

Q&A Session – 2008 AGM.

Q. I have a question in relation to the budget for 2008-2011 relating to the income projections. I would like to ask why the draw down from reserves has been included as income. It appears that this should not be included in the income statement as it appears to be the utilisation of equity (a reserve held by ATEM). As such, the income statement will understate the projected loss for the year by \$90,000.
Mark Bennett

A. Thanks for your question. At the present time we are in a transition phase with the ATEM financial processes as the new Regions consolidate their focus on Professional Development, and ATEM Inc assumes the business roles for the Association.

Under the previous arrangement, most members paid their annual subscriptions at Branch level and the Council's operations were funded by a contribution from Branches based on membership numbers and as fixed by the ATEM Council. The new structure of ATEM includes subscriptions being paid to ATEM Inc via its Secretariat and all ATEM financial activities will be managed through a budget process implemented by the Secretariat. The changes in structure and in financing were approved at the AGM in 2007.

In this transitional year (2008) we have to implement the new structure and move the financial management to the Secretariat, acting on behalf of ATEM Inc. (which is the ATEM Council). Council has adopted the approach of ensuring the new arrangements do not disrupt the PD and other activities run by the ATEM Regions so it has not rushed the transition phase. There are banking arrangements to be made that will ease the operations, such as PD in the Regions, and Council was cautious in not immediately transferring all ATEM's funds to the new, single bank account and investment structure, to avoid any potential loss to ATEM from breaking existing term deposits.

The ATEM Council budget as displayed on the web site is an operational budget for the Council and does not represent a budget for the whole of ATEM. Budgeting for the whole of ATEM will be in place for next year.

You have highlighted for me that the term "Drawn down from Reserves" can be misleading. It refers to moneys that will come from the ATEM Inc funds held in the Regions and that will be transferred to the ATEM Council during this transitional period. It simply replaces the previous line item "Council Contribution" that still shows in the budget document. It is simply a way of indicating an internal transfer of funds from one operational area to another within ATEM during the transitional phase. We are now taking steps to change this terminology to "Relocation of ATEM Inc funds held in Regions", as a result of your very sensible question.

Just as a further note, the old term, "Council Contributions" was always eliminated from the accounts on consolidation each year.

I trust this brief response clarifies your query but if you require further clarification or want to put forward an additional question then please do so. It is pleasing to have members take an interest in the Council's operations, and thank you for this question. Kind regards, Tom Gregg (President ATEM Inc) and Neil Voyce (Association Treasurer)