

BC ATHLETICS 2010 ANNUAL GENERAL MEETING FINANCE REPORT

SUMMARY OF ACTIVITY

In 2008/09 (Year ending March 31, 2009) there was a small increase (1.6%) in overall revenue. The main drivers of this increase were the growth in membership fees and direct charitable access funding. This growth was offset by decreases in our core funding and other grant revenue. These revenue sources decreased by almost 12%. This highlights why we must be cautious about being overly dependent on government grants for funding, especially in times of economic uncertainty.

Expenses increased by almost 5% due to increases in rent, liability insurance and BC team programs.

The overall operating result was a small deficit of \$300.

IMPROVEMENTS AND CHALLENGES

Improvements in financial performance in the 2008/09 year (year ending March 31, 2009) over the preceding year (year ending March 31, 2008) include:

1. Increased revenue from membership – Membership revenue was up by almost \$50,000 or 21%. This is a record high for membership fees and one of the largest year-over-year increases in recent history.
2. Despite decreases in some of our largest sources of revenue, increases in other revenue sources and prudent management of expenses resulted in a very minimal deficit.

Challenges for the current year (year ending March 31, 2010) and future years include:

1. Sources of revenue – we must continue to look for other sources of revenue so we do not become overly reliant on government funding. This has become increasingly evident with the cuts to government funding experienced in recent months. This will be discussed in more detail later in the report.
2. Economy - we are still in a recession, with differing views on the timing of the recovery. We have seen the effects of this in the recent decreases in government funding. There is further risk of reduced membership revenue and diminished

ability to generate sponsorship funding. We must continue to be diligent in managing our expenses and look for ways to market our sport to compete for scarce funding resources. If our government funding continues to be cut and/or membership revenues decrease, without other sources of revenue we will have to find areas to cut expenditures.

PLANNED ACTIVITY

Appendices 3 and 4 contain a summary of revenues and expenses for the previous year (year ending March 31, 2009), current year (year ending March 31, 2010) actuals to date and budget and a draft budget for next year (year ending March 31, 2011). The budgets for the current year and next year forecast small surpluses. However, we have also set some aggressive revenue targets in both years. If this revenue is not realized, either new revenue sources will have to be found or expenses will have to be reduced.

KEY INDICATORS

1. Annual Change in Revenues and Expenses

Figure 1 shows a trend in revenues and expenses over the last ten years and Figure 2 shows a trend of the changes in these two items.

Both revenues and expenses have been increasing since 2005 as shown in Figure 1. While it is important to continue to grow our revenues, this growth must be evaluated compared to expenses. On an annual basis, revenues must be greater than expenses to avoid running a deficit. In 2008/09 the higher growth in expenses relative to revenues has resulted in a small deficit.

FIGURE 1.

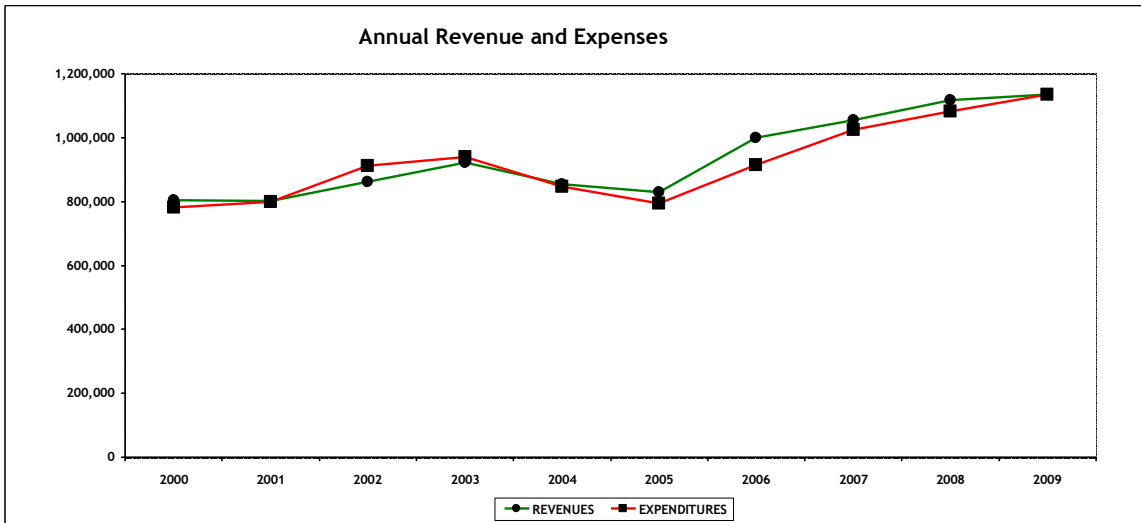
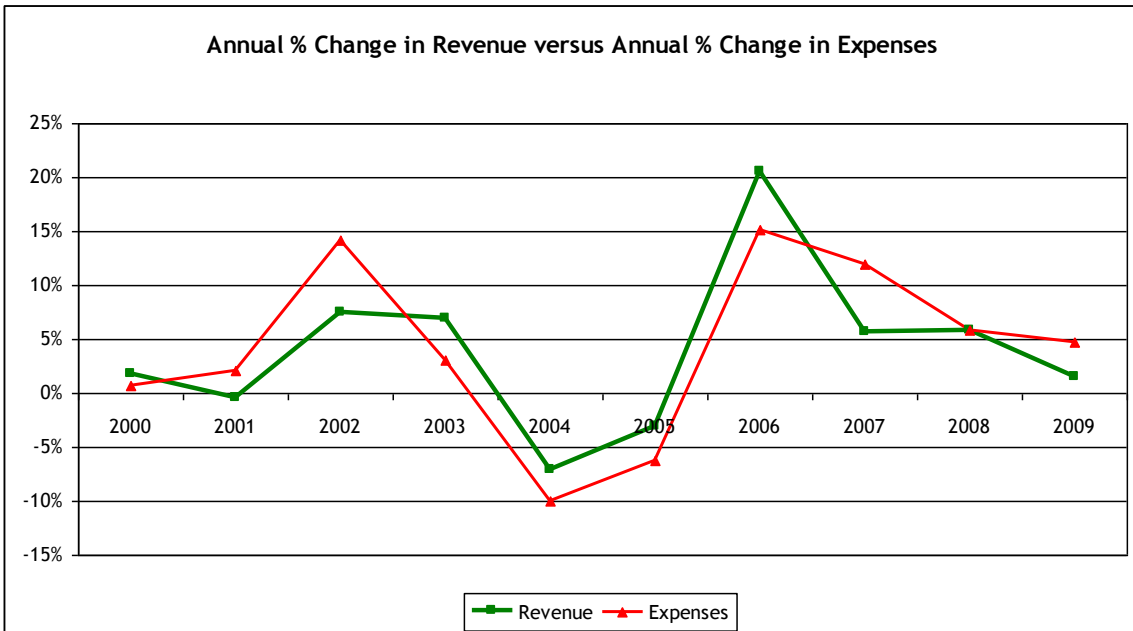


Figure 2 shows a history of revenue growth compared to expenditure growth. We must focus our efforts on increasing our revenues to match or exceed the growth in expenses to avoid a continual deficit position.

FIGURE 2.



2. Membership Fee Revenue

Figure 3 shows membership fee revenue over the past 9 years. Revenue from membership fees is up substantially in 2009. Membership fees are still one of our major revenue sources and we must continue to work on maintaining or increasing it. A strong membership base may also create more opportunities to find additional revenue sources through increased contacts and a higher profile in the community.

FIGURE 3. REVENUE FROM MEMBERSHIP FEES



URGENT MATTERS

The most urgent financial related matter is to continue to look for new revenue sources. This is especially important in light of recent reductions in government funding. In order to continue to provide the programs and services that are necessary to achieve our mission, consistent and reliable sources of revenue are required.

Table 1 below shows the changes in government sources of funding for the year ending March 31, 2010 compared to year ending March 31, 2009. Some or all of these funding

reductions came after funding had been approved making it difficult to adjust when spending may have already occurred.

TABLE 1. 2009/10 vs 2008/09 FUNDING OVERVIEW

PROGRAM	2009/10	2008/09	YEAR-OVER-YEAR CHANGE	NOTES
Core Funding	\$183,329	\$173,954	+\$9,375	In May 2009, 2009/10 amount reduced by 2.14% from initial amount
Provincial Coach (T & F Tech Manager)	\$40,000	\$40,000	-	
Regional Coach Support	\$30,000	\$30,000	-	
Sport Participation (RJT)	\$24,000	\$24,000	-	
Sports Funder In-Province Youth Travel	\$12,750	\$55,000	-\$42,250	There will also be a one time grant in 2009/10
Sports Funder Coaching Certification	\$4,000	\$20,000	-\$16,000	
Canada Games Prep & Development	\$0	\$31,147	-\$31,147	
BC Athlete Assistance	\$74,717	\$75,200	-\$483	
Direct Access Gaming	\$27,000	\$90,000	-\$63,000	
High Performance Coaching Grant	\$3,000	\$3,000	-	
TOTAL	\$398,796	\$542,301	-\$143,505	

These funding reductions and the timing of them highlight the danger of relying too much on government funding. More diversified funding sources would mean cuts from one source would have a smaller impact.

It is important for the Board, staff and membership to understand the seriousness of our funding situation. There is a high probability that we will be faced with similar or more cuts in future years.

We need someone to take a leadership role in fundraising and marketing. The Board, staff and the membership must work to support that role in order to develop a sustainable funding model.

I would like to say thank you to the membership for the opportunity to serve as Director of Finance.

And once again, I would like to thank Brian McC Calder and his staff for their hard work and tireless efforts in running our organization. Their jobs are definitely not easy, and with shrinking limited resources, they become even more difficult.

Additional financial information is available in the following appendices:

Appendix 1

2009 Revenues - Major Components

Appendix 2

2009 Expenses - Major Components

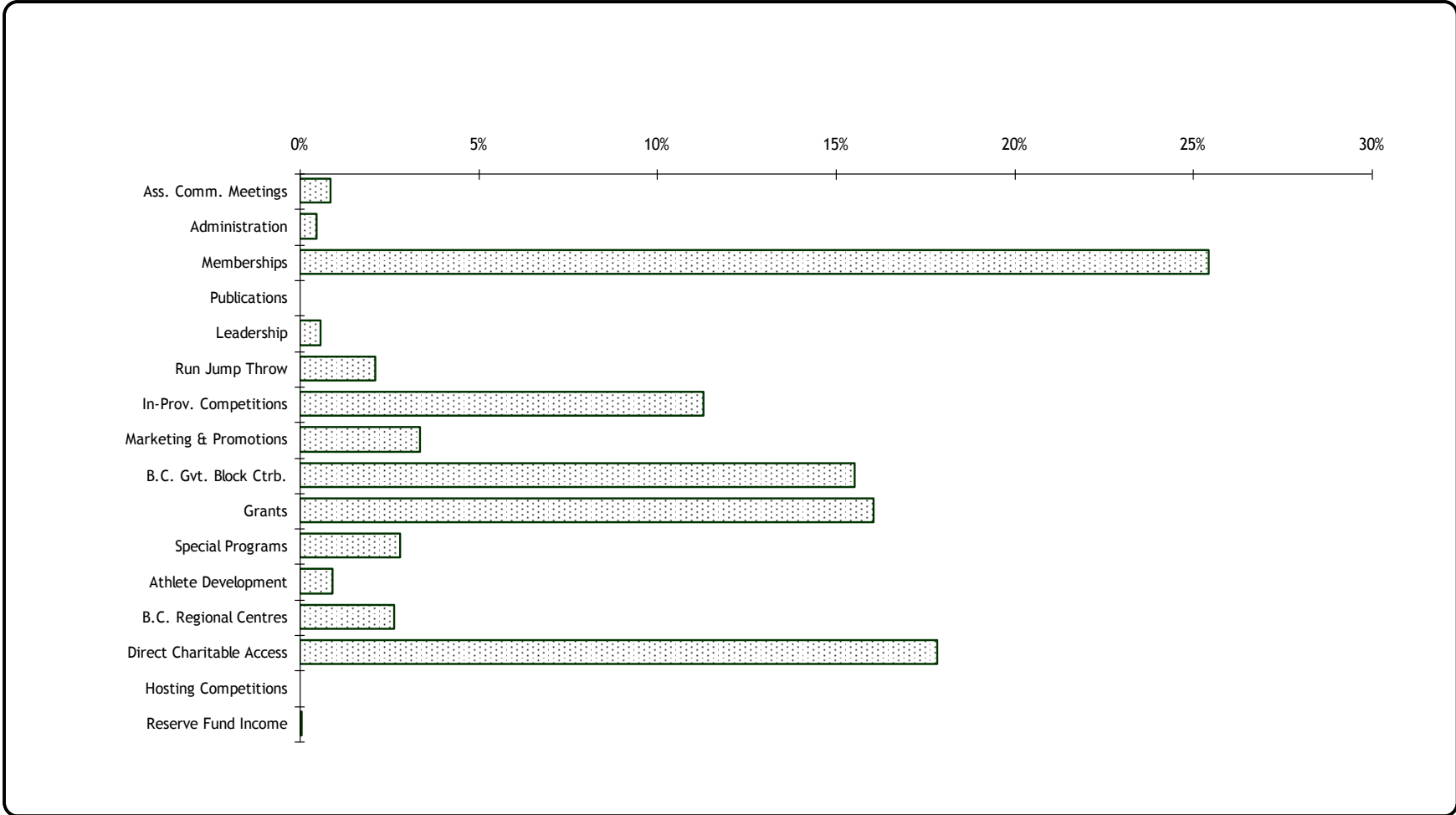
Appendix 3

Interim Revenue Statement

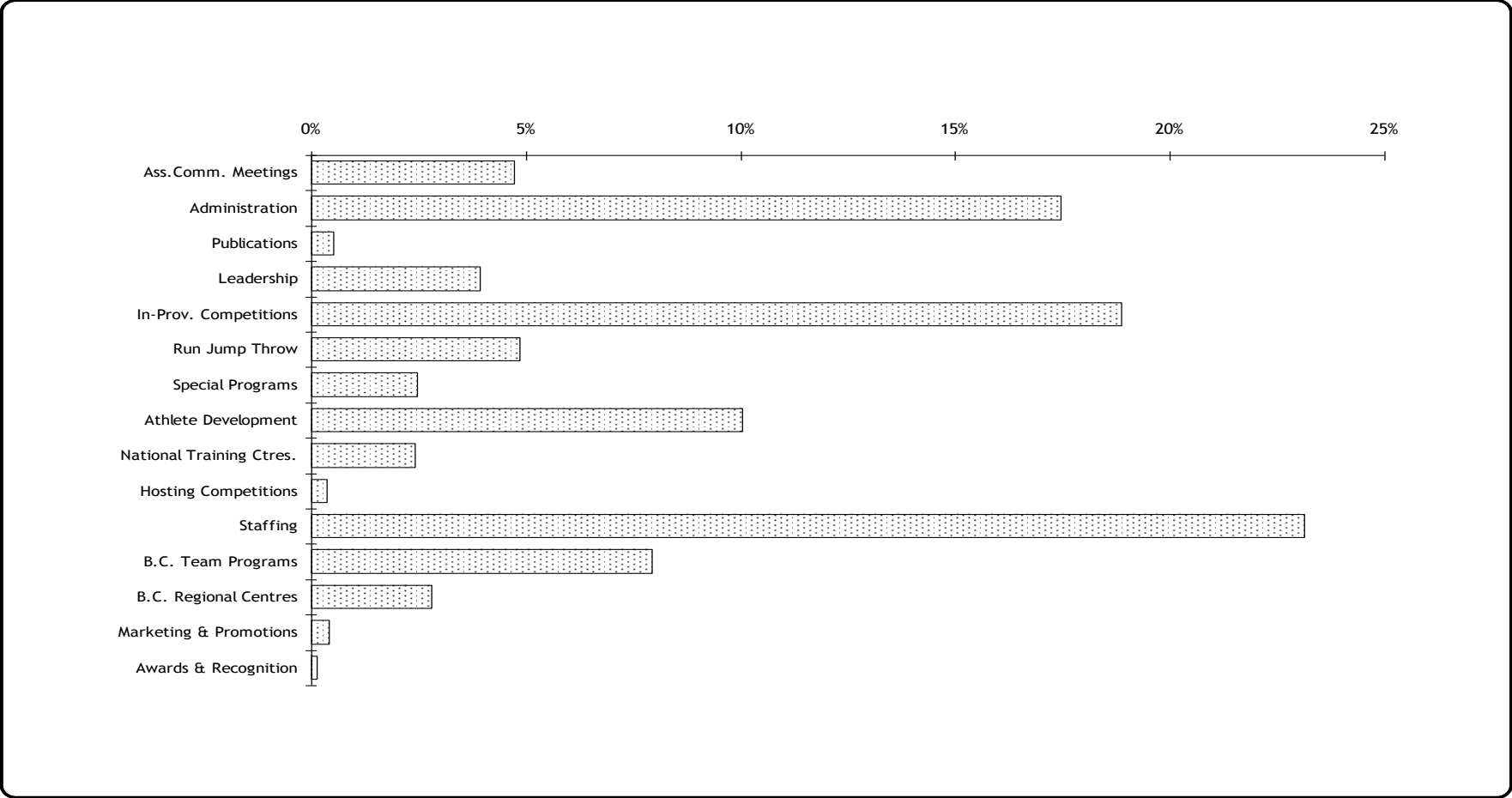
Appendix 4

Interim Expense Statement

APPENDIX 1 REVENUES – MAJOR COMPONENTS
YEAR ENDED MARCH 31, 2009



APPENDIX 2 EXPENSES – MAJOR COMPONENTS
YEAR ENDED MARCH 31, 2009



APPENDIX 3 INTERIM REVENUE STATEMENT

ACCOUNT NAME	YEAR END	ACTUAL	OPER.	PROJECTION	DRAFT
	ACTUAL	Y.T.D. TO	BUDGET	TO Y.E.	BUDGET
	MAR.09	OCT. 09	2009 - 2010	MAR.10	2010- 2011
ASSOCIATION COMMITTEE MEETINGS	9,718	2,539	10,000	10,000	10,000
ADMINISTRATION	5,316	636	7,550	7,550	7,550
MEMBERSHIPS	288,519	167,577	273,850	283,950	273,850
PUBLICATIONS	291	133	8,130	8,130	8,130
LEADERSHIP	6,718	1,757	17,500	17,500	17,500
RUN JUMP THROW	23,975	10,863	29,000	29,000	29,000
IN-PROVINCE COMPETITIONS	128,293	139,784	167,550	158,850	167,550
HOSTING COMPETITIONS	82	-	-	-	-
MARKETING & PROMOTION	38,164	28,157	120,000	120,000	120,000
BC GOVERNMENT BLOCK CONTRIBUTION	176,054	106,942	178,000	183,328	178,000
B.C. REGIONAL CENTRES	30,000	17,500	30,000	30,000	-
DIRECT CHARITABLE ACCESS	202,411	21,852	140,000	27,000	-
GRANTS/PROGRAM REV.	182,108	107,329	215,700	212,367	245,700
SPECIAL PROGRAMS	31,923	33,196	120,500	57,580	260,500
ATHLETE DEVELOPMENT	10,468	6,270	13,500	13,500	13,500
Reserve Fund Income	646	-	-	-	-
TOTAL REVENUES	1,134,686	644,535	1,331,280	1,158,755	1,331,280

APPENDIX 4 INTERIM EXPENDITURES STATEMENT

ACCOUNT NAME	YEAR END ACTUAL MAR.09	ACTUAL Y.T.D. TO OCT 31. 09	OPER. BUDGET 2009 - 2010	PROJECTION TO Y.E. MAR.10	DRAFT BUDGET 2010- 2011
ADMIN/PROGRAM STAFF	262,349	160,667	339,690	281,787	317,690
B.C. REGIONAL CENTRES	31,890	17,500	33,000	33,000	33,000
NATIONAL TRAINING CENTRES	27,500	16,042	27,500	27,500	27,500
ASSOCIATION COMMITTEE MTGS.	53,540	12,082	58,050	53,350	58,050
ADMINISTRATION	198,071	113,662	218,950	208,250	218,950
PUBLICATIONS	5,878	780	18,500	6,750	18,500
LEADERSHIP	44,488	16,037	50,700	40,700	50,700
RUN JUMP THROW	55,204	35,803	71,000	69,265	89,800
IN-PROVINCE COMPETITIONS	214,024	52,920	212,915	175,109	212,915
HOSTING COMPETITIONS	4,010	-	3,000	3,000	3,000
B.C. TEAM PROGRAMS	89,907	124,919	132,000	125,500	132,000
ATHLETE DEVELOPMENT	113,961	58,764	115,300	98,146	115,300
MARKETING & PROMOTION	4,729	1,890	7,000	7,000	7,000
SPECIAL PROGRAMS	28,043	39,237	21,300	20,418	21,300
AWARDS/RECOGNITION	1,393	1,474	2,000	2,000	2,000
TOTAL EXPENDITURES	1,134,987	651,777	1,310,905	1,151,775	1,307,705
EXCESS OF REV (EXP)	(301)	(7,242)	20,375	6,980	23,575