

Bobsleigh CANADA Skeleton
Board of Directors Meeting 112, Minutes
January 17, 2012 18:00-20:00
Bob Niven Training Centre, Boardroom

Our Mission: Bobsleigh Canada Skeleton develops Olympic and World Champions.

Call to Order – 18:00

Present: Reid Morrison, Bernie Asbell (Conference Call left at 7:15), Lee Genier, Astrid Wolf, Lisa Szabon-Smith (Conference Call)

Regrets: Brent Berezowski

Staff: Don Wilson, Dwayne Dreher

Guest: Steve Goodwin, Sport Canada

1. Review and approval of agenda.

Motion 112 1: Wolf/Genier
To approve the agenda as presented.

CARRIED

2. Review and approval of November 23, 2011 1111 Minutes.

Motion 112 2: Genier/Asbell
To approve the 1111 BCS BOD Minutes as presented.

CARRIED

3. Business arising from minutes:

3.1 111.6.1 Youth Olympic Games

No Report.

PENDING

3.2 911.6.2 Athlete Program Fee

Motion 112.1 Szabon-Smith/Asbell
To approve the Athlete Financial Guidelines as presented. (Attachment 1)

CLOSED

3.4 911.9.4 Sponsorship Finder's Fee

Motion 112.2: Wolf/Szabon-Smith
To approve the Finder's Fee Guidelines as presented. (Attachment 2)

It was agreed that it is important for these guidelines and other issues passed by the Board be discussed with the Athletes' Council and the athletes in detail when the season is completed so that they can have the opportunity to better understand the actions and intent of the Board's direction.

CLOSED

4. General Operations Update.

4.1 CEO Report: 112, January 17, 2012

1. General:
 - a. Auditor: We have received word that Deloitte has withdrawn their services from BCS. We have paid them the agreed amount in the contract and made an offer for a charitable receipt for the remainder invoiced and a possible sponsorship. They declined our offer. We will pursue our second choice of auditor for the 2011-2012 audit.
 - b. The Audit Committee met before Christmas. The Committee reviewed the extensive management letter provided by Deloitte and made recommendations on all items identified. We have made some substantial changes in relation to our financial management, most significantly:
 - i. We have changed accounting software from Simply Accounting to QuickBooks. It was felt by members of the Committee that this program was more conducive to our accounting needs, easier to use, less susceptible to sub ledger error and could track exchange rate changes. Dwayne has implemented the system and has reentered all of 2011-2012 financial data. We were unable to accurately export historical data from Simply Accounting, but the ability to have a more functional Statement of Position was deemed of greater priority.
 - ii. We have reviewed and will institute a Financial Statement Close Process (FSCP) that will give greater direction and priority to Dwayne for the closing of month end reports and preparation of Statement of Position reports for Board review.
 - iii. BCS should have an additional a fourth signing authority.
 - iv. There are quite a few management process recommended for security and accuracy with cheques, employee and contractor contracts.
 - c. We have received a large majority of the funds from EnCana, but not all of matching funds. Dwayne has received the tax receipting information and working on that aspect. The skeleton athletes have not been asked to pay fees until the full amount has been recorded from EnCana to try and alleviate reimbursement cheque writing and having the athletes out of pocket.
 - d. During the Altenberg World Cup training, Canada 2 crashed in their 4er and three of the athletes' sustained significant injuries. While the aftermath is still going on I feel our procedures and protocols for injury management, parent communication and media management worked well with no significant breakdowns.
 - i. It was at the request of Head Coach Tom de la Hunty that the bobsleigh team not continue with race. There were two primary reasons for non-participation
 1. Primarily, Tom did not feel that the repairs done to the track would substantially change the result if another crash were to happen. The wood covering the steel girders, that are about 8 feet apart, is not sufficient to repel a 4er bobsleigh back into the track.
 2. He was concerned with the mental well being of the team. BCS sent Sport Psychologist, Frank Van den Berg to Altenberg three days after the crash to work with the team.
 3. In the long term it was felt that if action was not taken there would be no impetus to influence the FIBT into doing a review of older tracks around the world that have reached their safety limit, given

the advancements in athlete (fitter, stronger, faster) and equipment (faster and more agile, but not tank like).

- ii. The athletes are still hospitalized at this time with Frank staying with them. We are connecting the Calgary medical staff with their German counter parts.
 - iii. I have received the FIBT medical report and will compare it to the account from our first medical responder. We do not believe there was any medical malice, but we wish to review.
 - iv. BCS will work with several agencies to extract the injured athletes in the most appropriate manner as quickly as possible.
 - v. The sled destroyed, was owned by Eurotech and on loan to BCS. I am having discussion with Eurotech owner, Wim Noorman, on that issue. He and his wife were in Altenberg, witnessed the crash and later visited the athletes in the hospital.
 - vi. BCS will follow up with FIBT and voice our concerns about the track and the necessity to review track safety on all tracks, especially older tracks.
- e. Our contract with DB Schenker as our logistics company has expired as of the end of December 2011. We have entered into discussions with Conceptum Logistics out of Frankfurt and initial talks are very positive.
 - f. BCS with the other COP based sports participated in a joint exposure program led by Winsport on January 2. There were discovery Skeleton and Luge rides organized by ASA and ALA respectively. ABA had athletes in the icehouse giving demonstrations. Jon Montgomery was a key media personality in the morning and BCS set up and manned an information booth in the AIC. Winsport forwarded all discovery contact names and I have asked Amanda and Keith to follow up with ASA and ABA to contact the prospective participants. If was a worthwhile venture and showed the enhanced cooperation of Winsport with the sports.
 - g. There has been a lot of discussion about all not-for-profits having to do a major review of their governance policies. The initial key policy is the definition of membership. 2014 is the timeline to have the new governance policies in place or face dissolution. This must be a major priority of the Board in the coming year.
 - h. In order to meet one of the National Standard requirements of Sport Canada, BCS needs to make a Bylaw change to include the mandatory inclusion on a female on our Board of Directors. This will require a Notice of Motion at the Annual General Meeting. There may be other changes we wish to review, in light of the governance changes required by 2014.

4.2 Finance

Dwayne presented the November 30, 2011 financials. (Attachment 1)

4.3 Marketing/Development:

Marketing Report BCS Board of Directors January 2012

Happy New Year to everyone!

I had hoped to get you a report in December with news of a major sponsor signing – but as often happens with the holiday season, decisions have been pushed off to January.

Toronto Sponsorship Event

I know that emails have already circulated about the event but I just wanted to reiterate a couple of key points upon reflection:

- a.) Jon Montgomery and Mellisa Hollingsworth are amazing. They were both great for the whole day in getting across our key messages and their passion for the sport. I can't say enough good things about them.
- b.) It is absolutely crucial that we *maintain a presence in Toronto* going forward. We have discussed ensuring that we build a pre-season and post-season trip to Toronto directly into our training schedule. In future this will be planned well in-advance and include 3-6 of our top athletes.
- c.) Our sponsorship event was held at the adidas campus and was a mix of adidas employees and potential sponsors and sponsorship agencies. That gave us a full room of close to 150 people that were thoroughly entertained by our presentation. Jon and Mellisa both gave amazing talks (Mel had them crying and Jon had them laughing), while I outlined the BCS opportunity in small bite-sized chunks. The feedback was overwhelmingly positive.
- d.) Athletes will continue to consistently be included in major sponsorship presentations. As I have professed from the beginning of my contract...our athletes are our number 1 asset and this event only strengthened my belief in that position.

Coming out of this event we have the following action items:

- a.) Follow-ups have taken place with all attendees.
- b.) Pitch meetings scheduled with any interested parties. Currently we have three scheduled (see below).
- c.) Personal follow-ups ongoing with the agencies that attended. These groups all gave us extremely positive feedback on the event and expressed a willingness to open doors to clients. I'm taking them up on their offer.
- d.) adidas Canada was very appreciative of the opportunity to have the event at their complex. We are finally making headway with the Canadian arm of our biggest sponsor. Their involvement includes introduction to a major retailer (that they plan on entertaining at the World Cup in Calgary), individual athlete appearance and promotional opportunities. We are also asking them to supply us with some corporate gifts for the Canadian world Cups.

Western Canada Billboard Campaign – Part 2

The billboards launched in Toronto will be going up in Calgary, Vancouver and Edmonton later this month and in February. Discussions with Pattison outdoor are ongoing in working out the details. Chris Dornan and I will coordinate a second media push around this.

Sponsorship Updates

We have given two final pitches to companies in the automotive sector and both are to be getting back to us in a similar time frame.

One of these automotive pitches was done in conjunction with the COC. This is clearly the one that in my opinion would benefit BCS more if it came through. The talks are still ongoing and we hope to hear more this month. This sponsorship would be a mix of cash and some use of vehicles.

The other automotive pitch was done directly to the agency representing MINI. We should hear back also this month on their final decision. This sponsorship would be a mix of cash (less than the COC deal) and use of vehicles (more than the COC deal I think).

Although I believe the COC auto company would be a better and more lucrative (more cash) fit for us, timing and value will dictate that we consider whichever deal comes to us first. (Hopefully they both do so we can choose).

Additional:

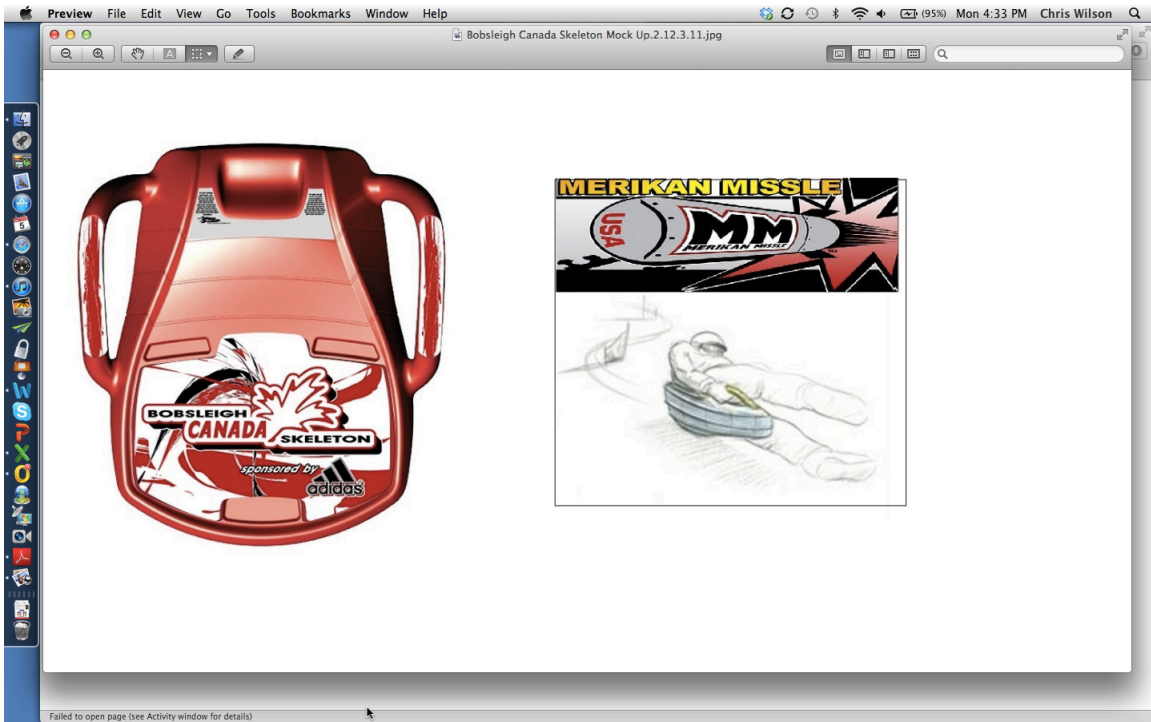
- Now that the TransCanada sponsorship audit is nearing completion, talks are back on with them. I am trying to schedule meetings around the Calgary World Cup so we can take advantage of our athletes being in town.
- Pitch meeting scheduled last week of January with an International courier.
- Just trying to nail down a date for a pitch with one of the non-Olympic sponsoring banks. This lead came out of the Toronto event –although they were unable to attend in the end.
- Air Canada has been given a proposal. So far no response yet although their current focus is summer athletics through the summer. They are also reviewing their NSO sponsorship strategy.
- Meetings with two major retailers are being set. One through adidas and one through my own contact. (Purpose of which is below).
- CP has been approached through my contact there. My contact (who is head of marketing) has expressed interest but suggested we wait until the Spring when new leadership is in place.

Lead Generation

This remains a weakness of ours. Thus far we have received no internal leads in the past 12 months. We will generate an update/reminder for the organization on this point.

A unique and fun idea

One of our targeted sponsors is a bit too small to sponsor us directly, however I have worked with them to develop a unique way to raise our profile and our revenues. Eurosled has the ability to create a custom toboggan for us (see image next page). This is a very popular and affordable sled that we can take to a couple of key retailers and ask them to carry as part of their sponsorship of BCS. Although Eurosled does have a head first sled – they don't recommend it from a safety perspective or a minimum quantity perspective. I am currently awaiting (free) samples at which point I will be out pitching this concept to at least two huge Canadian retailers. The retailers will have an option to be the exclusive retailer – in which case they would guarantee us a minimum, in addition to a percentage of each sled sold going to BCS. Chris Dornan and I also believe this could be an amazing PR campaign for next fall.



Respectfully submitted,

Chris Wilson
Director, Business Development
Bobsleigh Canada Skeleton

After receiving Chris's report the Board discussed the amalgamation of a Sponsorship, Communications and Marketing as presented by Lee, supported by Bernie. It was agreed that a full time, Calgary based sponsorship and marketing position should be created and advertised. At this time Don felt it was inappropriate to roll in the Communications role. There was also discussion about the website and need to ensure its effective upkeep and usage. The Board directed Don to craft a job profile and review the 2012-2013 for funds appropriate to carry this position forward.

PENDING

5. Athletes' Business

- No new business

6. New Business

7. Adjournment

- Meeting adjourned 20.00

NEXT MEETING
Tuesday February 14, 2012
BNTC – Bobsleigh Canada Office

Bobsleigh CANADA Skeleton

Athlete Financial Guidelines

Preface

As a guideline for the development of BCS budgets, the Board of Directors has directed staff to create annual budgets that show no more than 3% of the total revenues to be collected from athletes by way of Athlete Program Fees.

It is accepted that the revenues of BCS are primarily dependant upon government sources such as: Sport Canada (Core and non-Core Funding) Own The Podium (Excellence and High Performance Funding) and The Canadian Olympic Committee. Other significant sources of revenue are: 1. Sponsorship/Fund Raising: cash, services or Value in Kind. 2. Events 3. Rebates 4. FIBT and 5. Membership Fees: National Team and Provinces. These revenue streams may vary greatly from year to year.

It is accepted that once Athlete Program Fees are set in the annual budget, athlete fund raising events may be held to reduce the amount owed by each athlete, but the funds raised are not meant to alter the guideline of no more than 3% per annum derived from Athlete Program Fees.

External Influencers

During the budgeting process several external influencers dictate the speed and substance by which the budget can be developed. Any or all of these influencers may impact budget preparations:

- Acceptance of the FIBT Calendar
- Confirmation of Core and Non-Core Funding by Sport Canada
- Confirmation of Excellence and High performance Funds from Own The Podium
- Contract negotiations with Sponsors
- Foreign Currency Rates

Budgeting Process

In order to meet the Athlete Financial Guidelines the following process will be followed during the development of the annual BCS budget:

- March – Staff will initiate preliminary budget development.
- April – May – Draft budget will be vetted through Athletes' Council or designates of the Athletes' Council
- June – Approval of the budget by the Athletes' Council
- July – Approval of Budget at the Annual General Meeting

Bobsleigh CANADA Skeleton

Finance – Development – Finder's Fee Policy

Preamble:

Bobsleigh Canada Skeleton's mission is to produce World and Olympic Champions. Operational funds are generated through various means: government support (Sport Canada, Own The Podium, and Canadian Olympic Committee), membership fees, fund raising, donations and corporate sponsorship. In many cases, our athletes and friends of BCS make significant introductions that may ultimately lead to a sponsorship or donation. In order to show recognition for one's support of providing introductions to a potential personal or corporate partnership, BCS is prepared to provide a Finder's Fee to the individual that initiates a significant introduction that ends in a sponsorship agreement or donation.

Parameters:

The Finder's Fee policy is primarily based upon recognition for athletes who come forward with a lead. A Finder's Fee paid to any other person or entity would be at the sole discretion of the CEO. Contractors or staff who work on behalf of the association will have their commissions determined contractually.

The Finder's Fee will be only considered if the introduction leads to a sponsorship agreement or donation that provides cash value or a reduction in a budgeted item. The budgeted item could be covered through a product or service provided as a Value In Kind (VIK) to the Association. Products or services that are not budgeted for by BCS are generally not eligible for a Finder's Fee.

Donations:

A donation to the Association must meet all the requirements and guidelines of the Canada Revenue Agency. A donation can only be considered for a Finder's Fee if there is no obligation as to the desired direction of the donation.

Finder's Fee:

The value of the Finder's Fee will be between 3% and 5% of the net value of sponsorship or donation in the first year only. Considerations for the fee are:

- Term of the sponsorship/donation, one time 3%, 4% 2-3 years, 5% 4 years +;
- Amount of the sponsorship/donation, per annum: 3% \$1000 - \$10,000, 4% \$10,001 - \$50,000, 5% \$50,001 +
- Participation of the athlete in the introduction: discretion of the CEO.

The determination of the final percentage will be at the sole discretion of the Chief Executive Officer and not appealable.

Payment:

Payment will be made to the athlete in a single payment once the Association has received the funds. Any revenue derived from the Finder's Fee will be the responsibility of the recipient to deal with any personal tax implication.

Attachment 3

Bobsleigh Canada Skeleton
Summary Balance Sheet
as of November 30, 2011

ASSETS	
Current Assets	
Chequing/Savings	\$ 7,300.04
Accounts Receivable	\$ 416,644.80
Other Current Assets	\$ 155,000.00
Total Current Assets	<u>\$ 578,944.84</u>
Fixed Assets	\$ 39,654.50
TOTAL ASSETS	<u><u>\$ 618,599.34</u></u>

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 173,523.89
Credit Cards	-\$ 33,072.61
Other Current Liabilities	-\$ 11,171.77
Total Current Liabilities	<u>\$ 129,279.51</u>
Long Term Liabilities	\$ 18,000.00
Total Liabilities	<u>\$ 147,279.51</u>
Equity	\$ 471,319.83
TOTAL LIABILITIES & EQUITY	<u><u>\$ 618,599.34</u></u>

Bobsleigh Canada Skeleton
Profit & Loss Budget Versus Actual
as of November 30, 2011

	Apr 2011-Nov 2011	Budget	\$ Over Budget	% of Budget
Income				
COC Revenue				
OLCF	52,608	52,608	-	100.00%
Total COC Revenue	132,608	52,608	80,000	252.10%
CSCC Revenue				
Bobsleigh Institute Program	125,000	225,000	(100,000)	55.60%
IST Services	-	580,000	(580,000)	0.00%
Skeleton Institute Program	55,000	55,130	(130)	99.80%
Total CSCC Revenue	180,000	860,130	(680,130)	20.90%
Event Revenue				
ASPRWF Funding	8,500	8,500	-	100.00%

Entry Fees	-	75,000	(75,000)	0.00%
FIBT Event Funding	-	56,000	(56,000)	0.00%
Sponsorship	25,000	328,000	(303,000)	7.60%
Sport Canada Event Funding	-	100,000	(100,000)	0.00%
Total Event Revenue	33,500	567,500	(534,000)	5.90%
FIBT Revenue				
WC/AC/EC Contributions	-	40,000	(40,000)	0.00%
Total FIBT Revenue	(8,715)	40,000	(48,715)	-21.80%
Other Revenue				
Bobsleigh Program Fee	-	86,000	(86,000)	0.00%
Donations	11,270	15,000	(3,730)	75.10%
Membership/Affiliation Fees	200	1,500	(1,300)	13.30%
National Team Membership Fee	4,484	13,440	(8,956)	33.40%
Rebates, etc	10,712	30,000	(19,288)	35.70%
Skeleton Program Fee	-	9,000	(9,000)	0.00%
Total Other Revenue	85,956	154,940	(68,984)	55.50%
Sponsorship Revenue				
Sponsorship 1	150,000	100,000	50,000	150.00%
Sponsorship 2	69,240	50,000	19,240	138.50%
Sponsorship 3	24,833	23,300	1,533	106.60%
VIK	-	180,000	(180,000)	0.00%
Total Sponsorship Revenue	244,073	353,300	(109,227)	69.10%
Sport Canada Revenue				
Excellence/OPT	1,021,036	1,617,400	(596,364)	63.10%
Research and Innovation	-	150,000	(150,000)	0.00%
Sport Canada Core	460,066	453,729	6,337	101.40%
Total Sport Canada Revenue	1,481,102	2,221,129	(740,027)	66.70%
Total Income	2,401,998	4,249,607	(1,847,609)	56.50%

Expense				
Admin Salaries and Benefits	199,412	290,575	(91,163)	68.60%
Administration	54,636	63,300	(8,664)	86.30%
Bobsleigh Equipment	153,653	326,700	(173,047)	47.00%
Cdn Sport Centre Boblseigh	-	275,000	(275,000)	0.00%
Cdn Sport Centre Skeleton	-	305,000	(305,000)	0.00%
Debt Repayment	5,950	10,000	(4,050)	59.50%
Development Bobsleigh	80,317	183,370	(103,053)	43.80%
Development Skeleton	9,993	80,384	(70,391)	12.40%
Events	-	467,500	(467,500)	0.00%
Hgh Performance Salaries/benfts	438,062	659,685	(221,623)	66.40%
Insurance	39,369	55,900	(16,531)	70.40%
Int Cup Skeleton	5,180	95,327	(90,147)	5.40%
Marketing and Communications	17,076	29,760	(12,684)	57.40%
Meetings and Representation	8,367	7,500	867	111.60%
Nat Team Skeleton Program	41,485	303,652	(262,167)	13.70%
National Team Bobsleigh Program	78,515	570,845	(492,330)	13.80%
Official Languages	665	9,000	(8,335)	7.40%
Officials	-	8,500	(8,500)	0.00%
Performance Technology	3,061	20,130	(17,069)	15.20%
Recruiting	9,042	29,270	(20,228)	30.90%
Research and Innovation	29,338	150,000	(120,662)	19.60%
Skeleton Equipment	2,081	24,200	(22,119)	8.60%
Starts and Strength Training	27,106	74,200	(47,094)	36.50%
VIK	-	180,000	(180,000)	0.00%
Workshop	40,368	47,000	(6,632)	85.90%
Total Expense	1,708,733	4,266,798	(2,558,065)	40.00%
Net Income	693,265	(17,191)	710,456	