



# **Australian Rogaining Association Inc.**

## **Treasurer's Annual Report**

### **for Calendar Year 2023**

### **Presented to AGM 19 August 2024**

As my first Treasurer's report, I am pleased to present this account of the current financial status of the ARA and to provide a summary of the income and expenses incurred during calendar year 2023.

#### **Finances for 2023**

The cash total for the ARA accounts decreased over the course of 2023 from \$84,564 at the start of the year to \$82,997 at the end. This was mainly due to continued increases in insurance costs. Our insurance cover for 2024 cost \$36,887 whereas the insurance levy income collected during 2023 was \$29,451. This is completely normal and reflects the fact that the insurance premiums are due at the end of the calendar year and are not recouped until the following year levies are paid.

The next highest effect on the accounts was the payment of two grants, one to the U23 women's youth team from SA to compete at WRC23, and another to the QRA to purchase a defibrillator. The total of the grants paid was \$2,467.

The payment of IV travel subsidies (\$3,450) has no net effect on the account balance because the full amount is met by the NAMSF.

The only significant item of income is from levies but the income from the interest on our accounts is gradually improving.

#### **Current state of finances (as at 14 August 2024)**

The majority of 2024 levies have been paid, with NSWRA & SARA outstanding. Payment is requested before November.

The next major expense will be the renewal of our insurance premiums in December. I expect our balance at end of 2024 will be about \$115,000.

<b>Account</b>	<b>Balance</b>
Operating Account	\$10,144
Cash Reserve	\$60,758
International Development Fund (IDF)	\$40,143
NAMSF Intervarsity Fund	\$43,500
<b>Total</b>	<b>\$154,545</b>

#### **Review of Financial Accounts**

Many thanks are due to John Gavens for the excellent multi-year review of our accounts (2010-2022) that he completed in early 2023. His recommendations are in the process of being actioned and implemented, with a summary provided in Attachment 3.

The review of our 2023 financial accounts is in progress, and we appreciate John's willingness to undertake this task.

## Insurance

The insurance premiums taken out each year include a general liability insurance to cover general claims arising from damages incurred as a result of something going wrong during the planning and conduct of events. This is our major expense and is termed sports insurance. We also have association liability to protect us against claims of organisational negligence. And thirdly, our volunteer injury insurance covers injuries that occur to volunteers whilst acting in their volunteer capacity. Our claim-free record helps keep our insurance premiums down but there has been a worldwide increase in the cost of obtaining insurance.

I expect that with generally increasing insurance rates the total 2025 premium cost will be approximately \$40,000 or about \$5 per member.

## Grants

Grants are available each year to help pay for major items that would otherwise put a State/Territory Association's finances at risk. Grant applications are open and are due by the end of November. <https://rogaine.asn.au/documents/policy/grant-policy>

## Proposed levies for 2025

Our insurance levies are calculated to approximately recoup the cost of the premiums paid. Negotiations with the broker will commence soon and I expect an increase of less than 10%.

I propose that the \$1 capitation levy continue to be collected but that the IDF levy default for all future years be zero.

The expected levy breakdown is shown below.

Levy type	Per member levy
Sports insurance	\$4.00*
Association liability insurance	\$0.70*
Volunteer injury insurance	\$0.30*
IDF	\$0
General capitation	\$1
<b>Total</b>	<b>\$6</b>

\*Estimate only. Final amount will depend on the premium negotiated with the broker.

## Reporting for 2024

We are required to provide total participant, committee and volunteer numbers as well as non-grant revenue for the previous year to the broker in order to obtain insurance renewal quotations. We also use the participant data to calculate levies payable.

A request for participant numbers and revenue data for the 2024 calendar year will be sent to the ARA Council in late-January 2025.

## ARA Funds Investment

A recommendation was made during the 2023 AGM for ARA to look into higher yield term deposits for our unused cash balance. The ARA Executive and Treasurer have actioned this, with cash balance moved to our existing savings account. Work is in progress to transfer bank account authority to the

## 2023 Treasurer's Report

new ARA Executives, and once complete, term deposits will be opened to access higher savings interest rates.

### **NAMSF Intervarsity Fund Transfer to ARA**

An agreement has been made to transfer funding of NAMSF travel subsidies to the ARA. A total of \$43,500 has been transferred to ARA under this agreement. The ARA now has responsibility for managing the funds in accordance with the agreement, including setting the travel subsidy amounts and making the disbursements. Intervarsity travel subsidies will continue to be made from the NAMSF Intervarsity Fund for 2024-2029.

### **Treasurer Handover**

A huge thank you to Michael Aylott for his exceptional dedication to the ARA and the sport of rogaining, after 13 years as the ARA Treasurer (2010-2023). As the incoming treasurer, I greatly appreciate Mike's patience and support over the past year while handing over treasurer responsibilities. Handovers are now mostly complete.

Peter Blyton  
ARA Treasurer  
14 August 2024

### **Attachments:**

1. 2023 Financial Statement
2. 2024 Financial Statement (as at 14 August 2024)
3. Review of Financial Statements 2010-2022 - Implementation of Recommendations (as at 14 August 2024)

## 2023 Annual Report Australian Rogaining Association

**Opening Balance:** **\$84,563.95**

**Income:**

Insurance Levies	\$29,451.00	
Capitation Fees	\$8,113.00	
International Devt levy	\$0.00	
NAMSF Funding	\$3,450.00	
Web costs WRC 2016	\$0.00	
Interest	\$1,022.47	
<b>Total Income</b>		<b>\$42,036.47</b>

**Expenditure:**

ARC costs	\$0.00	
Administration	\$0.00	
IDF/ IRF	\$300.00	
Insurance	\$36,886.73	
IV travel subsidies	\$3,450.00	
Website development	\$500.00	
Grants	\$2,467.00	
<b>Total Expenditure</b>		<b>\$43,603.73</b>

**Closing Cash Balance:** **\$82,996.69**

**Trading Surplus / (Deficit):** **-\$1,567.26**

**Amount owing**

Reimbursement Due NAMSF	\$0.00
IRF membership levy not invoiced	\$0.00
	\$0.00

**Amount owed**

NAMSF subsidies not received	\$0.00
Levies Outstanding	\$0.00
	\$0.00

**Net owed** **\$0.00**

**Balance accrued** **\$82,996.69**

**Account Balances**

	31-Dec-22	31-Dec-23
Operating Account	11,774.37	9,184.64
Cash Reserve	33,515.63	33,986.42
International Development Fund	39,273.95	39,825.63
<b>Total</b>	<b>\$84,563.95</b>	<b>\$82,996.69</b>

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**Opening Balance:** **\$82,996.69**

**Income:**

Insurance Levies	\$23,901.00	
Capitation Fees	\$5,371.00	
International Devt levy	\$0.00	
NAMSF Funding	\$43,500.00	
Other	\$0.00	
Interest	\$588.87	
<b>Total Income</b>		<b>\$73,360.87</b>

**Expenditure:**

ARC costs	\$27.73	
Administration	\$0.00	
IDF/ IRF	\$300.00	
Insurance	\$0.00	
IV travel subsidies	\$0.00	
Website development	\$535.00	
Grants	\$950.00	
<b>Total Expenditure</b>		<b>\$1,812.73</b>

**Closing Cash Balance:** **\$154,544.83**

**Trading Surplus / (Deficit):** **\$71,548.14**

**Amount owing**

Reimbursement Due NAMSF		<b>\$0.00</b>
IRF membership levy not invoiced		<b>\$0.00</b>
		<hr style="width: 100%; border: 0.5px solid black;"/> <b>\$0.00</b>

**Amount owed**

NAMSF subsidies not received		<b>\$0.00</b>
Levies Outstanding		<b>\$15,914.00</b>
		<hr style="width: 100%; border: 0.5px solid black;"/> <b>\$15,914.00</b>

**Net owed** **\$15,914.00**

**Balance accrued** **\$170,458.83**

**Account Balances**

	31-Dec-23	14-Aug-24
Operating Account	\$ 9,184.64	\$ 10,143.91
Cash Reserve	\$ 33,986.42	\$ 60,757.56
International Development Fund	\$ 39,825.63	\$ 40,143.36
NAMSF Intervarsity Fund	\$ -	\$ 43,500.00
<b>Total</b>	<hr style="width: 100%; border: 0.5px solid black;"/> <b>\$ 82,996.69</b>	<hr style="width: 100%; border: 0.5px solid black;"/> <b>\$ 154,544.83</b>

## REVIEW OF FINANCIAL STATEMENTS 2010-2022 J. Gavens

### IMPLEMENTATION OF REPORT RECOMMENDATIONS

No.	Recommendation	Status	Implementation
1	Appropriate supporting documentation should be provided for all disbursements.	Closed	Noted by ARA Treasurer.  Supporting documentation for all disbursements is now tracked in the financial statement, and saved under, for example, <i>'ARA Files\Treasurer Docs\CY2024\2024-06-26 - Expense - Domains'</i>
2	Appropriate overview controls should be put in place between NAMSF and ARA.	Closed	NAMSF IV travel subsidy fund has been transferred from NAMSF to ARA, and is now under the responsibility of the ARA. Refer to document <i>'Agreement to transfer funding of NAMSF travel subsidies to the ARA'</i> .
3	NAMSF grants and disbursements should be consistently disclosed in the financial statements.	Closed	Noted by ARA Treasurer.
4	Levies should be charged in accordance with Executive and/or AGM decisions.	Closed	Noted by ARA Treasurer.
5	ARA to consider whether to adjust the balance of the IDF for prior year amounts.	Open	ARA Treasurer to raise as an agenda item at next ARA Executive meeting.

AUSTRALIAN ROGAINING ASSOCIATION

No.	Recommendation	Status	Implementation
6	<p>When calculating per capita levies in 2014, membership numbers for SARA and WARA were inadvertently transposed. As a result, SARA paid total fees of \$7041.04 and WARA paid total fees of \$6188.90. Total levies paid to ARA were correct. Although the error was identified soon after, it has not been corrected.</p> <p>SARA have overpaid levies and WARA has underpaid levies - \$852.14</p> <p>SARA and WARA should be advised of the matter and a settlement determined.</p>	Closed	SARA and WARA levies in 2023 were adjusted to address this. Refer to <u>'ARA Levy Notice for 2023'</u> (in ARA Council Google Group).
7	A copy of grant agreements should be retained to ensure mapping of grant conditions for compliance.	Open	Similar situations have not yet arisen. To be considered for any similar future situations.
8	Where ARA 'outsource' responsibility for revenue collection on an event or similar activities, the ARA should establish appropriate controls to ensure they receive all revenue to which they are entitled.	Open	Similar situations have not yet arisen. To be considered for any similar future situations.
9	ARA should establish a system for monitoring and invoicing for miscellaneous revenue receivable.	Open	Incoming ARA Treasurer to familiarise with previous invoicing approach.

AUSTRALIAN ROGAINING ASSOCIATION

No.	Recommendation	Status	Implementation
10	<p>During 2018, the ARA provided a loan of \$US17,000 for mapping relating to WRC2019. Although the WRC was postponed due to COVID, the loan was repaid during 2020. It is acknowledged that at the time of the loan, the COVID pandemic was not foreseeable. However, the loan arrangement did not include any security or insurance cover to the ARA.</p> <p>ARA may be exposed to loss of non-recovery.</p> <p>The ARA should consider more formalised documentation and security arrangements for any similar future arrangements.</p>	Open	<p>Similar arrangements have not yet arisen. To be considered for any similar future arrangements.</p>
11	<p>The following adjustments were noted in relation to the financial statements:</p> <ul style="list-style-type: none"> <li>● Inconsistent classification of NAMSF grants and disbursements (see above)</li> <li>● Non-disclosure in 2018 and 2019 of the ARA loan of \$US17,000 to WRC 2020</li> <li>● Overpayment of WA levies and subsequent repayment in 2014 disclosed as sundry revenue and payment offset.</li> </ul> <p>Misstatement or non-disclosure may mislead users of the financial statements.</p> <p>The ARA committee should review the financial statements to ensure they include all material information.</p>	Closed	<p>Financial statements are now reviewed by the ARA Executive prior to release to ARA Council or presentation at the AGM.</p>