

## Treasurer's Report February 2019

1. Unaudited financial statements as at December 31, 2018 are showing a better performance than budgeted figures. The projected loss for 2018 was approximately \$240k compared to actual loss of \$188k. The revenue was lower than what was budgeted due to loss of some of sponsors (as detailed in the 2019 budget notes) which conforms with reduction in the direct costs (cost of sales) and overall lowered administration costs. The net transactions resulted in a better performance than budgeted amount.
2. Sponsorship invoices are being sent to existing and new sponsors. To date invoices with cumulative revenue of \$168,000 have been sent and \$27,000 revenue has been collected.
3. Visa cards for all staff have been issued which has facilitated funding administrations expenses in the most efficient way.
4. 2019 budget highlights:
  - Projected revenue for 2019 is lower than 2018. One contributing factor is that SCBC has a different year end than Skills Canada Corp which results in timing differences and some difficulties in reconciling our revenue streams. We do however expect to earn more under the revised registration fee model.
  - Projected cost of sales/direct cost will be lower than 2018 budgeted amount due to the following facts:
    - We don't expect to have CFBC Secondment in 2019
    - The 2018 InSpire program costs included Michelle's salary; her salary projection is now included in staff salaries this year.
    - We considered annual inflation based on the actual 2018 cost which resulted an overall increase in competitions costs; however, considering the decreases in other expenses as mentioned above, the overall projected cost is lower than 2018 budgeted amount.
  - Projected administration expenses: We have rigorously considered the best cost saving options which resulted in lower projected expenses in 2019 compared with 2018, plus annual inflation rates compared with 2018 actual numbers. A few significant items to consider:
    - Gala Expenses: We are having 2019 event in a more affordable venue while keeping the same quality of service.
    - Communication and marketing: Projected a higher amount as we see opportunity for growth and attracting more sponsors.
    - Professional fees: Higher projected amount in 2019 is due to the fact that the accounting service has switched from a staff salary to a contract basis. Legal and audit fees are also included.
    - Telecommunications: Since staff most often works remotely, in order to facilitate timely communication, staff telephone costs will be reimbursed.
    - Staff salaries: 2018 actual numbers are higher than the projected amount, as was previously mentioned, Michelle's salary is now classified in this account

rather than in the Inspire program. We also hired a part time admin staff in 2019.

- Cash available: Per previously approved minutes in Nov 2017 60% of prior year funds are available for current year operation and the remaining 40% will be kept in term deposits as a contingency funds. Currently we are looking at several term deposit options to choose from.

5. Items to consider:

- To align our finances with the Government for better planning and budgeting it's suggested the fiscal year to be changed from Dec 31<sup>st</sup> to Mar 31<sup>st</sup>
- Limits of staff signing authority: Currently this amount is capped at \$2,500; however, this is not the most efficient way to handle keeping the associated administration costs to the lowest amount possible. It is more efficient to raise that limit to higher amount.