



Canadian Coast Guard Auxiliary

2008-09 Business Plan



CCGA National

Volunteers saving lives on the water

MARCH 2008

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Canadian Coast Guard Auxiliary

Volunteers saving lives on the water

1 Executive Summary

The CCGA national Office is entering a “new business cycle” with the recent completion of the National Governance Study, CCGA Training Review and CCG SAR Needs Analysis.

The National Organization is at the crossroads and has to make a number of major strategic decisions for the future.

Looking at the recommendations of these important documents, the National Board and the National Office will have to consider changes that will impact on the national programs and staffing levels.

Recommendations from the various studies and reports are creating significant opportunities for the CCGA National Office to implement a better “match” between its activities and the priorities and trends of the five CCGA regional Associations.

Priorities of the CCGA National Office will be to:

Revise its activities by using the points of consensus identified during the Governance Study in order to provide a better match with the needs and priorities of the regional CCGA associations;

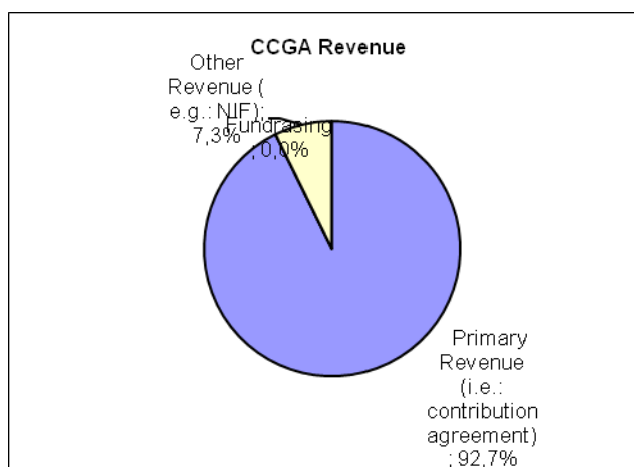
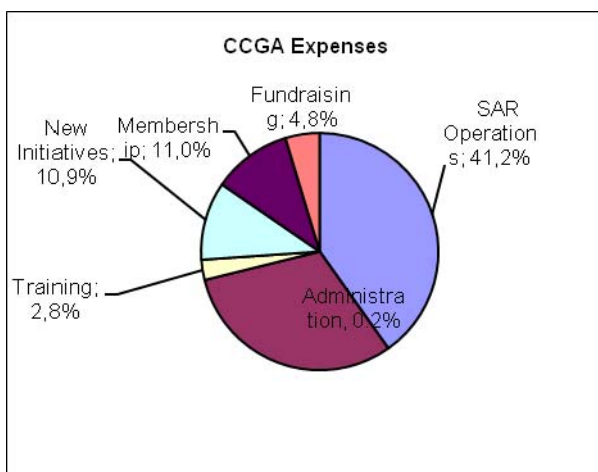
“Dynamize” the National Board in order to make it more productive and develop a better cohesion between its members;

Follow up on the recommendations of the Governance Study, Vision Statement proposal, Training Review, SAR Needs Analysis, etc.

Relaunch the National Fundraising initiatives in order to make them more successful.

Financial Synopsis

CCGA National		
	2007/08 (projected)	
Expenses	\$	%
SAR Operations	\$730 000	41,2%
Administration	\$562 500	31,7%
Training	\$50 000	2,8%
New Initiatives	\$194 000	10,9%
Membership	\$152 000	11,0%
Fundraising	\$85 000	4,8%
Fundraising Efficiency*	0.51	
Total Expenses	\$1 773 500	113%
Revenue		
Primary Revenue (i.e.: contribution agreement)	\$1 644 500	92,7%
Fundraising	\$0	0,0%
Other Revenue (e.g.: NIF)	\$129 000	7,3%
Total Revenue	\$1 773 500	100%



2 Organization Overview

Background

The Canadian Coast Guard Auxiliary (CCGA) is a non-profit organization and a registered charity made up of volunteer resources throughout Canada.

The CCGA has been in existence since 1978 and provides assistance to the Coast Guard, Transport Canada and the National Defense with search and rescue and safe boating programs.

The Auxiliary is federally incorporated into five regional associations: Newfoundland & Labrador; Maritimes; Quebec; Central & Arctic; and Pacific. In addition, the National organization, which is also federally incorporated, is responsible for directing the activities of the Canadian Coast Guard Auxiliaries.

The presidents of each of the five regional associations are members of the CCGA National Council. The CCGA works closely with the Canadian Coast Guard (delivering about 25% of Coast Guard Maritimes SAR response programs in some regions), and receives substantial funding from the federal government.

The CCGA has a strong and unique relationship with the Canadian Coast Guard. It is an excellent example of how government and the voluntary sector can work together for effective delivery of services to Canadians.

Mission Statement

“Our mission is to provide a permanent day and night search and rescue service to cover marine requirements in Canada and prevent the loss of life and injury.”

To fulfill this mission, our objectives are to:

- Save 100% of lives at risk;
- Reduce the number and severity of SAR incidents;
- Promote marine safety;
- Support the Canadian Coast Guard;
- Provide a humanitarian service;
- Maintain the highest professional standards;
- Promote dedication and pride of membership.

Organization

The organizational structure of the CCGA is testament to its humanitarian ideals and its grassroots strengths.

In Canada, six Canadian Coast Guard Auxiliaries are federally incorporated as non-profit corporations.

CCGA National Inc.
CCGA Pacific Inc.
CCGA Central & Arctic Inc.
CCGA Quebec Inc.
CCGA Maritimes Inc.
CCGA Newfoundland & Labrador Inc.

Each association has a legal entity separate from that of the Government of Canada.

The Presidents of each of the five regional associations are members of the CCGA National Board of Directors, chaired by an elected National Chair. The National Board of Directors oversees the administrative and business requirements that concern every region.

National Governance

The affairs of the Coast Guard Auxiliary are managed by a National Board of Directors. The President and National Chair is an elected position for a two-year term and can be re-elected for one additional year thus serving a maximum of 3 years. The National and Vice Chairs must be selected by a majority vote from amongst the Directors. A Director is either elected or appointed member and the Board consists of, at least three to a maximum of nine, Directors.

National Board of Directors
President and National Chair
Vice-Chairperson
Directors (one per regional CCGA)
Secretary
Treasurer
Administration:
Business Manager

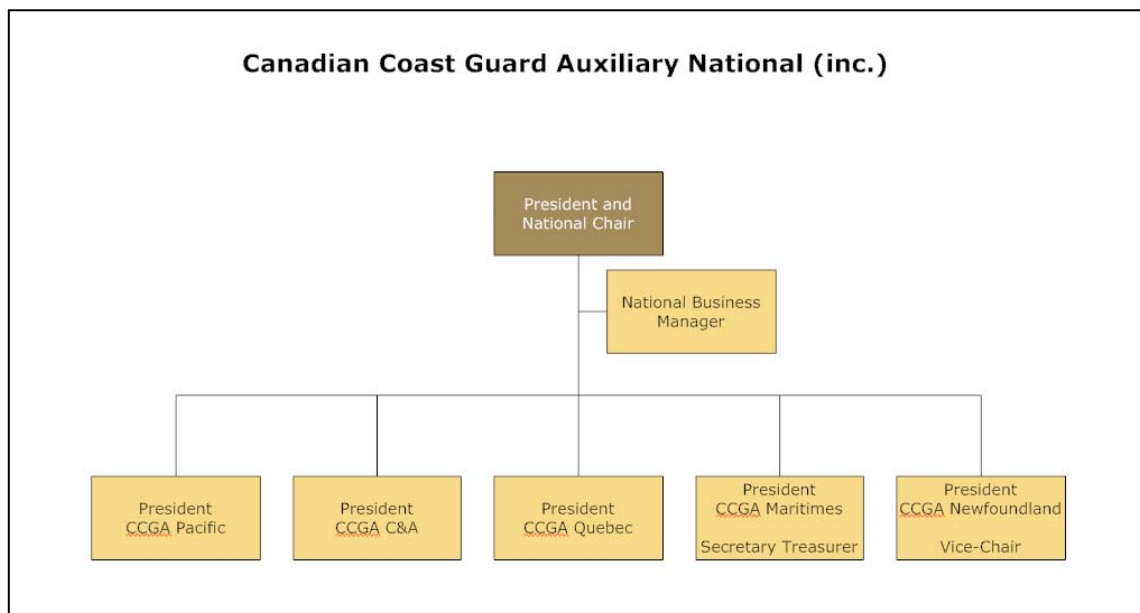
The National Board of Directors produces National Guidelines which are distributed to all members of the CCGA within each regional corporation.

Regional Governance

Each regional CCGA corporation is a unique, incorporated entity, registered as a charitable organization delivering services to meet the national CCGA objectives within the region.

The governance of each incorporation is detailed in documents including:

- Letters Patent
- By-Laws
- CCGA National Guidelines
- CCGA Regional Standing Orders
- Contribution Agreement between the specific CCGA Corporation and the Crown.



3 Priorities, Goals and Challenges

The CCGA represents a great value of service to Canadians in terms of lives saved. The strength of the volunteer commitment in the direct provision of Search and Rescue service is clear - the Auxiliary has 4,266 members and 1,209 vessels, and the auxiliaries respond to 20-25% of all Maritime incidents in Canada (almost 40% in some regions).

There is a strong and committed relationship between the Auxiliary and the Coast Guard. A strong dedication exists among the regions. This dedication is demonstrated in many ways, including participation in each other's AGMs, and the acceptance and accommodation of regional differences.

These strengths form a solid base for addressing the challenges that the CCGA currently faces.

Challenges

Membership & Recruitment

The CCGA is facing a number of challenges in terms of recruitment of volunteers. Current challenges include recruiting SAR providers in the North and in Labrador, and the recruitment of Boating Safety volunteers more broadly.

There are also challenges related to the recruitment of Board members, both at the national and regional levels, particularly in terms of recruiting board members with the appropriate skills sets. While these challenges are not unusual, particularly given the operational focus of some of the regional boards, it does speak to the need to identify needed skills and capacities, and to recruit appropriately.

Finances

There is a need to consider and accommodate regional differences when negotiating funding arrangements with CG. Some of the variables that might influence funding arrangements include different regional demands for SAR, the use of owner-operated and/or community operated boats, different volunteer profiles and resulting differences in training requirements, and geography.

There are also some serious funding pressures to meet increasing training and operational needs. These pressures led to the development of Business Cases that were submitted to the Canadian Coast Guard on December 1, 2007.

Identity

There is very limited understanding among the general public that the CCGA is an independent organization, working in partnership with Coast Guard. Lack of a distinct CCGA identity (separate from CCG) among the broader public may also hamper fundraising efforts.

The recent Governance Study proposed the development of Terms of Reference for a task force on CCGA identity. The recommendation is:

That a task force be tasked with reviewing, clarifying and resolving issues around the identity of the CCGA, including (but not limited to):

- Building national identity within the broader CCGA membership
- Communication of non-profit status to the CCGA membership and the public
- Communication of partnership with CCG to CCGA membership and public
- Consistency in uniforms and differentiation from CCG
- Consistency in color of boats and differentiation from CCG
- Implications of identity on fundraising efforts

That the task force report back to the Board with its recommendations, for Board approval.

That one of the goals of the task force is to ensure national consistency of CCGA identity.

That the task force include at least one member of the National Board, at least one other Auxiliary member from each region, and one representative from the Canadian Coast Guard. It may also be beneficial to include an additional non- Auxiliary member who has fundraising experience with other non-profit organizations, given the potential for identity to have an impact on fundraising.

That there be some cross membership between the fundraising task force and identity task force.

Roles of the National Board and National Office

In 2006 and 2007, the CCGA conducted a Governance review exercise which included a wide consultation of Board members and CCG Partners across the country.

The conclusions and recommendations of the study have been incorporated in this business plan.

During the consultation phase, the following roles and capacities were identified and commonly agreed to for the CCGA National Office and CCGA national Board.

Roles of the National Board – Points of Consensus

- National representation, voice and promotion
- Establish, uphold and communicate national, common policies
- Strategic direction and risk management
- Ensure effective communication (internal and external)
- Ensure/maintain financial and organizational health for the Auxiliary as a whole
- Provide a framework for training standards, performance measurement and reporting
- Oversee and monitor the deliverables and outcomes from national level activities
- Act as a forum for the regions for sharing of ideas (embrace differences in an open process and collegial cooperation)
- Focus on consensus building
- Ensure that regional needs are considered in national level negotiations
- Develop and manage relationships with national organizations
- Be accountable to their members, funders and other stakeholders
- Identify desired values and promote them

Capacities required for National Board – Points of Consensus

- Commitment, loyalty of members
- Incentives to perform
- Be transparent in its work
- Train new Board members
- Skills and Knowledge:
 - Planning
 - Communication
 - Strategic thinking
 - Marine rescue
- Ability to work well as a group collegially
- Capacity to add specialist skills to board, as needed (eg. law, finances)
- Capacity to access other expertise (through contracts with service providers and/or volunteer contributions)
- Authority to spend money, within defined limits
- Authority to speak on behalf of the CCGA
- Lead by example
- Succession planning for Directors
- Safeguard the health of the organization
- Review regional business plans before submission to Coast Guard
- Capacity to ensure compatibility of regional and national bylaws

Roles of National Office – Points of Consensus

Support the national board of directors, including communications, briefing notes etc.
Implement the directions of the National Board
Coordinate the business plans for the Auxiliary as a whole
Coordinate the development of national standards
Support the regions in fundraising, business plans, training
Coordinate communications
Ensure projects are on track (monitoring function) on behalf of the Board
Liaison with regional business managers
Coordination role for exchange of best practices

Capacities required for the National Office – Points of Consensus

Skills
Relationship building
Coordination
Language - Bilingual
Planning
Marketing
Policy development
Interpersonal
Communication - Writing, Oral, Electronic
Negotiation
Project management
Ability to access expertise
Good channels of communication
Administration of funds, office and HR
Fundraising
Marine activities knowledge
Flexibility (hours, mobility) of staff
Ability to work without close supervision
Authority to spend within limits
Ability to provide timely and accurate advice to the Board

4 Activities

Insurance Coverage

The Canadian Coast Guard Auxiliary provides its members with basic insurance coverage including Hull and Machinery Protection for their vessel and Indemnity and Group Accident for the members. The vessels are insured for damage or loss and the members insured against accidental death or

disability while on authorized activity.

The CCGA National office is looking after the following items:

- Negotiation of Insurance Premiums;
- Update Insurance Coverage;
- Gather & Provide Data for Insurance Brokers;
- Publish Insurance Summaries and FAQs.

In 2007, the CCG conducted a review of the CCGA Insurance Program and made a number of recommendations which are addressed in the 2008-09 National Budget Proposal.

Training

The CCGA National Office has been involved in a number of projects aimed at providing Auxiliarists with various training tools, documentation and opportunities to enhance their skills.

The office has also contributed to the development of the following tools:

- SAR Seamanship Reference Manual;
- National Training Standards;
- Training Logs;
- PCCC Training Video;
- Translation and distribution of the SAR Crew Manual;
- Production of a training video for operators of Bobbie the Safety Boat;
- SMS Training Video.

The CCGA training programs were the object of an extensive review in 2007-08. The report recommended the following measures for the CCGA National Office:

“The National CCGA website could provide a common platform (a) to archive all electronic versions of training material produced by CCGA corporations, (b) to host online forums for inter-regional networking of trainers, and (c) to host online training videos or text material that may be produced by CCGAs corporations from time to time. The 6 CCGA corporations should also consider pooling their resources to offer a single portal to interface with all CCGA membership, leaving content management under control of each corporation for specific sections that are relevant to their respective corporation. This would enhance a common look and feel, encourage cohesiveness and consistency of information, and perhaps grow further the "national" stature of the Auxiliary's body of knowledge and expertise.”

Boating Safety

In partnership with Transport Canada and the National Search and Rescue Secretariat, the CCGA continue, to participate in Safe Boating initiatives such as:

Annual Safe Boating Campaign

The Canadian Safe Boating Council is changing the formula for its annual Safe Boating Campaign. A media kit was prepared. The kit includes radio and television PSAs, a series of newspaper articles on various safe boating topics and a videotape showing boating sequences. The kit is available on DVD. The CCGA provides to the CSBC a list of local CCGA Boating Safety Specialists that can actively contribute to the campaign.

Bobbie the Safety Boat

The Bobbie the Safety Boat Song won a 2006 Communicator Award of Excellence (Audio Competition) in the “Education” category.

The implementation of the Bobbie the Safety Boat Program will continue with the development of additional tools for the CCGA Boating Safety Specialists.

Contribution Agreement with Transport Canada

The development of a Contribution Agreement with Transport Canada has not been successful despite the commitments made at the signing of a Memorandum of Agreement in 2005. Currently, CCGA associations are developing one-year contracts with regional Transport Canada offices as an alternate means of funding their Boating Safety activities.

Membership

Internal Communication • Printed Publications

The Auxiliarist

The Auxiliarist is the national newsletter produced by the CCGA to inform the members and to promote the Auxiliary to friends, supporters and potential donors/sponsors.

In recent years, in order to reduce costs, the CCG and CCGA have mutually agreed to produce separate versions (French & English) of The Auxiliarist and to reduce the number of issues/year from 4 to 3. To reduce costs even further, the mailing of each edition is also combined with other material sent to CCGA members (Uniform Order Forms, Annual Calendar, Annual Report, Training Logs, Insurance Summary, etc.).

Over the previous business plan period, the newsletter was redesigned and upgraded. With the National Web Site, the Auxiliarist is a core element of the National Auxiliary Internal Communication Programs. It has won a Communicator Award of Excellence in 2006.

Annual Calendar

The CCGA Annual Calendar is published and distributed to all members of the Auxiliary. It is also an integral part and an important incentive associated with the Associate Membership Program.

The calendar is used to promote the CCGA in all five regions. It can be purchased during the annual Associate Membership Campaign. It is also used to cultivate corporate donors, sponsors and prospects by offering them advertising opportunities.

The Annual Calendar is a good window to display Auxiliary activities to the public. It provides a multiplying effect to the visibility of several events in which a lot of time and effort have been invested by CCGA volunteers.

Services Provided to CCGA Members

National Guidelines

National Guidelines are updated, translated and published shortly after the signing of the Contribution Agreement. They are distributed to all CCGA members in electronic format. A number of printed copies are in storage to respond to the needs of the five CCGA Associations.

Annual Report

The National Office publishes an Annual Report to the Commissioner. The Annual Report is inserted in The Auxiliarist and also distributed to all donors/sponsors and associate members.

The Report identifies the highlights and achievements of the Auxiliary for the previous calendar year and provides operational statistics.

As the CCGA heads towards the gathering of additional information to meet "Performance Measurement" requirements, the Annual Report is likely going to include additional information coming from a central data base (The SMS System).

Internal Communication • Electronic Publications CCGA National and ISAR Competition Web Sites

Since it was launched in 2001, the CCGA National Web Site has gone through a significant period of growth, both in terms of content and traffic. The site is updated regularly and is used as an internal and external communication tool.

The site is currently ranking first out of 36,500 results listed in the worldwide Google search index when using the keywords “Canadian Coast Guard Auxiliary”.

The CCGA Web Site was awarded the “Excellent” rating after being reviewed by the Canadian Web Awards in 2007. The site was also awarded the World Wide Web Gold Award, the Webmaster Award, the Bronze Astral Award, the Best Nautical Site Award and the World Class Website Award for the quality of its content and presentation.

E-Commerce

E-Commerce was introduced to our web site in 2006 and forms were designed to allow on-line secure donations, purchase of our calendar and registration-payment to CCGA Events. In 2007, a new option was added (payment by debit card) in addition to the credit card payment already available.

Special Events

The National Office contributes to a number of special events:

• Annual General Meetings

The National Chair makes a PowerPoint presentation, informs the membership of the highlights of the year from a national perspective and answers their questions;

The National Chair presents recipients with National Awards;

The National Office covers the AGM in The Auxiliarist and the National Web Site.

• Conventions

The National Chair represents the Auxiliary at conventions such as the United States Coast Guard Auxiliary National Conference and SARSCENE and delivers PowerPoint Presentations on various topics related to the Auxiliary.

• Award Ceremonies

The National Chair represents the Auxiliary and accepts awards on behalf of National Council.

• Boat Shows

- The National Office provides promotional and educational material for distribution at Boat Shows and other public events.

• Regional SAR Competitions

The National Office reports on regional SAR competitions in The Auxiliarist, the National Web Site, the Annual Calendar and the CCGA E-Newsletter;

The National Office provides photo and video services for media coverage of these events.

Production of Promotional Material

The CCGA National looks after the elements of the National Identification Program such as Flags (CCGA), Pins, Badges, Ball Caps, design of logos, etc. The office also supervises the CCGA Fulfillment Program and authorizes items which are put on sale with the CCGA logo and crest.

Brand Protection

The CCGA National Office ensures the protection of the CCGA image, trademarks and copyright.

National Awards

Since it was introduced in 2002, the CCGA National Awards Program has presented medals and certificates to 416 Auxiliarists.

The National Award Committee is made of three representatives (the National CEO, one Regional President, one CCG representative) and meets twice a year to review nominations.

The breakdown of medals by category as of January 31, 2008 is:

Heroism	2
Exemplary Service	15
Leadership	32
Operational Merit	35
Humanitarian	13
Administrative Excellence	31
Long Service	288
Total	416

New service ribbons were also added to the program in 2006.

Uniform

The Uniform Committee meets annually to review proposed changes to the CCGA Uniform Guidelines.

A number of proposed changes submitted by the Committee in 2003 were adopted by the CCGA National Council. Additional amendments have been suggested and will be discussed over the next Business Plan period.

A new version of the uniform Guidelines will be published/posted in 2008.

Communication Programs

Marketing and External

The objectives of the CCGA marketing and promotion programs are to raise public awareness, improve the public perception of the Auxiliary and use various means to bring the organization to the attention of the generations who will support it in future years.

Press Releases & Media Backgrounders

When participating in public events such as SAR Competitions, Annual General Meetings, Award Presentations, etc. the CCGA issues press releases and media backgrounders in order to draw the public's attention to these events and gain public recognition.

Contribution to various Publications/Projects

The CCGA National Office takes advantage of the offer by several publications to provide coverage of the Auxiliary in their pages. The CCGA National Office also regularly provides pictures, video footage and resources for interviews.

The same material is regularly used by CCGA regional Associations in their own internal publications or for various projects that require video materials or photos.

The CCGA Corporate Brochure won a 2006 Communicator Award of Distinction (Print Competition) in the "Corporate Identity" category.

Public Service Announcements

Starting in 2001, the CCGA initiated a Public Service Announcement Program to raise the profile and visibility of the Auxiliary in the general public. The basic principle of this program is simple: The CCGA develops awareness material and makes it available free of charge to the media. The media can use the material to fill unsold advertising spaces and time slots. In return, the advertising space and time are provided at no cost to the CCGA.

In 2005, the CCGA Radio Public Service Announcements won an Award of Excellence at the Communicator Awards - Audio Competition. The Award of Excellence is given to those productions whose ability to communicate puts them among the best in the field.

The Report on CCGA Marketing Campaigns published in 2003 showed that in excess of \$1.5 million worth of advertising was donated to the Auxiliary over a three year period. The efficiency of the campaigns is measured by using response cards which are returned to the CCGA. The cards indicate the rotation (light-medium-heavy) of the messages aired by the broadcaster.

The development phase of the program is now completed and the CCGA has material available for the printed media (ads in various sizes and formats), television (30 sec. ads) and radio (four different audio messages). All PSAs are available in both official languages.

The CCGA has also developed a media distribution list to which the PSAs are sent annually.

In 2006, CCGA National also won the prestigious Marcom Creative Award for the quality of its direct marketing programs.

Personnel

There is currently one paid position at the CCGA National Office: The National Business Manager.

The position has six major areas of focus:

- Supervise the development process of national programs;
- Manage the implementation and on-going support of these programs in all regions by providing direction and coordination;
- Provide support and information to the various internal and external stakeholders;
- Disseminate best practices to achieve desired outcomes;
- Participate in the decision making process to set priorities;
- Develop partnerships with external stakeholders.

More specifically, the position has the following accountabilities:

Develop and implement public relation and internal/external communication programs to increase the public's awareness of the Coast Guard Auxiliary and to maintain CCGA membership well informed.

- Supervise preparation, layout, printing & distribution of The Auxiliarist;
- Supervise preparation, production & distribution of CCGA Annual Calendar & promotional material;
- Develop, maintain & update National Web Site;
- Issue media backgrounders & press releases;
- Collect & distribute press clippings.

Develop and implement across Canada a fundraising campaign at the national level and develop fundraising strategies.

- Manage National Fundraising Programs (corporate & individual appeals);

- Develop & update all databases & mailing lists;
- Develop & supervise national appeals for donations;
- Develop & supervise national sponsorship campaigns;
- Develop & supervise national campaign to recruit associate members;
- Manage & co-ordinate marketing activities;
- Manage & co-ordinate promotion campaigns;
- Manage & co-ordinate solicitation campaigns for advertisers (Auxiliarist);
- Develop corporate partnerships;
- Develop & distribute TV & Radio Public Service Announcements;
- Develop & distribute Newspaper Ads;
- Develop & distribute Marketing Videos;
- Develop & distribute Corporate Brochure & posters;
- Supervise development of CCGA on-line store.

Manage the day-to-day activities for the national office. Duties include report writing, budget preparation and analysis, coordination of meetings, development of recruitment strategies and preparation of communications plans.

- Manage relations with international partners;
- Prepare presentations & speeches for CEO;
- Prepare agenda & minutes of National Council;
- E-mail & correspondence for CEO & national office;
- Attend AGMs, National Council Meetings, SAR Competitions, etc.
- Attend meetings on insurance coverage;
- Review & update CCGA National Guidelines;
- Contribute to renewal of Contribution Agreement;
- Produce Annual Report;
- Development of National Business Plan;
- Development of National Fundraising Policies;
- Provide services & documents in both official languages.

Work closely with the Director, Search and Rescue, and the Superintendent, Coast Guard Auxiliary and other CCG personnel on matters of common interest.

- Supervise National Uniform Program;
- Supervise National Awards Program;

Keep members of the CCGA National Council informed of trends, changes and current affairs in marine search and rescue and the boating world.

The complexity of the position requires the following skills:

- Excellent project, resource & time management skills;
- Familiar with advanced functions of various computer applications;

Seasoned writing & communication skills;
Ability to work with & motivate volunteers in a fast paced environment;
Fully bilingual; Available to work on weekends;
Experience with development of Awareness campaigns;
Experience with organization of special events.

Administration / Business Operations

Liaison with CCG, OBS (TC), NSS & other Agencies

The administrative workload on the National Office is increasing as a result of more demanding government requirements from organizations that benefit from public funding. For the Auxiliary, this translates into additional time being spent on collecting data and producing reports on performance indicators, managing NIF projects or collaborating with the Program Review Audit process.

In the past year, resources were allocated to important projects such as: Renewal of the Contribution Agreement with Transport Canada (Safe Boating Programs), Program Review, Performance Measurement and NIF Projects.

National Policy Development

Development of National Policies is done under the guidance of National Board. These policies cover several sectors of activity and provide a consistent interpretation of national guidelines such as reimbursement rates, insurance coverage, operational guidelines, etc.

International Affairs

In recent years, strong ties were developed with the USCG Auxiliary. The National Office continues to work on strengthening this partnership and develop others.

National Board Meetings

The Coast Guard Auxiliary National Council meets 2-3 times a year. Each meeting is usually followed by joint meetings with regional and national representatives of the Canadian Coast Guard. The meetings are planned by the CCGA in coordination with the SAR Branch of the CCG in Ottawa. Tasks include the development of agendas, distribution of minutes to the participants and following up on decisions made.

With regard to the National Board, the recent Governance study recommended that the Board make use of existing provisions in the National bylaws to bring in additional National Board members to fill any gaps that the Board may identify (as needed – e.g. legal, financial capacities).

Budget Management

The National Office supervises the process of establishing the annual budget allocations for each of the six CCGA associations (sharing of funds originating from the Contribution Agreement).

A new internal process was implemented to allow the CCGA Associations to make a global proposal to the CCG as to how the funding from the Contribution Agreement should be divided each year. The CCGA Associations share their business plans, discuss them and submit a global funding proposal to the Canadian Coast Guard.

A similar process is expected to take place when a Contribution Agreement is signed with transport Canada.

Fundraising

Another mandate of the CCGA National Office is “To raise funds, cost effectively, from a diverse range of sources, in support of the financial needs of the CCGA, by developing high quality relationships with our supporters.”

In managing the corporate fundraising strategy, the CCGA National Office engage selected companies through sponsorship and promotional activities in order to enhance the image and brand values of the CCGA, to create opportunities to raise funds, and to reduce cost of procurements through sponsorships.

In managing its personal & corporate donation fundraising strategy, the CCGA National Office invests efforts & resources into developing long term relationships with all supporters, thereby encouraging and optimizing repeatable contributions.

The CCGA has also developed partnership agreements with suppliers in order to reduce the cost of important supplies. One example is the partnership agreement with Mercury Marine to supply motors & parts to the CCGA at reduced cost. Mercury Marine also provides visibility to the CCGA by donating advertising space to the Auxiliary in the "Welcome to the Mercury Family" brochure (20,000 copies published every year and distributed to every new owner of Mercury motor & equipment). Various other suppliers such as Helly Hansen have made equipment donations to support the CCGA SAR Competitions.

With regard to the Fundraising initiative, the recent Governance Study recommended that, upon completion and reflection on the results of the Waterfall Report, that the National Board consider the following additional steps to address fundraising issues within the CCGA:

- The Board develop and agree on Terms of Reference for a task force on fundraising.
- The role of the task force would be to review, clarify and define roles and responsibilities with regard to fundraising.
- That the task force report back to the Board with its recommendations, for Board approval.
- That the task force should take into account the diversity of the regions and the relationship to Coast Guard on fundraising questions
- That the task force include at least one member from the National Board, at least two other Auxiliary members who are engaged in fundraising at the regional and/or local level, and one additional non-Auxiliary member who has fundraising experience with other non-profit organizations.
- That the task force consider and communicate the specific goals and objectives of any fundraising recommendations/activities.
- That one of the goals of the task force is to ensure a consistent approach.

Fulfillment Program

The Fulfillment Program was developed together after a Partnership Agreement was reached with Festival Promotions. The CCGA obtains royalties from sale of gear & equipment identified with the Auxiliary/ISAR logos.

In addition to the on-line "Coast Guard Store", the CCGA also publishes an insert with the Auxiliarist which allows readers to order gear and equipment identified with the CCGA or ISAR logo. The insert is also distributed to CCGA Donors, Sponsors and Associate Members and is available on-line on the CCGA Web Site.

Associate Membership

Between 2001 and 2003, the National Office conducted a series of five pilot projects to test and measure the response rates to direct mail solicitation campaigns in various areas and various periods during the year. Solicitation material and mailing lists were developed to conduct these pilot projects. Sustaining members are classified within several categories depending on their level of contribution. Relatedly they obtain various levels of recognition/benefits. The results of the pilot projects were published in the Report on Direct Mailing Campaigns presented to the National Council in August, 2003.

The Report concluded that CCGA direct mailing campaigns were most efficient (and profitable) when conducted prior to the Christmas period and when associated with the sale of the Annual Calendar. These periods delivered the best response and renewal rates.

Following the recommendations of the report, the National Office set up an Annual Direct Mail Campaign using an updated version of the solicitation material and a new portion of its prospects database.

The National Office also conducted a review study of its Fundraising programs using an external consultant. The first goal of the Waterfall Study was to review the National programs in order to identify those that provide the best return.

The second goal was to canvass the regions to identify the fundraising programs being conducted and make recommendations to better coordinate the regional/national efforts.

Calendar Sales

The campaign to sell the Annual Calendar is now linked to the direct Mail Campaign and to the recruitment of associate members.

Vessel Donations – In Memoriam Donations

The Vessel Donation and In Memoriam Donation programs were introduced in 2003. Promotion of these programs is currently limited to The Auxiliaries and the National Web Site. The promotion of these programs will be likely expanded to include external advertising tools. Also, a Corporate Program could be developed to solicit companies for donations of surplus equipment that can be useful to the CCGA.

New Initiatives

NIF Program

The process of filing applications for funds from the NIF (New SAR Initiatives Fund) has evolved in recent years. Regional CCGA submissions are now prioritized although the National Office also files complimentary requests to support equitable distribution of funds between the regions.

For Fiscal Year 2008-09, the National Office will consult the regions and explore the projects to be submitted to the NSS.

SAR Management System

The National Office is contributing to the implementation of the SAR Management System across Canada. Phase I of the project included expansion of the system in C&A and Quebec. Phase II will expand the system to Maritimes and Newfoundland.

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Canadian Coast Guard Auxiliary – Annex A

Volunteers saving lives on the water

FINANCIAL STATEMENTS

[Insert financial tables – Expenditure Form, Bank Account, and Annual Budget]

1. Attach copy of your latest financial statement

FINANCIAL STATEMENTS
For
CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.
For year ended
MARCH 31, 2007

AUDITORS' REPORT

To the Members of

CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.

We have audited the statement of financial position of the Canadian Coast Guard Auxiliary (National), Inc. as at March 31, 2007 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Auxiliary's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Auxiliary derives a portion of its revenues from the general public in the form of donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Auxiliary and we were not able to determine whether any adjustments might be necessary to revenues derived from donations, net revenue, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues from donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Auxiliary as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants

Ottawa, Ontario
September 6, 2007.

CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 71,503	\$ 23,476
Accounts receivable	19,065	110,459
Prepaid expenses	<u>5,178</u>	<u>-</u>
	<u>95,746</u>	<u>133,935</u>
CAPITAL ASSETS (note 4)	<u>56,302</u>	<u>69,055</u>
	<u>\$ 152,048</u>	<u>\$ 202,990</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 24,443	\$ 81,674
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (note 5)	<u>56,302</u>	<u>69,055</u>
	<u>80,745</u>	<u>150,729</u>
NET ASSETS		
Unrestricted (note 6)	71,303	52,261
Invested in capital assets	<u>-</u>	<u>-</u>
	<u>71,303</u>	<u>52,261</u>
	<u>\$ 152,048</u>	<u>\$ 202,990</u>

Approved by the Board:

MALCOLM DUNDERDALE
 Director

FRANK McLAUGHLIN
 Director

(See accompanying notes)

CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
Revenue		
Total contributions received from Fisheries and Oceans for Search and Rescue	\$ 1,411,000	\$ 1,481,000
Less deferred contributions relating to purchase of capital assets (note 5)	<u>19,608</u>	<u>33,523</u>
	1,391,392	1,447,477
Contributions received from Fisheries and Oceans for Governance Study	117,503	90,000
Amortization of deferred contributions (note 5)	32,361	30,221
Donations	8,772	37,019
Contributions from Department of National Defence - NIF Project	<u>-</u>	<u>358,157</u>
	<u>1,550,028</u>	<u>1,962,874</u>
Expenses		
Amortization	32,361	30,221
Bank charges	1,717	1,209
Branding	29,913	27,857
Electronic communication programs	51,242	56,732
Fundraising	4,202	14,442
Governance study	100,960	90,000
Honorarium	35,000	35,000
Insurance	664,115	710,518
ISAR	25,563	77,321
Medals and uniforms	41,899	45,865
NIF project	14,687	315,953
National council meetings	15,983	5,672
Office operations, rent and supplies	62,061	59,785
Publications	115,676	123,374
Professional fees	19,300	8,061
Promotional material	59,699	23,326
Safe boating activities	22,721	31,261
Salaries and benefits	97,825	155,151
Subsidy to other CCGA organizations	37,000	-
Telephone	4,728	6,031
Travel and meetings	<u>94,334</u>	<u>136,898</u>
	<u>1,530,986</u>	<u>1,954,677</u>
Net revenue	19,042	8,197
Net assets at beginning of year	<u>52,261</u>	<u>44,064</u>
Net assets at end of year	<u>\$ 71,303</u>	<u>\$ 52,261</u>

(See accompanying notes)

CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 19,042	\$ 8,197
Items not affecting cash:		
Amortization of deferred contributions	(32,361)	(30,221)
Amortization	<u>32,361</u>	<u>30,221</u>
	19,042	8,197
Changes in level of:		
Accounts receivable	91,394	(85,031)
Prepaid expenses	(5,178)	-
Accounts payable and accrued liabilities	<u>(57,231)</u>	<u>(80,187)</u>
	<u>48,027</u>	<u>(157,021)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(19,608)</u>	<u>(33,523)</u>
FINANCING ACTIVITIES		
Contributions received from Fisheries and Oceans related to capital assets	<u>19,608</u>	<u>33,523</u>
INCREASE (DECREASE) IN CASH	48,027	(157,021)
CASH AT BEGINNING OF YEAR	<u>23,476</u>	<u>180,497</u>
CASH AT END OF YEAR	\$ <u>71,503</u>	\$ <u>23,476</u>

(See accompanying notes)

CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

1. PURPOSE OF THE ORGANIZATION

Canadian Coast Guard Auxiliary (National), Inc. is incorporated under the Canada Corporations Act. The corporation's objective is to promote safety and the preservation of life and property in Canadian marine areas, including providing voluntary search and rescue services by acting in an auxiliary support role to the Canadian Coast Guard. The corporation is a registered Charity and as such is exempt from income tax by virtue of Paragraph 149(1)(f) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Capital assets and amortization

Capital assets are recorded at cost. Amortization is provided using the straight-line method over the periods indicated below:

Equipment	- 5 years
Computer equipment	- 2 years

Revenue recognition

The Auxiliary follows the deferral method of accounting for government contributions. These restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Contributions that are restricted for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset.

Expenses

Expenses are recorded on the accrual basis of accounting.

Donated services and materials

The work of the auxiliary is dependent upon the voluntary services of its directors and members and the voluntary contribution of materials from the general public. These services and materials are not normally purchased by the Auxiliary and because of the difficulty of determining their fair value, these donated services and materials are not recognized in the financial statements.

Donated services and materials normally purchased by the Auxiliary are recognized in the financial statements at their fair value when fair value can reasonably be estimated. In the absence of a reasonable estimate of fair value, such donated services and materials are not recorded.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2007

3. FINANCIAL INSTRUMENTS

The Auxiliary's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Auxiliary is not exposed to significant interest, currency or credit risks arising from these instruments.

The fair value of the Auxiliary's cash, accounts receivable and accounts payable and accrued liabilities approximates their carrying values due to their short term nature.

4. CAPITAL ASSETS

Capital assets consist of the following:

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Equipment	\$ 127,501	\$ 73,607	\$ 112,709	\$ 48,107
Computer equipment	<u>13,721</u>	<u>11,313</u>	<u>15,357</u>	<u>10,904</u>
	141,222	<u>\$ 84,920</u>	128,066	<u>\$ 59,011</u>
Accumulated amortization	<u>84,920</u>		<u>59,011</u>	
	<u>\$ 56,302</u>		<u>\$ 69,055</u>	

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions with respect to the acquisition of these assets. The changes in the deferred contributions related to capital assets balance for the year are as follows:

	<u>2007</u>	<u>2006</u>
Balance at beginning of year	\$ 69,055	\$ 65,753
Contributions received from Fisheries and Oceans	19,608	33,523
Amounts amortized to revenue	<u>(32,361)</u>	<u>(30,221)</u>
Balance at end of year	<u>\$ 56,302</u>	<u>\$ 69,055</u>

6. UNRESTRICTED NET ASSETS

The unrestricted net assets is comprised of donations and additional funding received from Fisheries and Oceans exclusive of funding received for search and rescue activities and is available for use at the Board's discretion.

CANADIAN COAST GUARD AUXILIARY (NATIONAL), INC.

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2007

7. RESTATEMENT OF COMPARATIVE FIGURES

During the year, management realized that the Auxiliary had been incorrectly accounting for capital asset additions. In prior years, capital additions were fully expensed in the year of acquisition rather than being capitalized and amortized over their useful life.

As capital assets were fully funded from contributions received from Fisheries and Oceans, a corresponding deferred contribution amount also needed to be recorded. This restatement has no effect on the unrestricted net assets balance at March 31, 2005 and March 31, 2006, however, the total assets and liabilities and net assets at March 31, 2006 have both been increased by \$69,055, respectively, from \$133,935 to \$202,990 to reflect the aforementioned change in policy.

In addition, comparative figures have been audited by another accounting firm of chartered accountants and have been reclassified where necessary to conform to the presentation adopted for the current year.

EXPENDITURE FORM				
<i>Enter actual and/or projected values for applicable line items</i>				
BUDGET ITEM	2005/06	2006/07	2007/08 (Projected)	2008/09 (Budget)
ADMINISTRATION				
2045 Vessel Registration				
3290 GST	\$20,000.00	\$25,000.00	\$25,000.00	\$20,000.00
3355 PST	\$10,000.00	\$12,000.00	\$12,000.00	\$12,000.00
3390 HST				
4001 Accounting & Audit Services	\$8,000.00	\$19,000.00	\$20,000.00	\$20,000.00
4002 Legal Services			\$7,000.00	\$5,000.00
4106 Trademark, Patent & Copyright Fees				
4409 Translation Expenses				\$25,000.00
4411 Writing Services				\$5,000.00
4418 Motor Vehicle Registration & Inspection				
4419 Bank Fees & Charges	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
4424 Conference Fees				\$2,000.00
4479 Storage & Warehousing	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
7184 Vehicle Fuel Expenses	\$3,000.00	\$3,000.00	\$3,500.00	\$3,500.00
7310 Lubricating Oil				
7335 Uniform Insignia	\$46,000.00	\$42,000.00	\$20,000.00	\$30,000.00
7335 Vessel Pennants				
7344 Office & Stationary Supplies	\$24,000.00	\$22,000.00	\$28,000.00	\$26,000.00
7345 Photographic Goods				
7360 LIMIT - Other miscellaneous products & goods	\$9,000.00	\$13,000.00	\$11,000.00	\$10,000.00
0202 Administrative Travel	\$60,000.00	\$40,000.00	\$22,000.00	\$22,000.00

0202	President's Travel	\$67,000.00	\$48,000.00	\$30,000.00	\$30,000.00
0202	Zone Travel / Administration				
0205	Travel USA	\$10,000.00	\$6,000.00	\$4,000.00	\$4,000.00
0208	Foreign Travel Other Than USA			\$4,000.00	\$4,000.00
0245	Postage & Handling			\$1,000.00	\$55,000.00
0246	Courier Services				
0260	Telephone services	\$6,000.00	\$5,000.00	\$5,000.00	\$5,000.00
0262	Long Distance Charges				
0331	Marketing / Communications	\$28,000.00	\$30,000.00	\$33,000.00	\$33,000.00
0331	Advertising Services	\$40,000.00			
0361	Printing Services	\$28,000.00	\$32,000.00	\$30,000.00	\$45,000.00
0362	Audio Visual Services	\$16,000.00	\$30,000.00	\$20,000.00	\$22,000.00
0503	Rental of Office Buildings				
0505	Rental of Other Buildings				
0525	Automobile Leasing	\$12,000.00	\$12,000.00	\$12,000.00	\$7,000.00
0554	Rental of Computer Software				
0555	Rental of Computer Equipment				
0556	Rental of Photocopiers				
0557	Rental of Other Office Equipment				
0559	Rental of Machinery & other equipment				
0680	Repair & Betterment of Computer Equipment, Hardware	\$14,000.00	\$8,000.00	\$10,000.00	\$10,000.00
0681	Repair & Betterment of Other Office Equipment				
0682	Vehicle Maintenance				
0910	Office Furniture & Furnishings	\$2,000.00	\$2,000.00	\$3,000.00	\$3,000.00
0930	Computer Equipment - Small - Desktop - Portable	\$9,000.00	\$7,000.00	\$5,000.00	\$5,000.00
0931	Computer Software				
	Computer Equipment - Parts				

0932							
0935	Other Office Equipment & Parts	\$16,000.00	\$4,000.00	\$12,000.00	\$12,000.00		
0980	Vehicle Purchases						
	SAR Operational Administrative Costs						
	Honorariums	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00		
1017	TOTAL - ADMINISTRATION	\$470,000.00	\$402,000.00	\$359,500.00	\$457,500.00		
EMPLOYEE COSTS							
0101	Salaries						
0101	Executive Officer						
0101	Business Manager	\$72,000.00	\$74,000.00	\$76,000.00	\$78,000.00		
0101	Operations Officer						
0101	Training Officer						
0101	Administrative Assistant						
0101	Secretary						
4421	Part Time Help	\$4,000.00	\$4,000.00	\$4,000.00	\$6,000.00		
0101	Other staff						
0181	Employee Benefits	\$11,000.00	\$11,000.00	\$12,000.00	\$21,000.00		
	TOTAL - EMPLOYEE COSTS	\$87,000.00	\$89,000.00	\$92,000.00	\$105,000.00		
SAR OPERATIONS							
	Reimbursement to Members for SAR Operations						
	Insurance Deductibles Resulting from SAR Operations						
1016	TOTAL - SAR OPERATIONS						
SUPPORT TO SAR OPERATIONS							
	Safety Supplies/Equipment						
1230	Insurance Premiums	\$710,000.00	\$664,000.00	\$607,000.00	\$730,000.00		
0269	Telecommunications/Pager, Cell, etc.						

0682	Vehicle Maintenance					
7184	Vehicle Fuel Expenses					
7310	Lubricating Oil					
	Equipment Maintenance					
	Other					
1017	TOTAL SUPPORT TO SAR OPERATIONS		\$710,000.00		\$664,000.00	\$607,000.00
						\$730,000.00
	TRAINING					
4205	Member Training Courses					
4208	On Water Training Expenses					
4208	First Aid Training Expenses					
4208	First Aid Recertification Expenses					
4208	CPR Training Expenses					
4208	CPR Recertification Expenses					
4208	Training Equipment Expenses					
4208	Regional SAR Competitions					
4208	Training Events (National/International)		\$30,000.00		\$37,000.00	\$20,000.00
4208	Crew Level Training Programs					
4208	Training Administration					\$20,000.00
4208	Training Support					
4208	ISAR Competition		\$77,000.00		\$25,000.00	\$52,000.00
0682	Vehicle Maintenance					
7184	Vehicle Fuel Expenses					
7310	Lubricating Oil					
0202	ISAR Travel Costs for Non-Competitors					
0202	ISAR Competitor Travel Costs					
0204	Travel Training Expenses					

	Transfer to Regions				\$28,000.00				
1018	TOTAL - TRAINING		\$107,000.00		\$62,000.00		\$120,000.00		\$50,000.00
MEMBERS									
7342	Newsletter		\$62,000.00		\$61,000.00		\$70,000.00		\$70,000.00
7352	Awards, Gifts & Recognition		\$45,000.00		\$46,000.00		\$12,000.00		\$32,000.00
0202	Executive Meeting Travel Expenses								
0569	Annual General Meeting								
0569	Board of Director Meeting Expenses		\$6,000.00		\$16,000.00		\$20,000.00		\$20,000.00
0569	Business Managers Meeting Expenses				\$30,000.00				
0569	Meeting Costs (non AGM)								
0202	Annual General Meeting Travel Expenses								
0202	Board of Director Meeting Travel Expenses								
	National Web Site		\$58,000.00		\$51,000.00		\$51,000.00		\$30,000.00
	Other								
1017	TOTAL - MEMBERS		\$171,000.00		\$204,000.00		\$153,000.00		\$152,000.00
FUNDRAISING									
	Direct Costs & Travel		\$14,000.00		\$8,000.00		\$14,000.00		\$40,000.00
	Indirect Costs (e.g.:salary of dedicated persons)								\$45,000.00
	TOTAL - FUNDRAISING		\$14,000.00		\$8,000.00		\$14,000.00		\$85,000.00
NEW INITIATIVES									
	Project – SAR Management System						\$51,000.00		\$35,000.00
	Project – NIF Project		\$358,000.00		\$62,000.00		\$210,000.00		\$129,000.00
	Project – Distribution of C.A. & Nat. Guidelines								\$20,000.00
	Project – CCGA 30 th Anniversary								\$10,000.00
	Project – Governance Study		\$90,000.00		\$117,000.00				
	TOTAL - NEW INITIATIVES		\$448,000.00		\$179,000.00		\$261,000.00		\$194,000.00

GRAND TOTAL - EXPENDITURES		\$2,007,000	\$1,608,000	\$1,606,500	\$1,773,500
REVENUE FORM					
<i>Enter actual and/or projected values for applicable line items</i>					
BUDGET ITEM		2004/05	2005/06	2006/07	2007/08
Contribution Agreement Funding		\$1,559,000	\$1,481,000	\$1,411,000	\$1,644,500
2850	Repayable Contribution Agreements				
TOTAL - CONTRIBUTION AGREEMENT		\$1,559,000	\$1,481,000	\$1,411,000	\$1,644,500
Fundraising (\$ donations)					
Fundraising (In-Kind value received)					
TOTAL - FUNDRAISING		\$37,000	\$34,000	\$27,000	
Other Funding – NIF Program		\$358,000	\$62,000	\$210,000	\$129,000
Other Funding – Governance Study		\$90,000	\$117,000		
TOTAL - OTHER FUNDING		\$448,000	\$179,000	\$210,000	\$129,000
GRAND TOTAL - REVENUE		2,007,000	\$1,694,000	\$1,648,000	\$1,773,500