

Treasurers Report

Treasurers report for the year ending April 30, 2009

Prepared by Richard Kruppenacher

May 24, 2009

The Burlington Oldtimers Hockey Club Inc. (BOHC) is a not for profit organization with a mandate to provide fun, fellowship and year round hockey for the citizens of Burlington who are 35 years of age and older. As an organization, we also give back to the community we live with funds raised through such events as our Ham and Turkey Roll held each fall and our Invitational Tournament held each spring.

Current year results

We have provided a full set of Audited Financial Statements for your review at the club house and they will hang at the entrance to the club house. This report provides a summary of our results: The financial statements are separated into major groups to help us manage and understand our organization. These groups are:

- Hockey Operations (which include both summer and winter hockey)
- Invitational tournament held each year in February
- Lounge activities
- Social activities (which include the annual Ham and Turkey Roll held each year in November and the Golf Tournament held each spring)
- Administrative costs to operate our organization.

Operating income for each activity includes the direct cost associated with that activity and does not include administrative costs. Administrative costs are presented separately and we have not attempted to allocate these costs to the different activities.

Each year the board develops an annual budget for the next fiscal year. The object is to have a balanced budget where the fees charged to play hockey and revenues earned equal the expenses to operate our club. However actual results will always be different than the budget and this year is no exception. This past year the club ran a deficit for the first time in a number of years. Below I will explain how this happened. The club is still very well funded with reserves of \$169,000.

Actual Results to the Approved Budget

Net Income	Actual Results	Approved	Budget Difference
Winter Hockey	\$ 34,306	\$ 48,544	\$(14,248)
Summer Hockey	582	1,542	(960)
Invitational Tournament	7,000	7,000	0
Hectors (Lounge)	3,145	150	2,955
Golf Tournament	(405)	0	(405)
Ham and Turkey Roll	5,000	5,000	(500)
Administration	(61,395)	(61,868)	473
	\$ (11,767)	\$ 878	\$ (12,645)

Winter Hockey

The major reason for the over spend in Winter Hockey is the cost of ice and the number of prime time games played. Total ice costs for the year is \$259,000 or 46% of our total budget.

During the budgeting process we anticipated an increase in ice cost of 3% when in actual fact ice cost increased 4.5%. Additionally we budgeted for 888 games of prime time ice, in actual fact we played 941 games. Prime time ice costs an additional \$25 per hour. The result is ice cost us \$8,000 more than expected, which directly affects the bottom line. The remaining differences are all minor when compared to the budget.

Summer Hockey

Summer hockey did not meet budget for one reason. Last summer there was a shortage of goalies and the goalies played for free. Our budget assumed they would pay to play.

Invitational Tournament

The invitational tournament from a financial perspective does two things for our league. It contributes to the community by allowing BOHC to make donations and it also contributes to our league to help keep our fees at a reasonable level. This past year the invitational tournament allowed the league to make donations totalling \$9,112 to the Carpenter Hospice and the Oliver Crowe Trust.

The difference between this year and prior years is during the budgeting process the expectation was the club would get paid first based on the budget and any surplus would be donated to the charities selected.

Hector's (Lounge)

Hector's is always the most difficult to budget for because of the nature of the activity. This year revenue is up, margin improved and cost kept under control.

From a business perspective Hectors is not fully burdened with having to pay rent or utilities. These costs are included in the Administration section. Hectors is an important part of our organization and the membership has indicated that it is part of the fabric of BOHC. But it comes at a cost. If we were to burden Hectors (lounge) with rent and utilities, we would estimate the cost to be around \$35 per BOHC member.

Golf Tournament

This annual event is supposed to break even. This year it ran a deficit of \$405 as we did not meet expected registrations. For the 2009 - 2010 we have incurred the same situation.

Ham and Turkey Roll

This annual event contributes financially to the league. This past year the Ham and Turkey committee requested their desire to contribute not only to the club but to charity. What was agreed to is the first \$5,500 of fundraising would go to the club and the balance to charity. This year the Ham and Turkey contributed \$1,853 to the Oliver Crowe Trust.

The \$500 shortfall is due to the amount that was supposed to remain with the league being posted at \$5,000 instead of \$5,500.

Administration

Administration came in on budget. Of the \$61,000 annual budget, rent and utilities make up 57% or 35,000 of the total spend.

Actual Results to Prior Year Results

The statement of revenue and expense you have in front of you shows a deficit of \$11,767 compared to a surplus in the prior year of \$30,365 for a total difference of \$42,132. Revenues year over year are up \$10,000, but expenses are up dramatically year over year. Most of these increased costs were budgeted for and explained in the first part of this report.

What is important to notice is the trend. The challenge and tough decisions that will need to be made by your next board of directors will be to control costs or increase fees for the 2010 - 2011 season.

The major cost increases this past year were, ice rental, referee fees, plaques prizes and volunteer recognition programs, our charitable events and advertising.

The Future

On a very positive note the BOHC along with the other major ice user groups in Burlington has signed an ice user agreement with the City of Burlington as part of the Appleby expansion. This agreement insures we will be allotted ice for the next 15 years. However, we must abide by the City bylaws or we could find ourselves in the position of having ice, not being able to use it and still having to pay for it.

This year we have delayed the approval of the budget for 2009 - 2010. This was done for a few reasons. The main reason being, with the new board approving the budget they are also responsible to live by it.

Fees for hockey are expected to increase for the 2010 - 2011 season. The harmonization of the PST and GST based on what we know today will increase fee's \$40 per full time skater. Based on the cost increases in other areas, an increase is very likely.

Finally, thank you for appointing me your treasurer and allowing me to serve this great Club. This is an amazing organization and I encourage all of you to get involved.

Have a great summer and we will see you on the ice in September.
Richard Krummenacher