

Date: August 10, 2020

To: Annual General Meeting

From: Ota Hally, Director Finance

Re: 2019-2020 Audited results, associated budgets, and financial outlook

	2019-2020 Audited	2019-2020 Budget	2020-2021 Proposed Budget	2021-2022 Draft Budget
Total revenue	1,408,479	1,508,219	963,049	1,428,245
Total expenses	1,386,596	1,480,919	1,054,448	1,406,529
Net Income (Deficit)	\$ 21,883	\$ 27,300	\$ (91,399)	\$ 21,716

Definitions – Column Headings

Audited – Prior year actual results, for the year ended March 31, 2020

Budget – Approved budget for the comparable year as the audited results

Proposed Budget – Unapproved budget for the current fiscal year ending March 31, 2021

Draft Budget – Unapproved budget for the following fiscal year ending March 31, 2022

2019 – 2020 Audited Results and 2019 – 2020 Budget

Lower than budgeted revenue including the effect of the timing of memberships was largely offset by various savings in expenses. It should be noted the fiscal year ended before the financial impacts of COVID came into play.

2020 – 2021 Proposed Budget

The final proposed budget for 2020 – 2021 has gone through several iterations in response to revenue reduction as a result of COVID. Approximately \$0.5 million of revenue is reduced from the version of the budget presented at last year's AGM primarily due to reduced memberships, cessation of hosting of events and competitions, and reduced marketing revenue. In response, competition and program revenue have been and are expected to be reduced, as well as various other savings have been targeted.

The result is a \$96,000 deficit forecast; however, the organization is working diligently to obtain relief and subsidy programs offered by government including wage subsidies which could bring in up to \$230,000 in subsidies. Success of obtaining the subsidies could see a return to a surplus for the 2020 – 2021 fiscal year.

2021 – 2022 Draft Budget

This budget is based on the audited current results pre-COVID and an expectation of return of membership revenue and protocol that allows for sport and competition to return. It is expected that this budget will be updated given the ever changing COVID outlook.

March 31, 2020 Balance Sheet position, current position as at July 31, 2020, and outlook

BCA was in a robust position with a liquid balance sheet as at March 31, 2020. We had \$177,000 cash in the bank against current payables and liabilities of \$84,000. Total assets were \$449,000, liabilities \$95,000, resulting in net assets of \$354,000.

Due to the downturn of revenue as a result of the pandemic and subsequent competition restrictions and membership revenue shortfall, the organization has been monitoring its financial position closely. As at July 31, 2020 there was \$125,000 in the bank providing several months of immediate liquidity.

It is expected that budgeted government grants will continue to be received and membership revenue will return albeit at weaker levels. Together with success of receiving the aforementioned subsidies should see the organization survive the pandemic financially without resorting to drastic measures such as core staff reductions. The organization will continue to monitor the financial situation frequently and evaluate various scenarios including downside risk scenarios.

Motions: Resolutions from the Board

BE IT RESOLVED THAT that the BC Athletics audited financial statements for the year ended March 31, 2020 be accepted.

BE IT RESOLVED THAT that BDO, or other auditors as approved by the Board of Directors, be appointed to perform an audit of BCA for the current fiscal year ended March 31, 2021 and the Board of Directors be empowered to set the remuneration.

BE IT RESOLVED THAT that the BC Athletics Proposed Draft Budget for the fiscal year 2021 – 2022 be approved.