

PREVIOUS YEAR - APRIL 1, 2006 TO MARCH 31, 2007

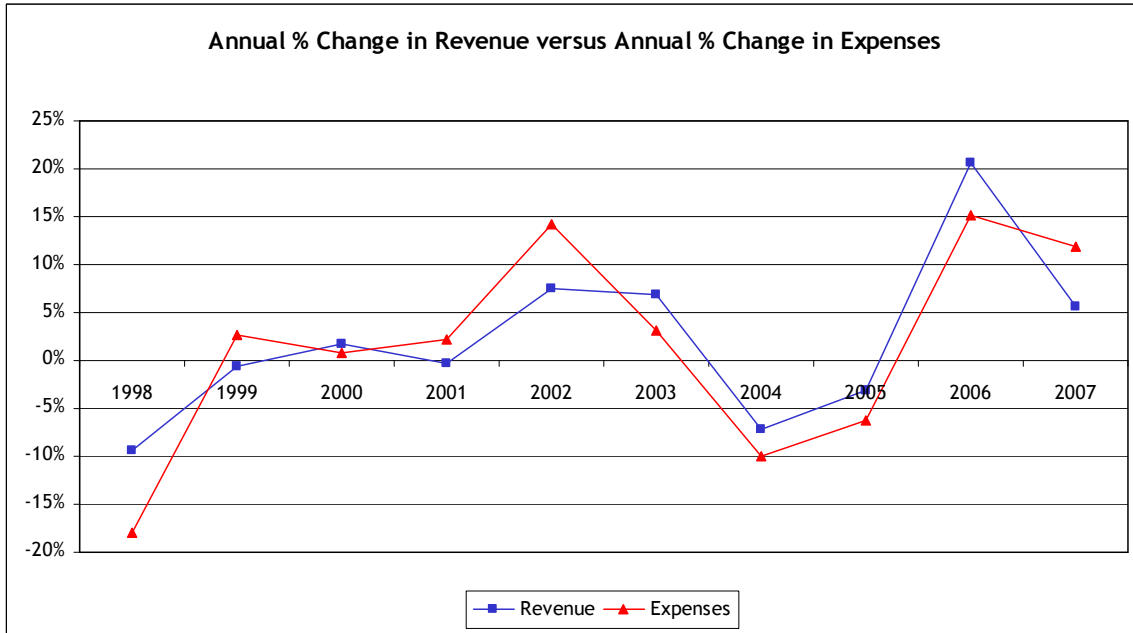
The 2006/07 operating results were positive in that revenues increased by 5.7% and we ended the year with a \$31,888 surplus before contributions to the operating reserve and capital fund. Half of the surplus was transferred to the operating reserve consistent with BCAA policy. Another \$26,708 was transferred to the capital fund for capital purchases made during the year. After these transfers, our retained earnings decreased by approximately \$10,000.

As mentioned in last year's Director of Finance Report, our Core Provincial Grant increased from \$160,000 to \$178,000. While this contributes positively to our revenue, we must be cautious about being overly dependent on government grants for funding. This type of funding has limited growth potential and is subject to reductions when the funding government agencies come under cost pressures.

Other challenges or areas we need to exercise caution include the rate of increase in expenses compared to revenues and the decreased revenue from membership.

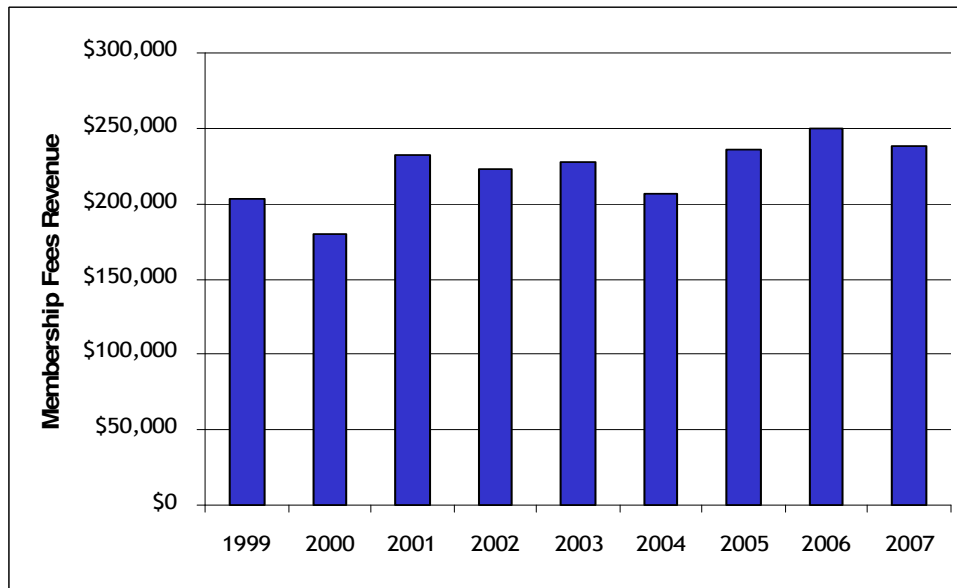
Expenditures increased by 11.2%, almost twice the rate of revenues. Figure 1 shows a 10 year history of the percent increase in revenues compared to expenses. 2007 is not the first year that expenses have increased at a faster rate than revenues and 2003 through 2006 experienced stronger growth in revenues than expenditures. However, it is something we should monitor to ensure there is not a continuing trend of increases in expenses that are greater than revenues.

FIGURE 1 REVENUES VERSUS EXPENDITURES - ANNUAL % INCREASE



After three years of increases, revenue from membership fees decreased for the year ending March 31, 2007. Figure 2 shows membership fee revenue over the past 9 years. This is not the first year that this source of revenue has decreased and it is still higher than it was in 2005. However, as this revenue accounts for roughly 25% of our total revenue (23% in 2007) we need to monitor the reasons for the decreases and ensure we are looking at ways to replace the lost revenue with other revenue sources.

FIGURE 2. REVENUE FROM MEMBERSHIP FEES



**CURRENT YEAR - APRIL 1, 2007 TO MARCH 31, 2008**

The budget forecast to March 31, 2008 is showing a small surplus of approximately \$9,000. Projected expenses are under budget by about \$17,500 (or 1.5%). Savings in staffing costs due to vacant positions for part of the year were offset by increases in expenses for coach and official certification courses, athlete development, equipment purchases and committee meetings.

Revenues are also projected to be under budget by almost 3%. Revenue from membership fees is up compared to the year ended March 31, 2007 and compared to the budget for the current year ending March 31, 2008. Funding from grants and special programs is also higher than the previous year results and the current year budget.

**UPCOMING YEAR - APRIL 1, 2008 TO MARCH 31, 2009**

A draft budget is being developed for the upcoming fiscal year. The first version of this draft is available (posted on the BCA website) for information purposes. The budget will be refined over the coming months and we hope to have it finalized as close to April 1, 2008 as possible.

Other items that need to be addressed in the upcoming year are:

**Reserve Policy**

Currently 50% of the operating surplus is contributed to our operating reserve. We need to develop this policy further by setting a target balance for the reserve and developing some guidelines around what the funds can be used for.

As a non profit, our goal should not be to produce large surpluses. However, it is important to build and maintain a reserve fund that will keep the organization running should we lose funding or be faced with an unbudgeted extraordinary expense.

Preliminary research indicates that Gaming regulations allow for reserve funds as long as the fund does not exceed 50% of the previous year's operating expenses. I will be recommending a reserve balance to the Board of Directors that takes into account these regulations as well as the funding requirements of our organization.

**Revenue Sources**

We need to look for other revenue sources in order to reduce our reliance on membership fee revenue and government grant funding. Some initial investigation has been done on setting up an endowment fund to provide an annual stream of income.

This will be explored further in the upcoming year to determine if it is a viable option, the best way to set it up and how to go about raising money to grow the fund.

#### **Accounting and Financial Reporting**

We will be looking at how this area is currently organized and how we can better structure it to improve our financial reporting. One of the things I would like to see is regular variance analysis reports so we can better monitor our revenues and expenditures and make budget adjustments as necessary. This will require updated accounting software and potentially a restructuring of the current financial management arrangement.

The strategic planning process is also well underway. Once this is complete, it should act as a guide in our financial planning process, both in terms of increasing revenue sources and providing direction to the expenditure side.

I would like to say thank you to the membership for the opportunity to serve as Director of Finance. If there is information that people would like to see that has not been presented today, I welcome the feedback.

Last, but certainly not least, I would like to thank Brian McCaldar and his staff for their hard work and tireless efforts in running our organization. We are fortunate to have such a dedicated staff and it is important that we recognize this and ensure they know their work is appreciated.

Additional financial information is available in the following appendices:

#### Appendix 1

Revenues versus Expenditures 1998 - 2007 Actuals, 2008 Forecast and 2009 Budget 2007

#### Appendix 2

2007 Revenues - Major Components

#### Appendix 3

2007 Expenses - Major Components

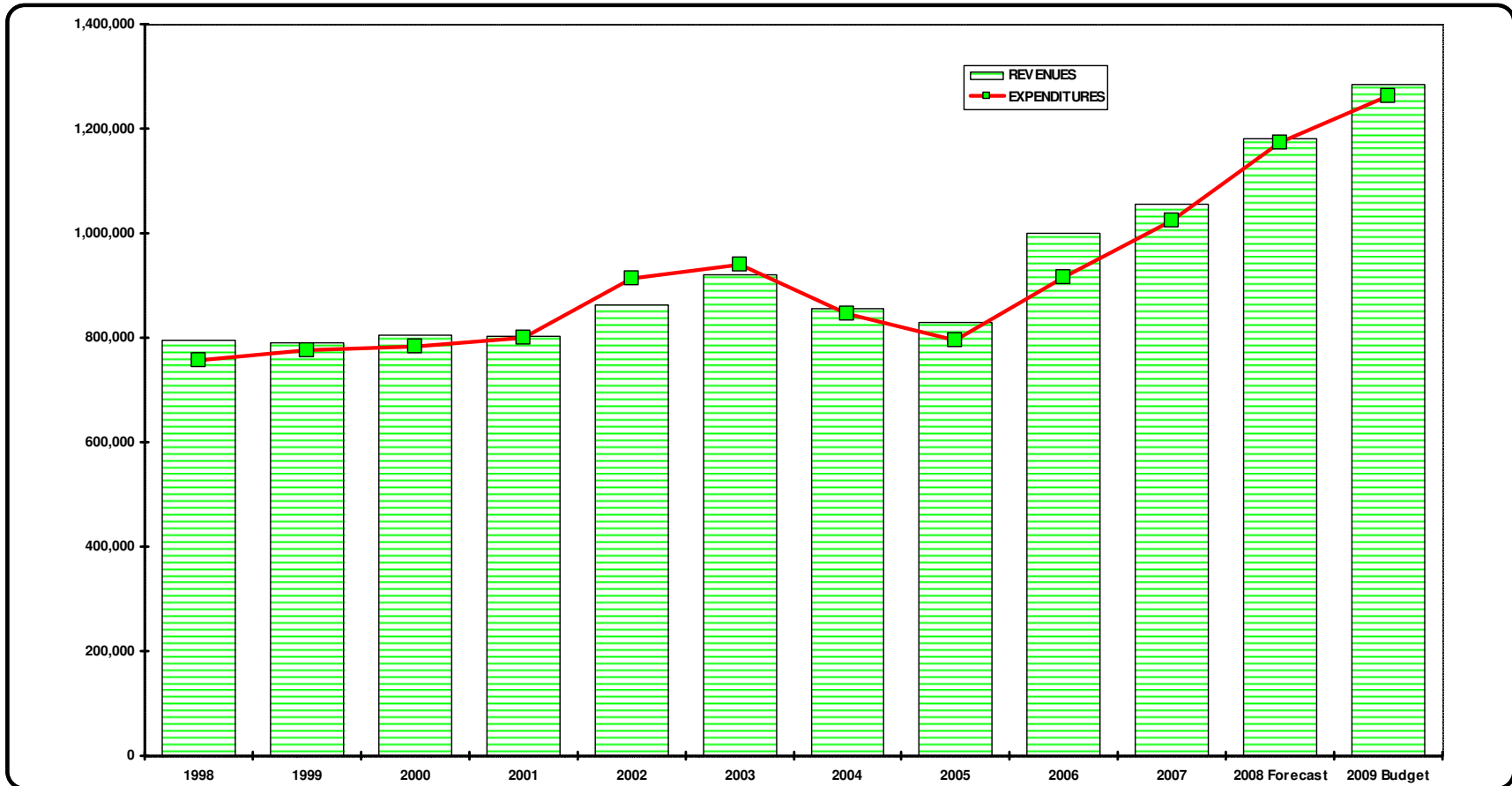
#### Appendix 4

Interim Revenue Statement

#### Appendix 5

Interim Expense Statement

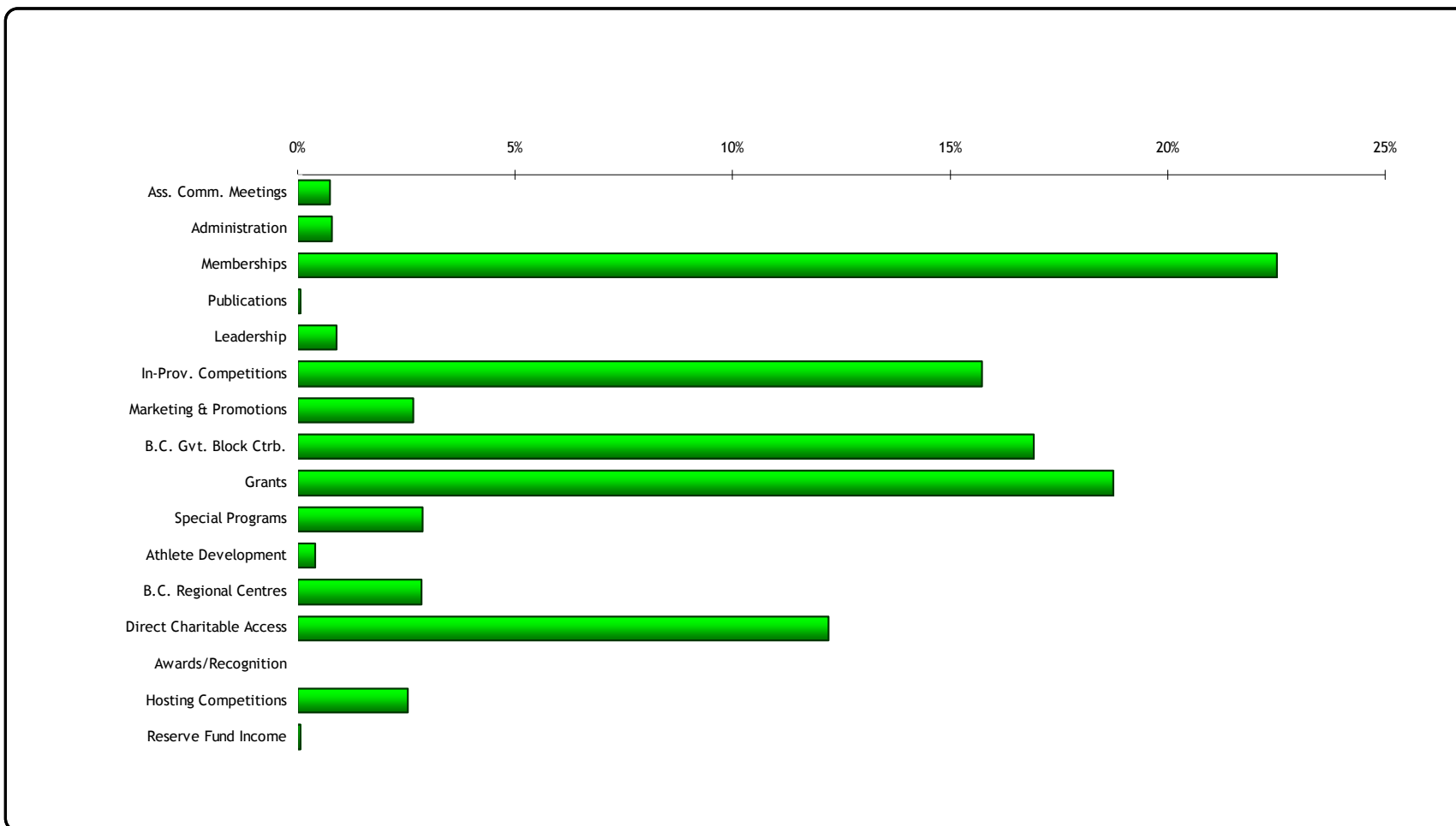
APPENDIX 1 REVENUES VERSUS EXPENDITURES



BC Athletics 2008 Annual General Meeting  
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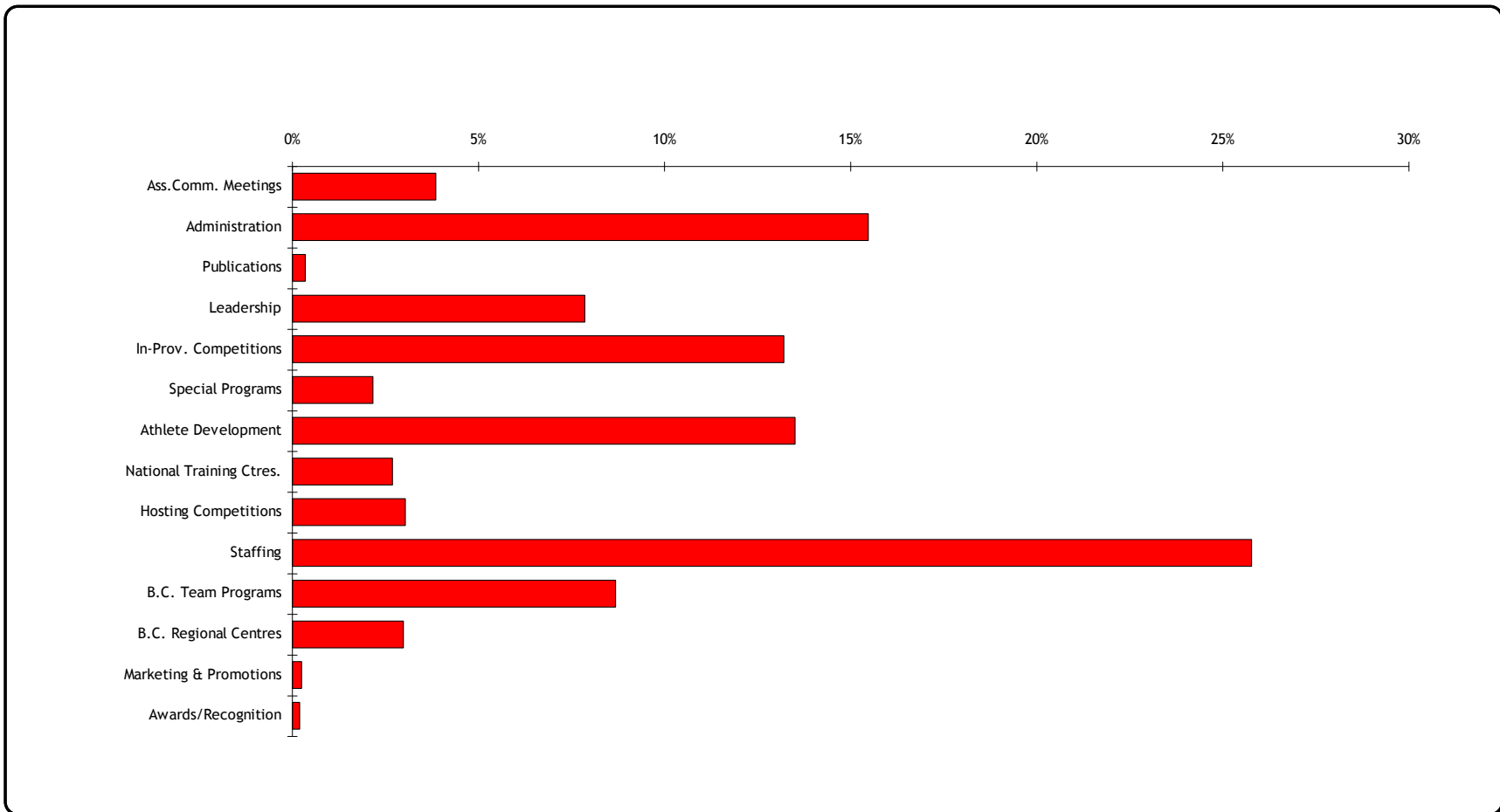
APPENDIX 2 REVENUES - MAJOR COMPONENTS  
YEAR ENDED MARCH 31, 2007



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APPENDIX 3 EXPENSES - MAJOR COMPONENTS  
YEAR ENDED MARCH 31, 2007



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**APPENDIX 4 INTERIM REVENUE STATEMENT**

ACCOUNT NAME	YEAR END ACTUAL MAR.07	ACTUAL Y.T.D. TO DEC.07	OPER. BUDGET 2007 - 2008	PROJECTION TO Y.E. MAR.08	DRAFT BUDGET 2008 - 2009
ASSOCIATION COMMITTEE MEETINGS	7,784	4,845	9,000	8,345	10,000
ADMINISTRATION	8,278	5,207	7,000	5,600	7,000
MEMBERSHIPS	237,688	154,409	245,000	247,415	252,600
PUBLICATIONS	744	5,928	8,000	6,451	8,350
LEADERSHIP	9,494	3,062	15,000	9,500	17,000
RUN JUMP THROW	0	6,140	25,000	14,167	25,000
IN-PROVINCE COMPETITIONS	166,019	137,663	160,000	139,652	157,000
HOSTING COMPETITIONS	26,635	-	-	-	-
MARKETING & PROMOTION	28,100	37,791	75,000	37,790	74,000
BC GOVERNMENT BLOCK CONTRIBUTION	178,738	134,054	178,738	178,738	178,738
B.C. REGIONAL CENTRES	30,000	0			
DIRECT CHARITABLE ACCESS	128,900	0			
GRANTS/PROGRAM REV.	197,946	195,110	222,187	264,366	247,115
SPECIAL PROGRAMS	30,280	154,687	257,568	259,801	291,000
FLOW THROUGHGS		(14)		(14)	
ATHLETE DEVELOPMENT	4,260	7,707	15,000	9,250	15,000
AWARDS/RECOGNITION	61	457		456	550
Reserve Fund Income	751	0	0		
<b>TOTAL REVENUES</b>	<b>1,055,678</b>	<b>847,046</b>	<b>1,217,493</b>	<b>1,181,517</b>	<b>1,283,353</b>

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**APPENDIX 5 INTERIM EXPENDITURES STATEMENT**

ACCOUNT NAME	YEAR END ACTUAL MAR.07	ACTUAL Y.T.D. TO DEC. 07	OPER. BUDGET 2007 - 2008	PROJECTION TO Y.E. MAR.08	DRAFT BUDGET 2008- 2009
ADMIN/PROGRAM STAFF	263,752	200,052	334,640	283,053	341,480
B.C. REGIONAL CENTRES	30,502	15,617	33,000	33,000	33,000
NATIONAL TRAINING CENTRES	27,500	20,625	27,500	27,500	27,500
ASSOCIATION COMMITTEE MTGS.	39,393	26,454	45,000	56,042	57,750
ADMINISTRATION	158,507	113,113	160,000	185,553	202,650
PUBLICATIONS	3,566	20,405	17,000	22,553	18,000
LEADERSHIP	80,416	32,759	26,000	39,384	41,700
RUN JUMP THROW	0	38,411	80,000	60,500	61,000
IN-PROVINCE COMPETITIONS	135,232	195,280	208,290	208,135	211,565
HOSTING COMPETITIONS	31,106	3,000	3,000	3,000	4,000
B.C. TEAM PROGRAMS	88,868	90,901	99,000	90,901	103,000
ATHLETE DEVELOPMENT	138,379	128,324	121,130	128,715	130,300
MARKETING & PROMOTION	2,423	1,874	5,000	3,000	5,000
SPECIAL PROGRAMS	22,215	29,518	27,800	29,518	24,300
AWARDS/RECOGNITION	1,931	615	2,500	1,500	2,000
<b>TOTAL EXPENDITURES</b>	<b>1,023,790</b>	<b>916,948</b>	<b>1,189,860</b>	<b>1,172,354</b>	<b>1,263,245</b>
<b>EXCESS OF REV (EXP)</b>	<b>31,888</b>	<b>(69,902)</b>	<b>27,633</b>	<b>9,163</b>	<b>20,108</b>