

2017 FDFA Treasurer's Report



Do better at the border.

	2017 Budget		2017 y/e forecast		variance
	Jan-Dec		Jan-Sep		
Revenue					
Operator Member	63,600	19%	65,400		3%
Supplier Member	65,000	19%	59,464		(9%)
Associate Member	10,000	3%	11,169		12%
FDFA Buyers Guide	1,000	0.3%	500		(50%)
			150,00		
Convention (net)	200,000	59%	0		(25%)
Store Bag Program (net)	800	0.2%	750		(6%)
Interest & Misc. Income	400	0.1%	976		144%
	340,80		288,25		
Total Revenue	0		9		(15%)
Program Expenses					
Awareness/Marketing	4,000	7%	3,000		(25%)
Board of Directors' Expenses	8,400	14%	8,400		0%
Semi-Annual	15,000	24%	15,295		2%
National Marketing Program	5,000	8%	247		(95%)
Convention Committee	2,500	4%	3,551		42%
Convention Architecture Committee	2,500	4%	2,000		(20%)
Gold Standards Committee	500	1%	350		(30%)
Government Relations Committee	22,500	37%	3,500		(84%)
Legal/Bylaw Expense	850	1%	818		(4%)
Subtotal	61,250		37,161		(39%)
Operating Expenses					
Office Rent	14,405	6%	14,405		0%
	177,50		185,20		
Salaries & Benefits	0	75%	0		4%
Professional Fees	3,800	2%	3,900		3%
Office & General Expenses	10,000	4%	9,000		(10%)
Dues & Subscriptions	17,100	7%	17,300		1%
Charitable Donations	500	0.2%	500		0%
Insurance	3,385	1%	3,385		(0%)
Interest & Service Charges	1,900	1%	1,650		(13%)
Travel & Entertainment	5,000	2%	4,955		(1%)
Telecommunications	3,500	1%	3,250		(7%)
Bad Debts					
Staff Training	500	0.2%	-		(100%)
Foreign Exchange Loss/(Gain)	500	0.2%	297		(41%)
	238,09		243,84		
Subtotal	0		2		

Operator dues should come in slightly above budget while supplier member dues will come in slightly below

Realizing budgeted sponsorship figures has been more difficult than anticipated this year

Total revenue is lower this year as a result...

We have cut back significantly in program expenditures, in part to account for the anticipated shortfall:

National marketing was effectively eliminated as a program this year.

The convention architecture committee will in theory be dissolved in 2018 and this will be eliminated as a line item.

This is atypical and should not be expected going forward - GR will remain a budget item

We continue to pay out the executive salary and the increase to salaries is reflective of active staff.

Expenses are down as a result of decreased program spending, however operating expenses are up compared to budget.

We anticipate a small year end surplus in the neighbourhood of 7k

We will have a severance liability that will be due in the first quarter of 2018. We will liquidate the GIC in order to satisfy it.



2013 - 2017

FINANCIAL SNAPSHOT

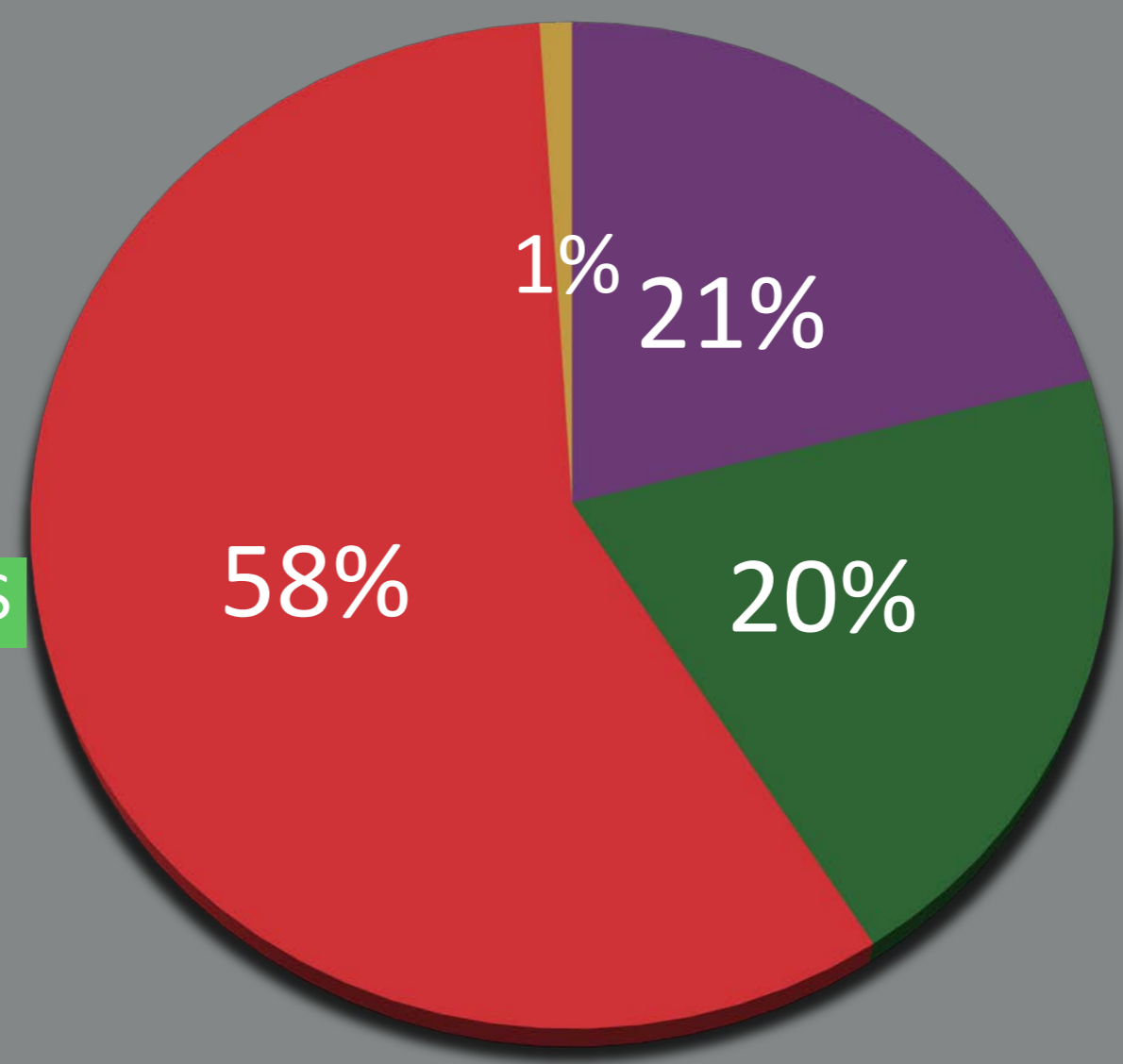
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- ▶ FDFA revenue over the last 5 years has come from 3 primary sources; operator dues, supplier and associate dues and the convention. Operator member dues have contributed about 21% of our revenue over the period, supplier and associate member dues approximately 20%, and the convention has contributed approximately 58%. Altogether, the FDFA has taken in about \$1.8 million dollars over the last 5 years.

CONVENTION

MISCELLANEOUS

OPERATOR DUES

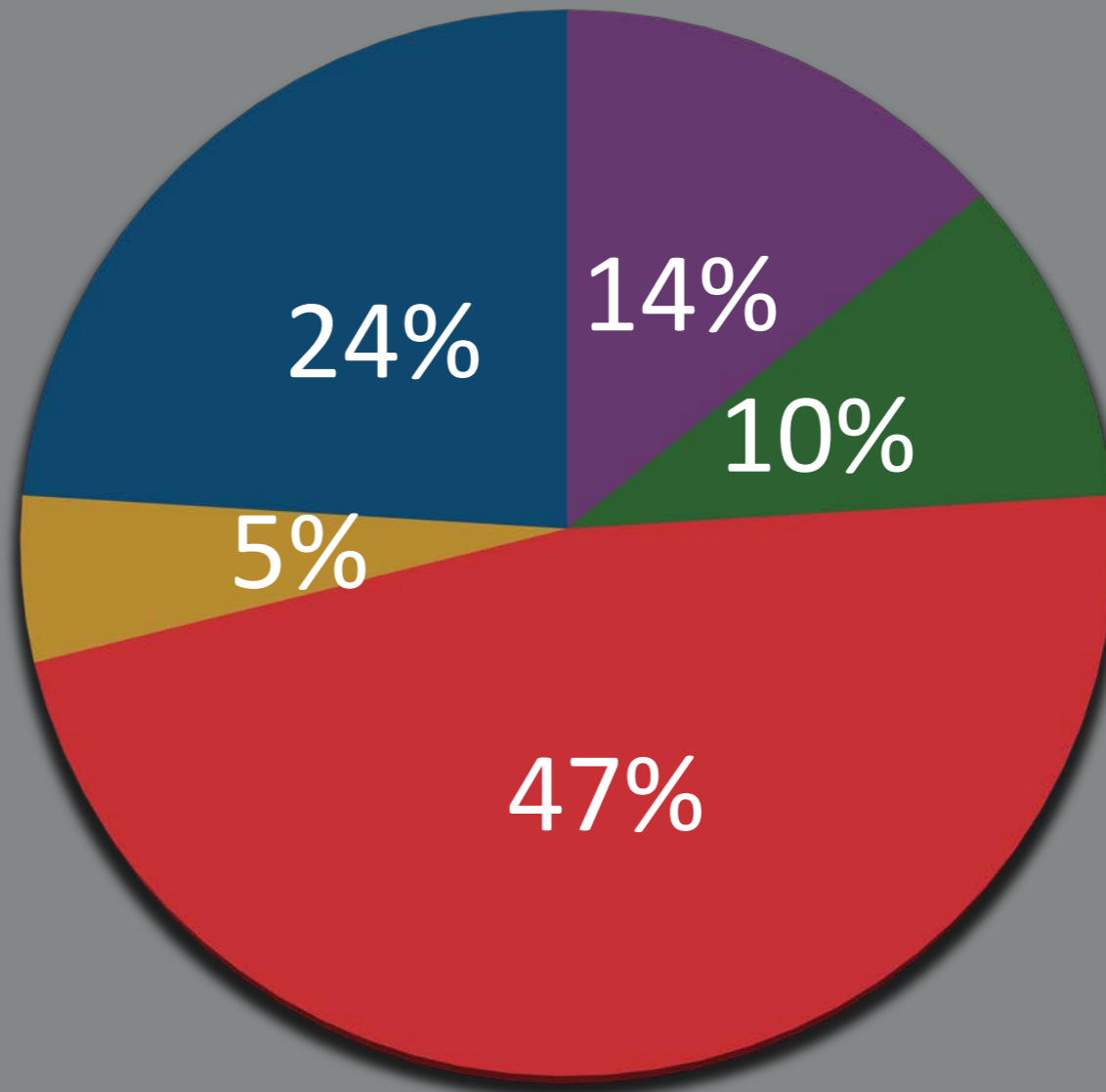
SUPPLIER AND ASSOCIATE DUES



\$1.8 million

- ▶ A concerning trend that has emerged in relation to the convention is a marked decrease to the number of operator members attending coupled to an increase in the number of supplier members.
- ▶ Of particular concern, Gala attendees have decreased over the last 10 years by approximately 46%, and our hotel room block pick up has seen an erosion of approximately 25%.
- ▶ Those are important figures to pay attention to as the Gala generates about 50k of total convention sponsorship \$\$, and hitting the minimum hotel room block allows us to realize 10's of thousands \$\$ in savings...

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- ▶ Taking in \$1.8 million means, of course, that the FDFA has also spent \$1.8 million over the last 5 years.
 - ▶ National marketing expenditures account for approximately 14% of that total, government relations accounts for approximately 10%, office rent for approximately 5% and salaries and benefits for approximately 47%.



\$1.8 million

CHANGES IN 2017

- ▶ 2017 is the last year of the current convention format and future convention revenues under the new format are anticipated to level off at about 75% of what they have been lately.
- ▶ As we are all now aware, the FDFA is without an Executive Director as of September of this year.

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- ▶ We have a big decision to make - Do we intend to fill the Executive Director position?

- ▶ If so, do we replace with a Laurie Karson/Julian Lewen? i.e. an Executive Director at 100k - 150k per year?
- ▶ Do we replace with a “high powered” executive like a Diane Brisebois? This would likely be in the range of 250k - 350k per year.
- ▶ Do we maintain the current governance and administrative structure and simply take the historical executive salary and hire a lobby firm? We would get approximately 4 road trip type initiatives per year.



\$300k - \$400k



\$100k - \$150k



The Rothwell Group Inc.
Corporate and Public Policy Solutions

 Hill + Knowlton
Strategies

\$100k (?)

Is there another model that we should be considering from a financial and administrative perspective?

- ▶ As we move toward a decision, a critical element to watch will be convention profitability, as if it dips below the 100k mark, a cash call or dues increase may be required to keep the FDFA afloat in the future...