

Alberta Rugby Football Union

2024 AGM – Financial Report

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Overview

2024 was a year of significant investment in our sport. We began this year with \$792k in cash, and a goal of using some of these significant financial resources to bring our sport back to at least pre-pandemic levels of participation. During the year, we subsidized the cost of all of our programs and events to keep our player costs down. We also implemented a marketing program to promote our sport, we supported our referees with the purchase of new radios, and invested in equipment to allow us to stream and record Rugby Alberta sponsored games.

Financial Position

At October 31, 2024, Rugby Alberta finished the year with \$593k in cash. Of these cash resources, \$68k is committed for spending on our participation in the 2025 Canada Summer Games, and \$12k remains in a reserve fund for settlement of disputes and claims against Rugby Alberta. Our non-program related fixed expenses, including payroll and administrative costs, are approximately \$350k per year, so our current financial position remains strong relative to this current cost structure.

Results for Year Ending October 31, 2024

As a result of our investment strategy, Rugby Alberta has posted a deficit for the year of \$156k. This compares to a budgeted deficit of \$31k. The more material variances to budget are as follows:

- Canada Summer Games Funding: -\$45k. This funding from Alberta Sport had been forecast as revenue of \$45k 2024 (a total of \$68k in cash has already been received in 2023 and 2024). However, our spending on that program will not take place until 2025, so we cannot recognize this funding as revenue until the money is spent. In effect, all of this revenue is being deferred from 2024 to 2025.
- Program Support: -\$81k. Our budget for the year included subsidizing the cost of our events and programs by \$40k, and the board subsequently increased this to \$63k during the year to fund extra expenses related to our participation in the Canadian Regional Championships in Halifax. By year end, Rugby Alberta has invested \$144kk in our various events and programs, with the most significant investments being the following:
 - ARC 7s & 15s: \$ 4k
 - CRC Tours: \$30k
 - Wolf Pack Tours: \$38k
 - Sr Men/Women NvS: \$23k
 - PJCC: \$ 7k
 - AC, AWP: \$ 7k
- Dispute Settlement: -\$32k. This expense was incurred during the year for settlement of various claims and related arbitration costs. Nothing had been budgeted for this expense, as there was minimal historic information upon which to forecast future costs.

- Wages & Benefits: +\$13k. Staff costs were lower than budgeted, primarily due to lower number of hours worked by hourly staff.
- Marketing: -\$8k. An unbudgeted expense for marketing and promotion of rugby in Alberta was approved by our board during the year, as a specific initiative to increase the number of players registering with rugby clubs in the province.

Commentary:

Our large deficit for the year reflects our intention of investing in our sport to bring it to pre-pandemic levels of participation and success. It also reflects some significant unanticipated costs, including management of disputes by an independent third party.

During the year, we also experienced some unexpectedly high expenses and registration revenue shortfalls for our programs and events. While our players benefited by paying lower registration fees, this level of program and event support is unsustainable in the longer term. During this year, updated policies and procedures were approved by the board to update and improve our controls for financial transactions and reporting and (see Rugby Alberta website), and additional program and event cost monitoring processes are being implemented in 2025 to ensure that our net investment in our programs (expenses greater than registration fees charged) is in line with our budgeted intent to subsidize participation in our sport.

Audited Financial Statements:

A financial audit of our 2024 financial statements has been completed by Metrix Group, and are attached for reference, along with audit opinion and notes to the statements.