

16th Annual General Meeting – April 6, 2017

Treasurer's Report

The Treasurer, with the assistance of the Executive Director, presented financial reports at most Council meetings for review and approval. The following are comments on the documents provided with this report.

2016 FINANCIAL STATEMENT

The NWTAA Financial Statement as of December 31, 2016, as presented to Council on January 10, 2017, is attached. This statement shows that NWTAA posted a minor deficit of -\$454.81 in 2016 (Total Revenue + 2015 Carry-over – Total Expenses).

Revenue Break-down

| | | |
|-----------------------|----------------------|---------------|
| Membership Dues | \$ 88,375.00 | 64.72% |
| Firm Permits | \$ 46,126.00 | 33.78% |
| National Activities | \$ 1,840.00 | 1.35% |
| Continuing Education | \$ 187.25 | 0.14% |
| Funding & Sponsorship | \$ 0.00 | 0% |
| Miscellaneous Income | \$ 0.00 | 0% |
| Interest | \$ 11.71 | 0.01% |
| Total | \$ 136,539.96 | 100.0% |

Expenditure Break-down

| | | |
|---------------------------|----------------------|---------------|
| Membership & Programs | \$ 4,890.77 | 3.44% |
| Governance | \$ 14,127.66 | 9.95% |
| Funds & Awards | \$ 23,878.09 | 16.82% |
| Other | \$ 1,204.82 | 0.85% |
| Staffing | \$ 69,528.38 | 48.97% |
| Operations | \$ 28,365.05 | 19.98% |
| Total Expenditures | \$ 141,994.77 | 100.0% |

2015 Assets, Liabilities and Net Worth

As of December 31, 2016, NWTAA's Assets, Liabilities and Net Worth were as follows:

| | |
|------------------|----------------------|
| Assets | \$ 169,702.86 |
| Liabilities | \$ 7,682.52 |
| Net Worth | \$ 162,020.34 |

NWTAA experienced a 3.27% growth on its net worth in the past year, from \$156,885.32 at December 31, 2015 to \$162,020.34 at December 31, 2016.

SHORT TERM INVESTMENTS & SAVINGS

Operating Reserve Fund

- In 2016, the Operating Reserve Fund remained unchanged at \$66,022.18 (not including unpaid interest accrued to date).
- The Fund consists of a single 5-year cashable escalating rate GIC (maturing December 21, 2020)
- The Fund meets Council's goal of maintaining a reserve of approximately 50% of the estimated annual operating costs of the Association.

Legal Reserve Fund

- In 2016, the Legal Reserve Fund increased from \$65,348.10 to \$74,348.10, with a 2016 contribution of \$9,000.00 (not including unpaid interest accrued to date).
- The Fund now consists of three 5-year cashable escalating rate GICs valued at \$40,348.10, \$25,000.00 and \$9,000. (Maturing April 30, 2019, December 21, 2020 & December 22, 2021, respectively.)
- There is no set goal for this fund; however, it is the wish of Council to contribute as much as possible on an ongoing basis.

Don Jossa Scholarship Fund

- In 2016, the Don Jossa Architectural Scholarship was awarded to three recipients: two received \$1,500 each (both first time recipients), and the third received \$1,000 (a second time recipient). There were no funds remaining in the 2016 budget for allocation to the scholarship fund established in 2015.
- As of December 31, 2016, \$1,008.73 is held in the Scholarship Fund savings account. Although this is a modest amount, it represents a positive step towards a long-term savings goal for NWTAA.

Cash Accounts

- As of December 31, 2016, NWTAA's chequing account had a balance of \$27,664.85.
- The office also retained a Petty Cash balance of \$200.00.

2017 BUDGET

The 2017 Operating Budget was initially approved by Council on November 22, 2016, with minor revisions approved on March 31, 2017 – it is attached for your reference. The Budget was developed to be practical and conservative, and Council's approach remains largely consistent with the 2016 budget, with some exceptions noted as follows:

Revenue

- Revenue is budgeted at \$131,420, which is \$5,420 higher than the 2016 budget. Although membership fees are expected to be slightly higher for 2017, firm permit registration fees are budgeted to be lower as NWTAA was aware that some firms were not renewing in 2017.

As noted in the 2014 and 2015 Treasurer's Reports and as discussed at the 2015 AGM:

Under the current fee structure, some firms have chosen to register one branch/firm based on employees of the branch, and not the full entity. As such, where some firms were expected to report employees in the tens and hundreds, instead they have reported the lesser number of the particular branch. This has resulted in a reduction in revenue from firm permit renewals.

Council currently refers to this exploit as the Firm Permit “Loop Hole”, and is continuing to examine it as a priority for NWTAA’s long- term financial health. This item will be discussed in some detail at the 2016 NWTAA AGM.

In 2016, NWTAA’s legal counsel advised that Council’s interpretation of its Firm Permit registration fee structure is correct and enforceable. NWTAA therefore clarified its position on Firm Permit registration fees with firms who have knowingly or unknowingly taken advantage of the exploit, with positive results.

Expenses

Education

- Continuing Education events presented by NWTAA have been, at worst, revenue neutral.
- The budgeted \$1,000 represents Council’s interest in increasing expenditures (ie, spending of Continuing Education profits plus the budgeted amount) to improve member accessibility to quality local events.

Administration

- The Administration budget includes an increase to the Executive Director’s salary.
- A modest amount has been budgeted for Staff Development, which is intended for our Executive director to attend a Canadian conference specifically related to the administration of a regulatory body.

Operations

- Minor adjustments have been made to operations, and a nominal reduction from the 2016 budget is anticipated, primarily as a result of pursuing operational efficiencies.

2016 FINANCIAL AUDIT

In February/March 2017, Crowe MacKay LLP completed its annual audit of NWTAA’s finances and operations. The draft Audited Financial Statements were received on February 20, 2017, with the final document for approval expected prior to the AGM.

Highlights from the Audit, which are of particular importance to the AGM, are as follows:

- Page 3 includes the following Auditor’s Opinion statement:

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northwest Territories Association of Architects as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

- Page 4 includes the official statement of operation for 2016. This summary represents the 2016 official and accountant verified financial statement for the NWTAA. The information in this table had been confirmed to align very closely with the unofficial 2017 Financial Statement. Differences between these 2 statements are mainly a result of the auditor's financial statement using standard accounting practices, a different format and having more accurate information specific to interest earned but not paid.
- Page 11 Includes the specifics related the NWTAA's Long Term Investments as described above in this report.

Respectfully submitted,

Doug Townson

Financial Statement

as at December 31, 2016



NWTAAs
NORTHWEST TERRITORIES ASSOCIATION OF
ARCHITECTS

| ASSETS | 2015 YEAR-END | 2016 TO DATE |
|--------------------------------------|-------------------|-------------------|
| Cash on Hand | - | - |
| Petty Cash | 200.00 | 200.00 |
| CIBC Chequing Account | 31,127.09 | 27,664.85 |
| Don Jossa Scholarship Fund (Savings) | 997.00 | 1,008.73 |
| Operating Fund (GIC) | 66,022.18 | 66,022.18 |
| Legal Fund (3 GICs) | 65,348.10 | 74,348.10 |
| Accounts Receivable | 154.00 | 459.00 |
| TOTAL ASSETS | 163,848.37 | 169,702.86 |

| REVENUE | 2015 ACTUAL | 2016 BUDGET | 2016 ACTUAL |
|-------------------------------|-------------------|-------------------|-------------------|
| Membership | 128,059.00 | 127,500.00 | 134,501.00 |
| Membership Registration Fees | 75,259.00 | 79,000.00 | 81,575.00 |
| Firm Permit Registration Fees | 48,450.00 | 46,000.00 | 46,126.00 |
| Application Fees | 4,050.00 | 2,500.00 | 6,050.00 |
| Late Fees & Other | 300.00 | - | 750.00 |
| National Activities | 10,218.18 | - | 1,840.00 |
| Travel & Equalization | 5,430.18 | - | - |
| ExAC Registration Fees | 4,788.00 | - | 1,840.00 |
| Other | 35,982.90 | - | 198.96 |
| Continuing Education Fees | 30,145.00 | - | 187.25 |
| Funding & Sponsorships | 2,000.00 | - | - |
| Events & Social Activities | - | - | - |
| Regulatory Fines & Penalties | - | - | - |
| Interest Income | 467.90 | - | 11.71 |
| Miscellaneous Income | 3,370.00 | - | - |
| TOTAL REVENUE | 174,260.08 | 127,500.00 | 136,539.96 |

EXPENSES

| | | | |
|----------------------------------|------------------|-----------------|------------------|
| Membership & Programs | 34,692.87 | 3,100.00 | 4,890.77 |
| Registrar Expenses | 495.98 | 500.00 | 920.25 |
| National Levies & Fees | 1,842.01 | 1,600.00 | 1,447.22 |
| ExAC National Administration | 4,723.93 | - | 1,613.15 |
| ConEd Fees & Expenses | 27,630.95 | 1,000.00 | 910.15 |
| Governance | 14,860.69 | 9,800.00 | 14,127.66 |
| Council Meetings | 1,073.73 | 1,000.00 | 1,056.80 |
| Council Travel & Expenses | 4,556.28 | 3,000.00 | 2,354.11 |
| Committee Meetings & Exp. | 65.74 | 500.00 | 112.43 |
| Annual General Meeting | 364.55 | 300.00 | 43.86 |
| National Meeting Travel | 8,800.39 | 5,000.00 | 10,560.46 |

LIABILITIES

| | 2015 YEAR-END | 2016 TO DATE |
|--|-------------------|-------------------|
| Accounts Payable & Cheques Outstanding | 6,793.05 | 6,372.52 |
| Other Payables & Customer Deposits | 170.00 | 1,310.00 |
| TOTAL LIABILITIES | 6,963.05 | 7,682.52 |
| TOTAL NET WORTH | 156,885.32 | 162,020.34 |

| EXPENSES continued... | 2015 ACTUAL | 2016 BUDGET | 2016 ACTUAL |
|------------------------------|-------------------|-------------------|-------------------|
| Funds & Awards | 19,000.00 | 12,000.00 | 23,878.09 |
| Operating Fund | 5,000.00 | - | - |
| Legal Fund | 10,000.00 | 5,000.00 | 9,000.00 |
| Don Jossa Scholarship | 4,000.00 | 4,000.00 | 4,000.00 |
| Awards & Prizes* | - | 3,000.00 | 10,878.09 |
| Other | 1,685.66 | 2,700.00 | 1,204.82 |
| Social Events & Programs | 882.21 | 1,500.00 | 436.96 |
| Gifts & Accolades | 129.15 | 200.00 | - |
| President's Initiatives | 674.30 | 1,000.00 | 767.86 |
| Discipline & Regulatory | - | - | - |
| Staffing | 64,971.35 | 71,400.00 | 69,528.38 |
| Salaries & Wages | 61,188.60 | 64,000.00 | 62,945.54 |
| El Premiums | 1,302.80 | 1,600.00 | 1,143.06 |
| CPP Contributions | 2,479.95 | 2,800.00 | 2,544.30 |
| Staff Development | - | 3,000.00 | 2,895.48 |
| Operations | 30,640.73 | 28,500.00 | 28,365.05 |
| Audit & Accounting Services | 7,183.05 | 7,000.00 | 6,583.51 |
| Legal Services | 2,000.62 | 1,000.00 | 4,004.91 |
| Insurance (Director, Tenant) | 1,315.00 | 1,400.00 | 1,315.00 |
| Bank & Interest Fees | 173.65 | 200.00 | 181.13 |
| Office Lease and O&M | 10,080.00 | 10,080.00 | 11,667.60 |
| Mail & Courier Services | 76.24 | 200.00 | 228.70 |
| Phone & Internet Services | 1,530.33 | 1,600.00 | 1,510.88 |
| Website Services | 441.00 | 170.00 | 246.50 |
| Office Supplies & Expenses | 1,155.46 | 1,200.00 | 1,403.85 |
| Printing & Copying | - | 150.00 | - |
| Advertising & Promotional | 5,558.83 | 4,000.00 | 29.15 |
| Capital Purchases | - | 1,500.00 | 832.29 |
| Miscellaneous | 1,126.55 | - | 361.53 |
| TOTAL EXPENSES | 165,851.30 | 127,500.00 | 141,994.77 |

| | | | |
|-----------------------------|-----------------|----------|---------------|
| *2015 Awards budget carried | 5000 | - | -5000 |
| TOTAL NET INCOME | 3,408.78 | - | 454.81 |

Prepared by Ben Russo on January 6, 2017

NOTE: May not include bank interest revenue and interest charges to be confirmed.

| REVENUE | 2015 BUDGET | 2015 ACTUAL | 2016 BUDGET | 2016 ACTUAL | 2017 BUDGET |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Membership | 130,000.00 | 128,059.00 | 126,000.00 | 134,501.00 | 130,000.00 |
| Membership Registration Fees | 70,000.00 | 75,259.00 | 77,500.00 | 81,575.00 | 82,500.00 |
| Firm Permit Registration Fees | 60,000.00 | 48,450.00 | 46,000.00 | 46,126.00 | 45,000.00 |
| Application Fees | - | 4,050.00 | 2,500.00 | 6,050.00 | 2,500.00 |
| Late Fees & Other | - | 300.00 | - | 750.00 | - |
| National Activities | - | 10,218.18 | - | 1,840.00 | 1,420.00 |
| Travel & Equalization | - | 5,430.18 | - | - | 500.00 |
| ExAC Registration Fees | - | 4,788.00 | - | 1,840.00 | 920.00 |
| Other | 5,000.00 | 35,982.90 | - | 1,682.92 | - |
| Continuing Education Fees | 5,000.00 | 30,145.00 | - | 187.25 | - |
| Funding & Sponsorships | - | 2,000.00 | - | - | - |
| Events & Social Activities | - | - | - | - | - |
| Regulatory Fines & Penalties | - | - | - | 750.00 | - |
| Interest Income | - | 467.90 | - | 745.67 | - |
| Miscellaneous Income | - | 3,370.00 | - | - | - |
| TOTAL REVENUE | 135,000.00 | 174,260.08 | 126,000.00 | 138,023.92 | 131,420.00 |

| EXPENSES | 2015 BUDGET | 2015 ACTUAL | 2016 BUDGET | 2016 TO DATE | 2017 BUDGET |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Membership & Programs | 15,000.00 | 34,692.87 | 3,100.00 | 4,421.93 | 5,200.00 |
| Registrar Expenses | 1,000.00 | 495.98 | 500.00 | 920.25 | 200.00 |
| National Levies & Fees | 2,000.00 | 1,842.01 | 1,600.00 | 1,447.22 | 3,600.00 |
| ExAC Administration | - | 4,723.93 | - | 1,144.31 | 400.00 |
| ConEd Fees & Expenses | 12,000.00 | 27,630.95 | 1,000.00 | 910.15 | 1,000.00 |
| Governance | 10,700.00 | 14,860.69 | 9,800.00 | 14,138.25 | 14,950.00 |
| Council Meetings | 2,000.00 | 1,073.73 | 1,000.00 | 1,056.80 | 1,000.00 |
| Council Travel & Expenses | 3,000.00 | 4,556.28 | 3,000.00 | 2,354.11 | 2,500.00 |
| Committee Meetings & Exp. | 500.00 | 65.74 | 500.00 | 123.02 | 250.00 |
| Annual General Meeting | 200.00 | 364.55 | 300.00 | 43.86 | 200.00 |
| National Meeting Travel | 5,000.00 | 8,800.39 | 5,000.00 | 10,560.46 | 11,000.00 |
| Discipline & Regulatory | - | - | - | - | - |
| Funds & Awards | 14,000.00 | 24,000.00 | 12,000.00 | 23,878.09 | 9,000.00 |
| Operating Fund | 5,000.00 | 5,000.00 | - | - | - |
| Legal Fund | - | 10,000.00 | 5,000.00 | 9,000.00 | 5,000.00 |
| Don Jossa Scholarship | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 |
| Awards & Prizes* | 5,000.00 | 5,000.00 | 3,000.00 | 10,878.09 | - |
| Operations | 91,750.00 | 95,612.08 | 98,250.00 | 97,907.43 | 99,920.00 |
| Administration | 65,000.00 | 64,971.35 | 71,400.00 | 69,528.38 | 72,500.00 |
| Office Lease and O&M | 10,400.00 | 10,080.00 | 10,080.00 | 11,667.60 | 9,550.00 |
| Financial Services | 6,800.00 | 7,183.05 | 7,000.00 | 6,583.51 | 6,500.00 |
| Legal Services | - | 2,000.62 | 1,000.00 | 4,004.91 | 2,500.00 |
| Insurance (Director, Tenant) | 1,500.00 | 1,315.00 | 1,400.00 | 1,315.00 | 1,400.00 |
| Supplies & Expenses | 1,200.00 | 1,155.46 | 1,200.00 | 1,403.85 | 1,200.00 |
| Mail & Courier Services | 200.00 | 76.24 | 200.00 | 228.70 | 200.00 |
| Phone & Internet Services | 1,600.00 | 1,530.33 | 1,600.00 | 1,510.88 | 2,200.00 |
| Website Services | 500.00 | 441.00 | 170.00 | 246.50 | 170.00 |
| Advertising & Promotional Expenses | 3,300.00 | 5,558.83 | 2,500.00 | 29.15 | 2,500.00 |
| Capital Purchases | 1,000.00 | - | 1,500.00 | 832.29 | 1,000.00 |
| Bank & Interest Fees | 250.00 | 173.65 | 200.00 | 195.13 | 200.00 |
| Miscellaneous | - | 1,126.55 | - | 361.53 | - |
| Other | 2,500.00 | 1,685.66 | 2,700.00 | 1,204.82 | 2,200.00 |
| Social Events & Programs | 1,500.00 | 882.21 | 1,500.00 | 436.96 | 1,000.00 |
| Gifts & Accolades | - | 129.15 | 200.00 | - | 200.00 |
| President's Initiatives | 1,000.00 | 674.30 | 1,000.00 | 767.86 | 1,000.00 |
| TOTAL EXPENSES | 133,950.00 | 170,851.30 | 125,850.00 | 141,550.52 | 131,270.00 |

* \$5,000 from 2015 carried to 2016

5000

| | | | | | |
|-------------------------|-----------------|-----------------|---------------|-----------------|---------------|
| TOTAL NET INCOME | 1,050.00 | 3,408.78 | 150.00 | 1,473.40 | 150.00 |
|-------------------------|-----------------|-----------------|---------------|-----------------|---------------|