

CROSS COUNTRY SKI ASSOCIATION OF MANITOBA INC.

TREASURER'S REPORT

YEAR ENDED MARCH 31, 2012

The financial statements for the Cross Country Ski Association of Manitoba (CCSAM) for the year ended March 31, 2012 are attached for your review.

The financial statements for the year have been audited by the accounting firm of Scarrow & Donald. The audit report contained a "clear opinion" except for the standard qualification regarding not for profit enterprises. This qualification concerns donation type revenues which are "*not susceptible to satisfactory audit verification.*"

Highlights from the financial statements:

- Statement of Operations
 - a. Revenue of \$305,023 is decreased from 2011 (\$389,671). A decrease of \$84,648.
The primary changes include:
 - i. Decrease to Canada Winter Games funding revenue of \$22,500. Non CWG Year.
 - ii. Decrease to block Sport Manitoba funding of \$7,500. Planned reduction.
 - iii. Decrease to Tracking revenue of \$18,692. Little snow in Winnipeg.
 - iv. Increase to Fundraising revenue of \$2,310.
 - v. Decrease in HP program revenue of \$10,098.
 - vi. Increase in Program/Event revenue of \$21,229 due to new Para-Nordic equipment funding (\$8,800), and increased funding of the Inner City Schools Ski Program (\$11,500).
 - vii. Decrease to Windsor Park revenue of \$45,948. Late snow.
 - b. Expenses of \$325,026 slightly lower than 2011 (\$332,228). The primary changes include various movements within account groupings, including:
 - i. Increase to operating expenses by \$3,073 for salaries and contract positions
 - ii. Decrease to fundraising expense by \$3,098 mainly due to swap shop.
 - iii. Decrease to High Performance program expense by \$27,939. Mainly due to Canada games expenses in the prior year.
 - iv. Increase to Program/Event expense by \$29,532 due to coaching courses (\$3,300), Para-Nordic ski program (\$9,000), Provincial Championships (\$12,000)
 - v. Decrease to Windsor Park expense by \$8,125 due to decreased operating costs and salaries. Opened late for the ski season.
- Statement of Financial Position
 - a. Assets – total assets have decreased by \$30,897.
 - i. Decrease to WNPC cash by \$25,735 due to use of cash as a result of poor operating conditions.

- ii. Increase to CCSAM cash by \$7,517 due to timing of transfers of cash from the WPNC account to the CCSAM account.
 - iii. Decrease to A/R by \$12,679 due to timely collection of receivables.
 - b. Liabilities – total liabilities have decreased by \$10,894
 - i. Decrease to A/P resulting from repayment of trade liabilities
 - ii. Decrease to deferred contributions from realization of deferred revenues
- Overall Results for the year included a \$20,003 net loss, due mainly to poor results from WPNC. Unrestricted net assets (Retained Earnings) were \$78,528 as at March 31, 2012, a decrease of \$20,003.
- Windsor Park Nordic Centre operating agreement has continued to be extended.

BUDGET FOR THE YEAR ENDED MARCH 31, 2013

The BUDGET for the Cross Country Ski Association of Manitoba (CCSAM) for the year ended March 31, 2013 is attached for your review.

This budget has been prepared on a small deficit basis. Two main reasons for this: 1) Sport Manitoba has reduced funding for the years 2010 – 2014. Block funding from Sport Manitoba decreases \$15,000 in each of those four years. 2) We did not want to make any deep cuts to key programs such as High performance. However, fiscal prudence is the key to sustainability in light of the reduced core funding and a weather dependent sport.

Highlights from the 2013 BUDGET:

- The \$15,000 reduction in funding is the bad news. The potential good news is that in 2013 CCSAM will see what our Sport Manitoba funding will be for the next four years.
- The current year budget is a conservative budget. We, the CCSAM have very little control over many of the sources of revenue. Government funding can be budgeted to the exact dollar. Revenue from Windsor Park Nordic Center – Trail fees, ski rentals, and ski school are impossible to budget accurately. Much of our revenue is weather dependant. Poor ski conditions in Winnipeg resulted in poor results at Windsor Park Nordic Center (WPNC)
- Therefore, revenue has (always) been forecasted conservatively. Total 2013 revenues are budgeted slightly lower than budgeted in 2012, but almost identical to 2012 actual revenue.
- CCSAM has much more control over the expense side of the budget process. The Board of CCSAM reviews our actual expenses, compared with the current budget on a monthly basis. The Board will ensure that both the budget and current expenses are kept under control as the ski season progresses. Expenses have been presented in a realistic manner. Programs such as High Performance skiing will continue to be supported. But CCSAM continues to review all programs on an on going basis to ensure we are getting results from the money allocated.
- Windsor Park Nordic Center (WPNC) – the agreement with The City of Winnipeg to operate WPNC has been extended for another year.

WPNC revenue and expenses will be tracked on a weekly basis during the ski season. Favorable weather / ski conditions will result in good operating results from the WPNC. A

Committee was struck in 2009 to review the entire operations of WPNC. Their mandate is examine “everything”: from ski lessons, the grooming, and right back to the building and locker rooms. This Committee will continue to meet and ensure WPNC continues to operate in the best possible manner.

CROSS COUNTRY SKI ASSOCIATION OF MANITOBA INC.

TREASURERS REPORT 2012

MOTIONS TO BE MADE

1. The accounting firm of Scarrow & Donald LLP. be appointed auditors of the financial statements of the Cross Country Ski Association of Manitoba for the year ended March 31, 2013.
2. The banking arrangements of Cross Country Ski Association of Manitoba for the year ended March 31, 2013 remain with the Assiniboine Credit Union.