

Finance Committee Report to CurlManitoba AGM - June 4, 2011

The Finance Committee met regularly during the past curling season, by tele-conference and in-person, fulfilling the committee's mandated responsibilities of receiving-reviewing the regular financial statements as provided by the Association's professional staff. The committee also reviewed, as required the existing financial policies and made recommendations to the Board of Directors for updating in a few areas.

As a part of the on-going project to develop a standard format for all policies, the CurlManitoba financial policies have been re-written into the new format.

**** Financial Status:** For the 7th consecutive year, CurlManitoba has operated in a deficit position. While the 2010-11 budget had projected a break-even situation, entries in many events continued to drop below projected numbers resulting in revenues below projection in many cases. Other significant areas of decline were in ice/club affiliations and in Safeway Championship sponsorships.

Continuing to operate at a deficit is unacceptable. In the development of the 2011-12 budget, the Finance Committee instructed staff to make real cuts on the expense side and real increases on the revenue side. Examples where real change has been achieved is elimination of events pins (except Safeway Championship which are a contract requirement) from operating expenditures. On the revenue side, examples where real increases have been achieved include imposing an administration fee in regard to all of the awarded championship berths (MCT, CTRS, and berth spiels not administered by CurlManitoba staff); an increase in event entry fees; and retention of a significant number of bingos to be worked by CurlManitoba.

These measures, while drastic and likely unpopular in some cases, are preferable to the cutting of programs which will be the necessary next step.

We have also projected an increase in sponsorship revenue but recognize it cannot be called a real increase until achieved – rather it sets a target for positive partnership generation.

**** New Membership Model:** The new membership model being implemented in 2011-12 was proposed as revenue-neutral. Revenues projected from the new model will be equal with revenues from the former per-sheet affiliation model. Based on the \$4 individual fee (\$3.81 +GST), a greater degree of equity will be achieved between the larger and the smaller clubs. The potential exist, under the new model, to stop the regular reduction of affiliated ice/cubs (7 clubs & 25 sheets of ice in 2010-11) and in fact to reverse the trend by bringing former members back in to the Association.

**** Change of Fiscal Year:** A change of the CurlManitoba fiscal year is being implemented for 2011-12. The new operating year (July 1 – June 30) represents much more efficient operational parameters as the entire curling season will occur during the same fiscal year as opposed to the current situation in which the season overlaps two fiscal years. Year-end summary work can be accomplished after the season ends. Projections for the next season can be more realistically based upon the actual year-end numbers of the previous year.

**** New & Improved Reporting System:** CurlManitoba's staff continues to work at improving the financial reporting system. Our accounting and our budget have not necessarily always shown the same line items. The process being developed will bring these two closer to parallel, improving our ability to report to the membership. In addition, a more detailed projection sheet based more

directly on the financial report has been implemented for reporting to the Finance Committee and Board of Directors.

**** Philanthropic Giving Campaign Update:** On behalf of the Finance Committee, Bruce Birchard has worked with Shane Ray on development of Manitoba's Curling For Life program. Wording of agreements with Winnipeg Foundation and National Sport Trust Fund is being finalized and we are optimistic this program can be unveiled soon. The initial intent will be to make a 'private approach' to known friends of curling in order to be able to establish the fund at a significant level for the initial announcement. This program will allow planned bequests and charitable contributions for long-term investment in curling.

**** Service to Clubs:** In context of attention to the CurlManitoba Mission Statement, specifically the underlining tenet of supporting the long-term sustainability of clubs, the committee has recommended attention to items which might contribute to the club bottom-line. Items such as the following noted for future consideration.

- A CurlManitoba 'bulk agreement' on credit-card/debit card charges could reduce the individually negotiated fees for clubs. Noted that this has implications for individual club relationships with financial institutions.
- Bulk purchasing (paper products, etc) could reduce individual clubs costs. Noted this has implications of increased Association costs and may impact individual club sponsor relationships.

**** Investment in Manitoba Curling:** During the 2010-11, Manitoba curling clubs/facilities contributed approximately \$80,000 to the CurlManitoba budget through the per-sheet affiliation program.

Separate from all events-related revenue and investment, in just three direct-revenue programs and the very important area of introductory training initiatives, CurlManitoba provided over \$155,360 in investment in Manitoba curling. These include:

Bingo Revenue distributed to Club:	\$26,950
Development Fund support of club programs:	\$49,000
Curling Foundation scholarships and programs:	\$27,190
Investment in clinics, coaching and training	\$52,220

In addition, the Canadian Curling Association contribution to Manitoba clubs was at least \$43,355, including:

Curling Assistance Program	\$33,355.00
Clinics & Program Support	\$10,000.00

This small number of CurlManitoba and CCA programs totals \$198,715 Compared to the clubs investment of \$80,000 this represents a 249% return on investment. There were many other program areas where items administered by CurlManitoba (example: entry fees returned to clubs as ice rental) increased the flow of money significantly from CurlManitoba to the member facilities. This is an impressive level of support for its members by CurlManitoba.

Presented by Resby Coutts, Finance Committee Chair

on behalf of the Finance Committee

Anni Markmann, Bruce Birchard, Jim Winfield, Shane Ray, Theresa Armstrong