

Budget Committee Report 2023 AGM

The Budget Committee included, in 2022, Hugh Armstrong, Phil Horch, Jane McGough, Paul Thibault and Angela Turner.

Meetings

Three meetings were held to:

1. Prepare yearly budgets based on ongoing operational expenses and input from various committees.
2. Allow for contingency funds to accommodate unforeseen expenses, and “Discretionary Expenses” approved at Board and General meetings.
3. Provide budget updates during the year to compare budgeted and actual expenses.

Budgeted and Actual Income and Expenses for 2022

The 2022 budget spreadsheet shows a loss of \$212, which is significantly less than the \$1,770 loss budgeted. This is in great part due to the much larger total donations than expected from previous years.

The \$212 loss differs slightly from the \$276 loss in the financial statement reported by the Treasurer. The accounting is done differently in the budget in order to better capture the spending of committees, which can straddle two calendar years. For example, all the 2021 and 2022 revenues and expenses for the Scenic Views Committee are allocated in 2022. Also, the budgets have some added categories such as GN and Board meeting discretionary funds and some items are placed in different categories.

Budget for 2023

The following factors were involved in developing these budgets:

1. Requests made by committee and board members.
2. Goal of achieving short-term and long-term balanced budgets.
3. The availability of casino funds for the various budget items.
4. The standing of the committees. Committees need to have a chair to submit a budget request and any proposed new committee must be approved by the Board.

GN Club 2023 Budget

The expense and income documents have the following three columns:

1. The 2023 amounts requested by the various Committees and Board.
2. The 2023 budgets developed by the Budget Committee. Items in the 2023 budgets that differ from the requested amounts are indicated in red. Expenses that will be paid from Casino funds are highlighted by the bold 'Note 1'.
3. The anticipated recurring budgets in following years excluding new committees. This column is provided in order to give an indication of whether the GN Club is facing a possible recurring structural deficit in the coming years.

The 2023 budgeted expenses are as follows:

Operational and Administrative Expenses: \$3,513. In order to comply with AGLC casino guidelines, the Zoom meeting expense is included in this category. AGLC regulations limit casino expenses in this category to 20% of the Casino revenues.

Communications Committee: \$2,500. This is consistent with the requested amounts, with the exception of the Zoom expense, which has been moved to the above Operational and Administrative category. Also, a \$200 amount was initially requested by the Issues Committee for Butterfly and Native Grasses brochures, but this was later removed and transferred to the Communications Committee. Since that committee has not yet approved that amount, it has not been included in the 2023 budget.

Indoor Program Committee: \$1,572. This is the same as the requested amount.

Field Trips Committee: \$300. This is for 6 walkie talkies.

Invasive Species Committee: \$0. The requested \$1,100 was not included in the Budget because this is a proposed new committee that first needs to be approved by the Board.

Issues Committee: \$750. This is the same as the requested amount.

Governance Committee: \$0. This is the same as the requested amount.

Fund Raising Committee: \$0. This is the same as the requested amount.

Budget Committee: \$0. This is the same as the requested amount.

Bird Tales Committee: \$0. This is the same as the requested amount.

South-east Alberta Birding Trails Guide: \$0. This is the same as the requested amount.

Scenic Views: \$0. This is the same as the requested amount.

Awards: \$0. This may increase if life-time memberships are awarded in 2023.

Board Discretionary: \$500. This has been increased from that budgeted for 2022.

General Meeting Discretionary: \$350. This is mainly for the purchase of coffee and food.

Total Expenses (before GST): \$9,484

Based on the projected revenues, the balances are -\$3,865 and \$130 before and after casino revenues respectively. They are also before GST, for which the net expense is expected to be around \$234 taking into account that GN gets 50% of the GST refunded. So, with casino funds, this essentially amounts to a balanced budget for 2023.

It is important to note that the above budget corresponds to that approved by the Board at its meeting on January 3rd, 2023. Since then, due to requirements in the new contract between GN and the City of Medicine Hat for operating the Medicine Hat Interpretive Program, the commercial liability insurance cost has increased with the GN ¼ share increasing from \$950 to \$1,162. Also, as was the case five years ago for the current contract, negotiations involved getting professional legal advice. The net balance may also be affected by requests from new committees. For example, it does not include any expenses for the new Invasive Species Committee that was formed at the Board meeting held on February 8th, 2023.

GN Club Recurring Budget

The recurring budget column is based on expenses that are expected to reoccur yearly. These are the

same as for 2023 without the one-time expense for the walkie talkies. The net balances (before GST), in this case, are -\$3,589 and \$17 before and after casino funding. Again, these balances do not take into account inflation, particularly for insurance, or new committees and committee requests. Both the 2023 and recurring budgets show the importance of the casino funds in achieving a balanced budget.

MHIP 2023 Budget

The attached MHIP budget indicates a projected deficit of \$35,000 before Casino funding. Because new Casino funding is not expected until December 2023 or January 2024, MHIP has not requested any new casino funds with the exception of some unused 2022 funds including those targeted to MHIP.

The main reason for the deficit is the need to increase wages because the existing amounts are not competitive. As a result, staff members are leaving because of better financial opportunities elsewhere. The budget is considered by the Chief Interpreter to be quite conservative and the actual deficit could be significantly lower.

Allocation of Casino Funds

There was significant discussion at the Budget Committee meetings concerning the allocation of Casino funds between the GN Club and MHIP.

In 2022, we received the following Casino funds

AGLC: \$12,909

Vanshaw Enterprise, Casino advisor: \$1,773

Total: \$14,682

Because of COVID, we did not receive any Casino funds in 2020 and 2021 but received a total of \$18,642 in 2019.

To be conservative, we can use the 2022 figures and, assuming casino funding every 18 months, anticipate a total funding of \$29,364 (2 x \$14,682) every three years. From that, we subtract \$3,546 (2 x \$1,773) for the Casino advisor and fee. This gives us \$25,818 every three years to work with or \$8,606/year. Historically, MHIP has asked \$5,000/year from Casino funds as a Board contribution. As indicated in the 'Recurring' column of the 'Club Income' document, that would leave the GN Club with \$3,606/year of Casino funds. Based on the 'Recurring Column' of the Expense document, we would need \$3,436 of Casino funds to cover the anticipated structural deficit resulting from recurring expenses. So, that brings us pretty close to what we need for a balanced budget. However, this does not account for future probable increases in insurance costs and would not leave any Casino funds left for non-recurring costs that may be expected to come up from various existing and new committees. For example, we historically give \$500 seed money to new committees.

For 2023, we are in a bit better position because MHIP has not requested the usual \$5,000, which leaves \$5,500 for the Club. As indicated in the Expense document, casino funds are expected to be used in 2023 for:

Operational Expenses:

Directors Insurance: \$1,958

Operational Expenses: \$340

Zoom: \$175

Total: \$2,473

Communications Committee:

Website: \$450

Advertising: \$500

Miscellaneous (banners, brochures): \$400

Total: \$1,350

Field Trips:

Walkie talkies: \$300

Total: \$300

Total Casino Funding for 2023: \$4,123

As indicated at the bottom of the budget income document, that leaves \$5,500 - \$4,123 = \$1,377 available for other future allowable casino expenses.

The \$2,345 funding of Operational expenses is within the allowed 20% of the 2022 casino revenues (\$12,908), which amounts to \$2,582. This leaves \$109 still available in that category.

The involvement and support of Board members, including those on this committee, and the input from the Chief interpreter have been very useful and are greatly appreciated. We would also like to thank Angela Turner and Jane McGough for producing the financial statements used to create the budgets.

Respectfully submitted,

Paul Thibault, Committee Chairperson