

Treasurer's Report to the NAC 2023 Annual General Meeting

2022 proved to be another challenging financial year for the NAC. Expenses outpaced revenues and NAC closed the year with a significant loss. While the 2022 financial review is being completed in the days ahead of the AGM, it is clear that operating with a net loss is not sustainable. The financial review will find that NAC closed the year with a loss of approx \$85,000. From a cash flow perspective, this means that NAC has had to draw down invested funds to meet financial obligations. This has caused the BOD to take hard decisions and reduce costs wherever possible, include travel, conference attendance, and the Naval Affairs program.

As 2022 closed, a new National Treasurer was named and he has been asked to make recommendations to the Board to ensure sustainable financial viability of NAC. He will begin by re-establishing the Finance Committee, creating new Terms of Reference for it, investigating avenues to increase revenues through sources such as sponsorship, donations, sales, and potentially grants, examining expenses, and reducing the last where it makes sense.

There was no BOA Gala held in 2022, but the 2023 Gala was another tremendous event, although it did not generate the level of sponsorship anticipated. Overall, the event generated a net surplus of \$11,000.

The Naval Affairs program made significant changes to its structure earlier in 2023, reducing from two contractors to one. This change has resulted in a cost savings of approximately \$45,000 annually.

Earlier this year, NAC was once again the beneficiary of a generous \$72,000 donation from the estate of Marjorie Hodgson. This will be helpful in mitigating the budgeted loss for 2023.

Attached is a draft of the unaudited statement of operations management report for the 2022 calendar year. Until the report from NAC's accounting firm is available, this will serve as an approximation of financial performance in 2022. In addition to the report, it should be noted that NAC holds investments as follows (with balances as at 14 June 2023):

Bank Balance- Cash	Approx \$200,000
BMO Nesbitt Burns	Approx \$315,000
RBC Dominion Securities	Approx \$105,000 (as at 31 Dec 22)
(in the process of being transferred to BMO)	

Respectfully submitted,

David Colbourne, National Treasurer

14 June, 2023