

Swim Alberta Financial Sustainability and Next Steps

In the fall of 2016, the Swim Alberta board undertook a financial sustainability review as a critical and necessary part of the strategic planning process. The review included an in-depth look at our current financial picture, future program and services needs as well as the identified financial risks to the organization. Through our analysis, we identified the following potential financial risks (crisis or unexpected events) to Swim Alberta including:

- Decrease or elimination of government funding (*low – medium risk*)
- Significant decrease in membership or revenues collected through programming (*low risk*)
- Region support through gaming (Casinos) being eliminated (*medium to high risk*)
- Un-anticipated legal costs or claims against the organization not provided through insurance (*low risk*)

In order to mitigate these and other potential financial risks while positioning the organization to optimize opportunities that provide long term benefits, the following two reserves funds were approved by the Swim Alberta board:

Swim Alberta Sustainability Reserve Fund – Reserves to sustain an organization through a crisis or unexpected event. The fund size has been set at \$870,000 based on identified risks representing four years of “lost” funds based on identified financial risks. The accumulation of this fund began in 1991 with the approval kick start funding provided by the surplus generated from the 1991 Pan Pacific Games.

Swim Alberta General Operating Reserve Fund – Reserves that support the organization through a single year operating deficit or through enhanced programming with known long-terms benefits. The fund size has been set at \$300,000 to address working capital fluctuations and other opportunities generated through the Swim Alberta Strategic Plan.

Additionally, the Swim Alberta board has been focused on reducing our swimming community’s greatest financial risk, as determined through the review process. This risk, as identified above, was the loss of gaming support either through the Alberta Liquor and Gaming Commission (ALGC) or through the regions themselves. Swim Alberta recognized that it needed to deliver on initiatives within the strategic plan of the organization, provide assurance to the membership that Swim Alberta was sustainable and had mitigated identified risks, and that we could continue to provide the support, programs and services our members have come to expect of us, as well as build future programs that aligned with the strategic plan. The board recognizes that through its fiduciary responsibility it has a responsibility to the membership of Swim Alberta in keeping with the spirit of good stewardship for the organization.

In May of 2017, the Swim Alberta board approved a budget that provided a low level of risk for the organization, and assumed full responsibility of the organization’s funding model to ensure success and financial sustainability for the future. In essence, this means that Swim Alberta no longer requires the financial support through the regional bodies.

Next Steps

Swim Alberta has enjoyed a long history and partnership with the Regional organizations, created years ago through Swim Alberta’s operating structure. We have valued that partnership and are grateful for all the work, projects, funding initiatives and programming that through the support of the regions we were able to offer to our membership over the years.



Excellence, Integrity, Innovation, Collaboration

However, with the information gleaned from the strategic planning outreach sessions, financial sustainability review, known risks and steps the Swim Alberta board has taken to minimize risks, there is no longer a need for the financial support these regions once offered to Swim Alberta. There is also no longer a need for the regions to be an affiliated body to Swim Alberta or for the need for the regional structure to exist within our operating structure.

Over the course of the next several weeks, it is the desire of the Swim Alberta board to work closely with the regional boards to assist them in expending their remaining funds in meaningful ways that support the membership of Swim Alberta and to work with them in dissolving the regional societies.

We are proud of the steps that as an organization, we all have taken to position the organization as fully sustainable with an assessment of “low financial risk;” having a sound financial position for current day operations; the ability to fund important future initiatives; and, having a plan in place to ensure programs and services are not disrupted in a crisis or un-expected event.

We look forward to working closely with the regional boards over the next several weeks to ensure this long-standing partnership is celebrated and supported as we wind down our reliance on their funding model.

The Board of Swim Alberta recognizes that this is a big change in how we operate and that you may have questions. We look forward to addressing these at the upcoming president meetings on June 20 and June 22.

The Board of Swim Alberta

June 12, 2017