TREASURER'S REPORT – NOVEMBER, 2016

- The following reports are available on the ADRIA website (Board Members Resources):
    - Balance Sheet – October 31, 2016
    - Business Unit Report - Ten Months Ended October 31, 2016
    - ADRIA Planning Budget 2017
    - 2016/2017 Business Unit Budget comparison
- Additional financial documents are available to board members who want copies of them.

NET PROFIT/LOSS PROJECTIONS

- A surplus of approximately $13,000 is projected for year end. This marks an improvement over last year's net loss of $7,596, and a small gain over the 2016 "balanced budget" planning projection of $6,279 as presented to the Board in late 2015. As you might recall, we were ahead of budget by as much as $100K in the summer months, but Fall registrations were low.
- For 2017, a "balanced planning budget", with a projected surplus of only $583 is presented for planning purposes. Cuts were made to balance this budget, and additional adjustments might be required before year-end.

GENERAL COMMENTS

- Higher than expected revenues were received in early 2016, followed by much lower than expected revenues in the latter half of the year, mainly from our highest revenue source - professional development and education.

- Fall courses that had been projected to generate more than $40,000 in revenue had to be cancelled.

- Currently there is no reason to believe that 2017 Winter/Spring course registrations will be any better.

- Total memberships have increased slightly in 2016 compared to last year (from 538 to the 560s)

- Some of the early in-year surplus was invested in marketing and course design for 2017 and beyond.

- Why are course revenues much lower than anticipated? People haven't registered for courses as expected. Why is that? The obvious conclusion to draw is that people who might otherwise register for ADRIA's courses aren't doing so because they have less disposable income due to Alberta's weakened economy.

FUTURE FINANCIAL OUTLOOK & STRATEGIC PLANNING

- Paul and his staff have done an excellent job of managing ADRIA's finances considering the negative external factors they've had to deal with in the latter half of the year (i.e. the continued downturn in the economy). He has managed to draft a balanced budget for 2017, which was difficult to accomplish due to expected low course revenues.

- That being said, how can we increase profits going forward? Keep in mind that the following comments are by no means what I would consider best practice options, and are merely being thrown out there to start a discussion:

- Do we consider reducing course registration fees while Alberta's economy remains slow? Is this ideal? No. Is it practical? Not really (e.g. instructors still need to be paid from course registration fees). However, some businesses are currently offering their regular products and services at noticeably reduced rates simply to remain viable during this economic downturn.

- Partnerships/arrangements with third parties need to be maintained/strengthened and new ones developed. Currently, ADRIA's administration of CAMVAP throughout Alberta and Northwest Territories generates a modest net profit. What other organizations can ADRIA approach to increase revenues and the ADRIA brand?

- How can we increase public awareness of ADR and ADRIA? Information sessions? More networking events?

- ADRIA has improved its website and continues to work on marketing initiatives. How can ADRIA create a greater public presence?

- How can corporate memberships be substantially increased? Do existing and potential corporate members see a benefit in a corporate membership?

- How can we reduce expenses for both the short term and long term? Can some/all future board meetings be held via conference call/video conferencing?

- Despite the small net profit currently projected for next year, we need to remain optimistic that the second half of 2017 will bring greater revenue to ADRIA.

- Desperate times might call for desperate measures. They also demand creative solutions.