

Treasurer's Report November 2020

Unaudited Financial Statements (Jan – August 2020)

1. Unaudited financial statements as of August 31, 2020 are showing a better performance than budgeted figures. ¹ The projected net income was approximately \$158,000 compared to actual net income of \$305,000.

Higher Revenue in Than Projected

2. The revenue in the last fiscal was higher than what was budgeted due to additional funds, wage subsidy (CEWS) and reductions in direct costs (cost of sales) as well as overall lowered administration costs. The net transactions resulted in a better performance than budgeted amount by \$146K despite significant reductions in sponsorship contributions and registrations fee revenue.

Reserve Funds Accumulation

3. The organization has been able to accumulate enough reserved funds this year. As of this date there is a total of \$610,000 cash is available in the chequing account. This includes the \$40,000 interest free loan. SCBC is planning to repay ²\$30,000 of the loan by monthly installments of \$1,250 for the period Jan 1, 2021 to December 31, 2022.

Additional Funds Received (ESDC)

4. Additional funds received from Skills Canada Corporation highlight:

Breakdown of Additional Funds Received

	Expenses	Direct Exp	Wages	Total
Fiscal Dec 31 2019	\$ 63,000	\$ 12,000	\$ 45,000	\$120,000
Fiscal Aug 31, 2020	59,000	-	24,000	83,000
Total	\$122,000	\$ 12,000	\$ 69,000	\$203,000

- a) For the fiscal December 31, 2019 SCBC received total of \$108,000 in cash and audit fees of \$12,000 paid directly on Skills BC behalf.
- b) For the fiscal August 31, 2020 SCBC received additional \$83,000 to recover expenses paid by the organization from January to August 31, 2020.
- c) These funds were received due to BC's exemplary management and meticulous accounting practices.

Wage Subsidies Received (CEWS)

5. During the fiscal year SCBC received total of \$54,000 in wage subsidies. This has resulted in a significant portion of Elaine Allan and Jamie Maxwell's salaries being fully funded by the federal government for the period of January to August 31, 2020.

¹ The net transactions resulted in a better financial performance than originally budgeted in the amount of \$146K.

² SCBC is only required to repay \$30,000 of the \$40,000 Emergency Load to the Federal Government.

Staff Salaries, RSP Contributions & Pension Plan Contributions

6. There has not been increases to ³Elaine Allan or ⁴Jamie Maxwell salaries since 2017 & 2018 (respectively) as well no bonuses, RSP/Pension Plan contributions have ever been paid to SCBC employees.

Suggested Staff Bonuses

7. Suggested bonuses for the 2020 calendar year are 10% of salary for Elaine Allan, Michelle Skelly and Jamie Maxwell. The total cost to SCBC would be \$24,000 less statutory deductions.

Keeping Operating Costs Low

8. The suggested staff bonuses are a one-time payment that will effectively serve as salary increases and/or RSP/Pension Plan contributions without increasing the operating costs of the organization in the year ahead. This is prudent financial planning in uncertain economic times.

9. The Other Skills Canada (Member Organizations)

⁵The other Skills Canada Member organizations are implementing staff wage increases this fiscal. This is because the Member Organizations are heavily funded by their Provincial/Territorial governments who have increased their funding. Skills BC has historically lagged behind the other Member Organizations in receiving financial support from its provincial government.

Recognition

10. ESDC staff have worked hard throughout the pandemic to keep SCBC viable, relevant and flush with cash. These were not easy feats to achieve during a downturned economy and times of unprecedented organization disruption throughout the calendar year.

The Year Ahead

11. Paying out the aforementioned bonuses will go a long way to keeping the SCBC staff motivated and focused during the upcoming 2021 competition season. As competition conditions are changing rapidly, more than ever the creativity of the staff, and their ability to work collaboratively has never been more important. Recognizing the work of the staff to keep the organization financially solvent and on the leading edge of designing competitions in an ever-changing environment is something the SCBC board can recognize with a bonus payment that does not commit the organization to increased operating costs for the year ahead.

³ Elaine Allan was hired by SCBC in May 2017.

⁴ Jamie Maxwell was hired by SCBC in April 2018.

⁵ Skills Alberta, although financially solvent is concerned with the optics of increasing staff salaries during a downturned economy so are planning to pay out staff bonuses before the end of the calendar year.