achieved

Our commitment to keeping our facility first class for our members continued this year with cost savings and impressive project completion with minimal disruption. This was especially challenging as we had record breaking temperatures in the summer and our HVAC units struggled and sometimes failed to keep up. Some of the larger projects we completed were resurfacing the outdoor pool plaster, added additional LED lights to the indoor pool, retrofitted the parking lot lights to LED, replaced the fitness floor AC compressor, replaced the indoor pool current channel pool pump, the indoor pool main circulation pump, the spa pump, cleaned and repaired the indoor pool slide tower, refurbished and installed air conditioning in the concession stand, and many other smaller projects. The final one time project cost was \$213,211.

We continue to complete various maintenance projects in house creating cost savings for approximately \$45,152.

Return \$650,000 to Fund Balance – Achieved \$633,475

Even with last year's impressive fund balance deposit, this was still an aggressive goal, since every year prior to 2017 had never eclipsed \$400,000 savings. This amazing deposit is the result of dedicated and committed staff. During their busiest time of the year, the staff operated without two full time staff members due to vacancies and leaves of absences.

This commitment from staff to raise revenue in places like birthday parties, day passes, pool rentals etc. is evident in the record breaking \$633,475 deposited into fund balance.

*Final numbers have not been audited.

Wins in 2018

The Keller Pointe enjoyed a number of notable wins in 2018 and we are excited that our members support us.

- Best Barre Class Fort Worth
- Best Health Club/Gym Fort Worth
- Best Pilates Class Fort Worth
- 2018 Neighborhood Favorites Winner www.nextdoor.com

Records Set

Staff identified revenue areas that could be improved upon and competitively sought to break revenue records.

- Highest net revenue \$633,515 – 11% more than record set in 2017
- Highest grossing year in Day Pass sales \$242,029 – 4% more than record set in 2007
- Highest grossing year in Birthday Party Revenue \$185,365 – 9% more than record set in 2017
- Highest grossing year in pool rentals \$26,352 – 7% more than record set in 2017

Breaking records is not possible without the amazing full-time and part-time staff that have a seemingly supernatural drive to always push themselves, programs, and offerings to exceed our member's expectations.

Opportunities for Growth

Although we had some record breaking revenues in some areas, our team still believes there is opportunity for growth. Personal training is the one aspect of the facility that could still handle a large spike in participation. Some of the barriers to participating in personal training is exposure of these offerings outside of the building and difficulty in registering in person and online. Once a new software comes online in 2019, the program can be restructured to address these concerns.

Summary of Revenues and Expenses

The budget for Fiscal Year 2018 projected \$3,287,310 in revenues, and allocated \$3,197,343.62 in expenditures. Actual revenues generated during the fiscal year were \$3,445,635.55. Expenditures came in significantly under budget for a total of \$2,812,159.90. \$633,475.65 was returned back to fund balance, bringing our total fund balance up to approximately \$2.1 million.

*Final numbers have not been audited.

Looking Ahead to Fiscal Year 2019

Despite setting records the past few years, our challenge will be to stay relevant and continue to grow amid increased competition. We will do this through a commitment to maintenance, exceptional customer service, diverse program offerings, and keeping our equipment maintained and updated.

Our goals for 2019 include: increase our Net Promoter Score (NPS) to 66% (currently at 65%); revitalize Personal training program from 1% of membership participation to 3%; and return \$650,000 to fund balance.