

**Ottawa Branch Navy League of Canada
Treasurer Annual Report
2017-2018**

Gerry Powell

Portfolio Objective

On becoming the Treasurer on 18 October 2017, I accepted the following long-standing portfolio objectives:

- Ensure funding in support of budgets for Sea Cadets, Navy League Cadets and the Board Administration is available.
- Reimburse volunteers and officers on a timely basis and make regular deposits on behalf of both corps and the administration.
- Establish guaranteed investments that provide a small amount of return that can be made available for Scholarship Grants.

Additionally, I undertook further portfolio objectives in support of the Board - in particular:

- Ensure the administration of Branch accounts is conducted in an appropriate and acceptable manner as an NPO that conforms with generally accepted accounting principals, and the requirements of NLC Division and National bylaws.
- Ensure the authority of the Board in the management of Branch financial matters through discipline and process in it's practices.

Comments of Achievement Status

- Transition was quick and smooth, building on the effective procedures of my predecessor who had held the position for many years. Effective monitoring and management through the Board was established and continues to evolve.
- Two major challenges at the start of the year were resolved:
 - First, significant growth with NLCC KINGSMILL in 2017 required a major investment in new uniforms. Most (about \$7K) of the requirement was funded immediately, with the remainder (about \$4.5K) incorporated in the 2018 budget.
 - A desire for extensive work on the MV HOWARD while in the yard previously selected for winter storage was discussed at length. Priorities were established, and work based on safety and health priorities approved (totalling, in the end, about \$7K) for the 2018 budget. The requirement for such work on a standing basis in addition to Summer program and winter storage lines will be incorporated in future budgets.
- Programs have been fully funded as planned. A realistic budget for 2018 was developed and approved. It is somewhat optimistic and allows for some off-ramps if needed. A small degree of risk should fundraising fall short of expectations was allowed for.

- Building on decisions at the last two AGMs, interest from the respective investments are either kept within the Hal Gillis fund for use towards the Summer Program or otherwise applied to Branch scholarships. An overlapping sequence of guaranteed investments had been set-up to provide increased returns twice annually. This practice will be continued. A new sub-account within our records was established to provide greater visibility and tracking on the use of investments to the Summer Program and Scholarships.
- Additionally, the Board assessed that the investments, while sizeable, are not large enough to be self-perpetuating with the current demand on them. A long-term strategic vision to draw on the investments through the budget was approved. It will be reviewed and reported on annually by the Treasurer. In particular:
 - The draw on the Hal Gillis fund in support of the Summer Program will be to a maximum annual amount that will see the principal last for at least 50 years (i.e. to about 2068). Another \$2700 was provided to the fund in 2018 as the Hal Gillis estate is being finalized and used towards the MV HOWARD work package. Additional amounts needed in annual budgets for the Summer Program will come from Branch fundraising efforts and, in doing so, may further extend the lifespan of the Hal Gillis fund.
 - The Cdr G.H. Dawson Memorial Scholarship is currently funded from Branch equity investments. This will continue, but after the remaining funds held in the cash account are expended (expected in 4 to 5 years), the scholarships will continue as Navy League Ottawa Branch scholarships. Funding will be sustained through the investments as augmented from donations and through annual fundraising. The aim is to keep this sustainable for at least 50 years with unit equity not dropping below \$40K as a contingency fund. Presently, it supports a minimum of \$1K annually – in perpetuity at current conservative interest rates.
 - Another scholarship has been arranged with directed funds in a bequest from the estate of Mr. Bill Wilson. This was invested and will be used for a \$500 scholarship annually for 25 years starting next year. The board also decided to make an initial bursary this year from Branch funds in honour of Bill Wilson.

Recommendations

- Continue with prudent budgeting practises and fund monitoring. Explore acceptable means for use of digital services to expedite processes and improve account management.
- All corps requests for reimbursement must be reviewed against the budget formally approved by the Board and authorized by their respective Commanding Officers.
- All expenses not covered in the budget or exceeding its approved lines must be presented (in conjunction with the respective VP or Director oversight) to the Board in adequate detail, approved at a Regular Branch Meeting and recorded as such in the minutes.
- Proper financial administration requires a robust Board. While the operation of the Corps and programs remain extremely successful with the ongoing support and participation of incredible staff, parents and volunteers, the composition of the Board MUST see improvement before the start next training season to share the workload if it is to remain viable for broader Branch requirements. In particular:

- Most importantly, the Board must have a Secretary – needed not just for the recording of minutes, but for the management of records. process and routine by the Board and adherence to NLC bylaws.
- A Membership Director is urgently needed to establish, manage, and maintain a Branch membership base for us as a Board to represent. Beyond dues, donations and active Board support, Branch membership is essential to broader relevance and recognition in our community.
- In addition to the Corp’s own Boats officers to manage their assigned resources, I believe the Branch needs its own Boats Officer (or a “Director Summer Program”) to look at priorities and the longer-term capabilities requirements for the Branch, as well as coordinate broader support for current O&M.
- Lastly, some comments and recommendations in support of all portfolios:
 - A review of the Terms of Reference for each portfolio is overdue and they should be published.
 - the Board should develop an organization chart for the benefit of the Board, Branch members, parents and public.
 - A Branch website has been re-established but needs much development to capture its communications, outreach, and organizational support potential. A Chair should be selected, or this requirement added to existing portfolio objectives.
 - Branch Membership had suffered serious decline. A roster of old members has been built, and a renewal campaign initiated. This needs to be followed through until a Membership Director is appointed, or it will ‘fail to launch’.
 - There was increased pressure from Division for basic management of Capital Assets by the Branch, and changes are in progress to simplify its reporting. The Branch should commence an inventory of its holdings (including verification of items signed out) prior to the end of this training season.

Respectfully Submitted
Gerry Powell
Treasurer, Ottawa Branch
Navy League of Canada