

**MAAA Treasurers Report**  
**May 2021 Conference – ZOOM**

**Actuals to Date**

The MAAA Balance Sheet and Profit & Loss at 30 April 2021 are noted on Appendices D1 and D2.

In simple terms at 30 April 2021 Net Assets are \$ 4.2 mil and the Net Surplus is \$ 218 k compared to a budgeted Loss of \$ 69 k.

**Forecast**

A forecast P & L for the full year to 30 June 2021 has been developed based on run rates and estimates for the final 2 months of the year. The forecast is in Appendix D3 and D4. Based on these estimates MAAA will finish the year with Revenue of \$ 687 k and a Net Surplus of \$ 176 k.

**Comment on FY2021 – P & L**

Revenue - The first point is that MAAA is close to Budget for Revenue from Affiliations – forecast of \$ 651 k is slightly above the budget of \$621 k. Membership numbers support this forecast. It is pleasing to observe that the ‘early bird discount’ was taken up by the vast majority of members in line with our Budget estimates. Bank interest income is forecast to be \$ 3 k compared to a budget of \$ 9 k, due mainly to historically low interest rates. Overall Revenue is forecast to be \$687 k against a budget of \$652 k.

Expenditure - We are forecasting a significant underspend against Budget this year i.e. Forecast Expenditure is \$ 511 k against a Budget of \$ 721 k, a saving of \$ 210 k compared to Budget. This is almost the same as last year’s spend of \$512 k. It should be remembered that when we constructed the budget in May 2020 we had only a few months experience of COVID19 and we had no idea that its effect would be so extensive and so long lasting. At that time we took the view that we should assume a resumption of normal activity & spending from the beginning of FY2021.

The reality is that domestic activity was restricted for many months until relatively recently and international activity has had no resumption. The picture continues to evolve in real time. For example we have just been advised that the F1 A, B & C World Champs scheduled for August 2021 in France has been postponed until 2023.

Forecasting & Budgeting in such turbulent times presents many challenges.

Getting back to the FY2021 Forecast, it would appear that ;

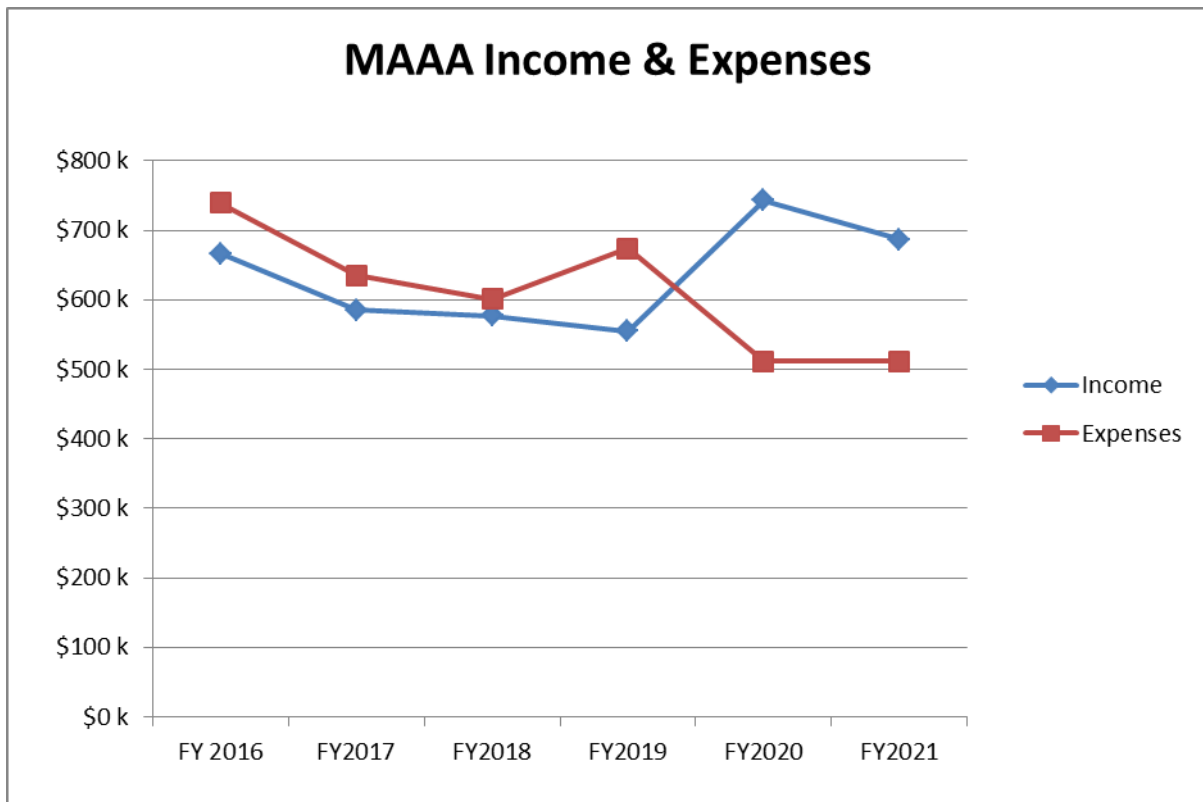
- COVID19 has driven forecast savings of \$127 k against budget for FY2021 in a variety of lines.
- Insurance Premiums & claims are forecast to be \$27 k less than budget
- Advertising & Executive Promotion expenses are forecast to be \$ 19 k less than budget.

For more detail on Expenditure see **Addendum** below

Surplus – When the above budget Revenue performance is combined with the very large savings in Expenditures we are forecasting a surplus of \$ 175 k compared to a budget shortfall of \$69 k. This is a positive variance of \$ 244k. Thus for a variety of reasons MAAA has in fact recouped deficits accumulated over the previous four years to FY 2019 and increased net capital by \$141 k over the past 6 years.

### MAAA Income Statement

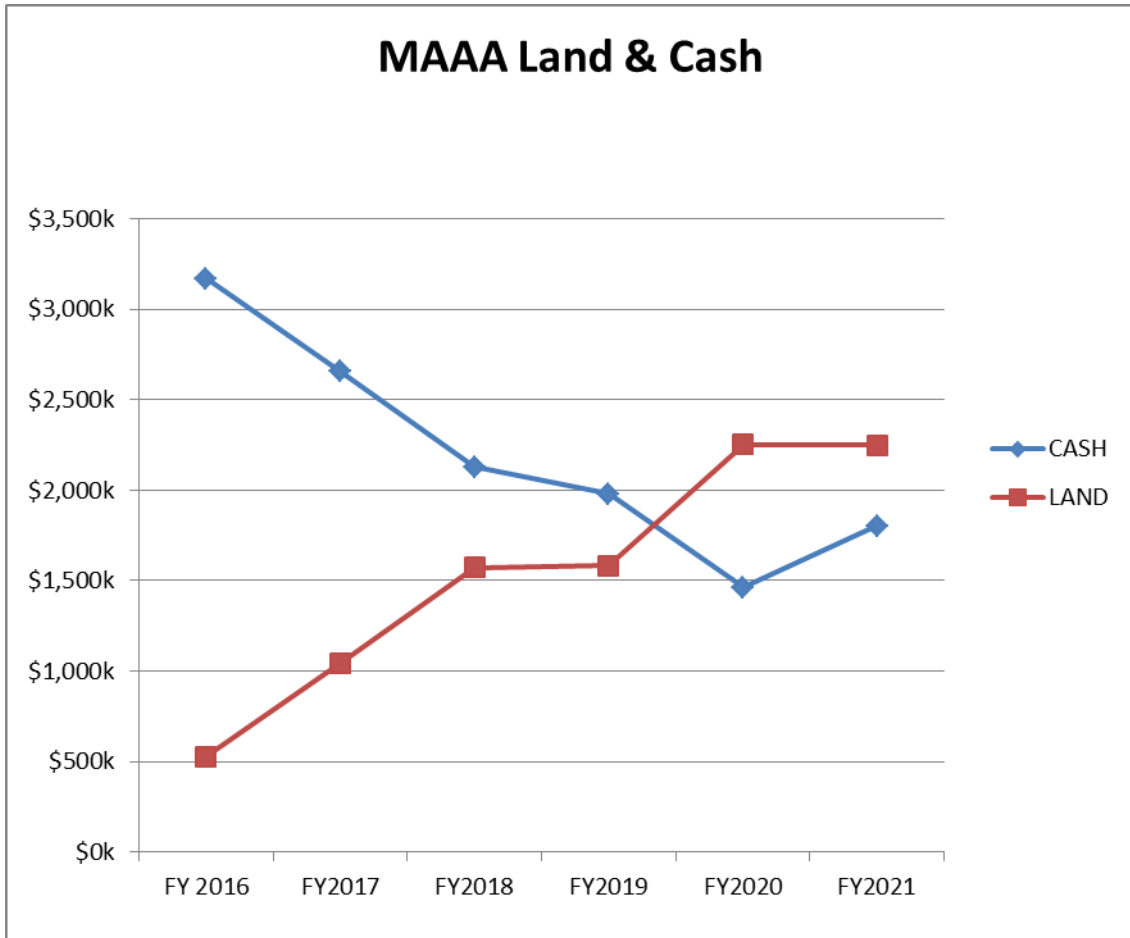
MAAA Income & Expenses	FY 2016	FY2017	FY2018	FY2019	FY2020	Forecast FY2021	6 Year Total
<b>Income</b>	\$666 k	\$585 k	\$578 k	\$555 k	\$743 k	\$687 k	\$3,814 k
<b>Expenses</b>	\$740 k	\$636 k	\$601 k	\$674 k	\$512 k	\$511 k	\$3,673 k
<b>Surplus / (Shortfall)</b>	(\$74 k)	(\$50 k)	(\$23 k)	(\$119 k)	\$232 k	\$175 k	\$141 k



#### Comment on FY2021 – Balance Sheet

The trend of converting accumulated cash into land came to halt this year. Comments made in prior years about the effect this has on interest income do not apply given the historically low interest rates. The RBA cash rate is 0.10% vs 1.5% in May 2019. It is worthwhile noting the changes in these trends ;

ASSETS	FY 2016	FY2017	FY2018	FY2019	FY2020	FY2021	6 Year Total
<b>CASH</b>	\$3,169k	\$2,654k	\$2,127k	\$1,980k	\$1,461k	\$1,803k	\$13,193k
<b>LAND</b>	\$526k	\$1,045k	\$1,573k	\$1,583k	\$2,251k	\$2,249k	\$9,227k
<b>Sub Total</b>	\$3,695k	\$3,699k	\$3,700k	\$3,563k	\$3,712k	\$4,052k	\$22,420k
<b>Interest</b>	\$82k	\$61k	\$52k	\$45k	\$25k	\$3k	\$268k



It should be noted that a Council decision to maintain our cash balances at a level sufficient to cover no less than one year's operating expenses means that our cash balance needs to be in the order of \$500k. In non-COVID19 times this number would be in the order of \$700k.

#### **FY2022 Budget – P & L**

The Executive has developed a first pass budget for FY2022. It is contained in Appendix D4. This first draft budget is based on a more gradual return to established revenue & cost drivers tempered by our experience in the past year in a world dominated by COVID19. As compared to the FY2021 forecast, significant items are ;

- Membership estimate of 8,518 drives Affiliation income.
- Low interest rates hold down interest income.
- Internet & Website cost increase of \$20k.
- Advertising & Promotion costs increase of \$20k.
- Major Events increase \$30k.
- Insurance cost increase \$27k.
- World Champs support \$25k.
- Conference Fees \$15 k.
- Club Assistance increase by \$11k.
- Most costs are based on a return to normal Run Rates.

The outcome is a first pass FY2022 Budget Surplus of \$14 k. This follows on from the Forecast FY2021 Surplus of \$175 k.

## Final Reports for FY2021

The final reports for the full year to 30 June 2021 will be presented at a special meeting called for that purpose as soon as practicable after the end of the current Financial Year.

## Appendices

D1 – 30 April 2021 Balance Sheet

D2 - 30 April 2021 P & L

D3 – 30 June 2021 Forecast P & L

D4 - FY 2022 Budget Draft P & L

D5 –FY2021 Budget Vs FY2021 Forecast P & L

D6 – FY2021 Forecast Vs FY2022 Budget P & L

## Addendum - Comment on FY2021 – P & L

Administration costs are forecast to be \$ 42 k below budget. Key items are Admin Support \$10 k below budget, Insurance claims \$12.5 below budget, Internet & website \$5k below budget & Secretary World Champs & Secretary Expenses \$ 9 k below budget.

Promotion costs are forecast to be \$101 k against a budget of \$152 k, a saving of \$51 k. COVID19 has significantly reduced the CFI Conference spend and Major Events, with each being underspent by \$10k. Advertising & Executive Promotion are forecast to save \$19 k compared to budget. MAAA merchandise will be underspent by \$5k.

Member Services costs are forecast to be \$ 217 k against a budget of \$ 271 k, a saving of \$54 k. Again COVID19 has driven savings for the MAAA Annual Conference and CIAM Conference \$ 24 k. Another significant saving is Insurance claims which ended up being \$ 15 k below budget. Our Presidents travel costs are below plan by \$7 k due to mainly to COVID restrictions. Finally Club Assistance will be underspent by \$11k.

Competition Support is forecast to be \$ Nil against a budget of \$ 65 k. Again COVID19 has driven much of the savings here. Most of this cost is usually incurred in the second half of the year and the cancellation of events due to COVID19 means significant savings.