

LADYSMITH MARITIME SOCIETY
TREASURER'S REPORT
for
YEAR ENDED SEPTEMBER 30, 2013
DECEMBER 4, 2013

INSURANCE

A recent comprehensive examination of the several insurance policies held by LMS resulted in a consolidation of policies with some new insurers, utilization of a common expiry date, and a slight reduction in premiums. As one previous insurer had indicated that premiums would double, the recommendation to change insurers was accepted unanimously. We appreciate the continuing service of our broker, Vancouver Island InsuranceCentres.

LEGAL

The judgment from the trial pertaining to the 2008 wind storm, which was concluded in September of 2012, was received in August 2013. Unfortunately, LMS did not prevail. We have been advised there will be no further costs to LMS beyond the \$2,500 deductible which was paid to our insurer "in trust" in 2009.

The 2011 fire litigation is ongoing. The discovery process has been completed; mediation is scheduled for mid-December; and trial, if necessary, is scheduled for February 2014.

FINANCE

Copies of the Ladysmith Maritime Society financial statements for the year ending September 30, 2013 are available at the sign-in desk; the statements will be posted on the LMS website along with other reports from this Annual General Meeting

Details of the financial statements will be reviewed after the committee reports have been received.

I would like to share a few highlights:

Over the past 5 years our assets have increased from \$760,000 to over \$3,000,000

Annual Contract Moorage has increased from \$252,000 to \$352,000

Annual Visitor Moorage has increased from \$9,000 to \$57,000 – more than 600%.

The outstanding principal on the \$250,000 loan, taken out to cover the LMS share of the 2011-2012 expansion costs and the infrastructure replacement costs due to the 2011 fire, was \$236,780 at year end.

Visitor moorage is covering not only the monthly principal and interest payments on the loan, but also, the operating costs of the LMS Welcome Centre, and the wages of a summer dock attendant.

A Marina Management System (MMS) has been developed and installed by our moorer and volunteer, John Dul. This is providing valuable information to our Marina Manager and our bookkeeper. For instance, a map of the marina indicates which slips are occupied by annual moorers, how much visitor space is available etc. Invoices for power usage are produced through this system. Also, e-mail messages to members, or moorers, or volunteers, or any combination can be sent out through the system. Additional features can be added as required.

A year ago the cash flow situation of LMS was challenging. All committees responded by delaying expenditures for items not immediately necessary. As the situation has now been resolved, the budget for the 2013-2014 fiscal year includes a planned deficit to provide committees with funds to complete projects put on hold last year. Another much appreciated boost to the cash flow was provided when an increased number of annual moorers paid their moorage fees year-in-advance.

The assessments on all marinas in the area were tripled in 2013. An appeal of our assessment was successfully argued by Barrie McDonald such that 2013 property taxes were similar to 2012 taxes. This becomes an ongoing benefit to the Society.

An Emergency Reserve Fund has been established. The target is to build the fund to 75% of annual moorage revenue. That goal to-day is \$340,000. Unexpected funds amounting to ~

\$72,000 were received this year and were deposited into the Emergency Reserve. The September 30 balance in the Fund was \$99,445.

Our heritage vessels and museums provide the rationale for LMS to enjoy charitable status and thus not be required to charge GST on moorage. The number of volunteer hours contributed to the docks and operations of the marina are critical to the maintenance of this charitable status. Without these volunteers, the marina would not be considered part of our charitable organization and GST would have to be charged on moorage. Every volunteer hour recorded assists in maintaining our charitable status; please help us keep track of your hours.

I thank Debbie Loewen, Tom Irwin, Mark Mercer, and Paul Notte for their professional and cheerful handling of the day to day business operation of LMS.

My thanks, also, to Graham Fletcher and George Creek for contributing valuable input to the Finance/Legal/Insurance Committee.

Thanks, too, to my fellow directors, for their support, assistance, and friendship throughout the year.

Respectfully submitted.

Betty Pearson