

# NWTA

NORTHWEST TERRITORIES ASSOCIATION OF  
**A R C H I T E C T S**

## 17<sup>th</sup> Annual General Meeting

April 5, 2018 – Yellowknife, NT

## Treasurer's Report

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

### CASH FLOW & INCOME STATEMENT

The attached Cash Flow & Income Statement, which includes year-end figures for 2017, was presented to Council on March 13, 2018. It shows a minor net revenue (total revenue – total expenses) of \$1,341.94.

#### Revenue Break-down

Membership Dues	\$ 88,402.66
Firm Permits	\$ 46,634.00
National Activities	\$ 3,220.00
Continuing Education	\$ 20,420.25
Funding & Sponsorship	\$ 32,234.82
Miscellaneous Income	\$ 143.00
<b>Sub-Total</b>	<b>\$ 191,054.73</b>

#### Cost of Services

Registrar Expenses	\$ -490.55
National Fees & Levies	\$ -3,093.71
ExAC Administration	\$ -2,825.55
Continuing Education Fees & Expenses	\$ -52,921.43
<b>Sub-Total</b>	<b>\$ -59,331.24</b>

**Net Revenue** **\$131,723.49**

#### Expenditure Break-down

Governance	\$ 12,737.64
Funds & Awards	\$ 13,000.00
Other	\$ 1,265.74
Staffing	\$ 72,872.73
Operations	\$ 30,505.44
<b>Total Expenditures</b>	<b>\$ 130,381.55</b>

### **Assets, Liabilities and Net Worth**

As of December 31, 2017, the Association's Assets, Liabilities and Net Worth were as follows:

Assets	\$ 188,486.98
Liabilities	\$ 5,862.80
<b>Net Worth</b>	<b>\$ 182,624.18</b>

We realized a 12.72% growth in net worth, from \$162,020.34 at December 31, 2016 to \$182,624.18 at December 31, 2017.

### **SHORT TERM INVESTMENTS & SAVINGS**

#### **Operating Reserve Fund**

- In 2017, 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)
- As annual operating costs increase, this fund will be reviewed during 2018 to ensure consistency with Council's goal of maintaining a reserve of approximately 50% of the Association's estimated annual operating costs.

#### **Legal Reserve Fund**

- In 2017, a \$9,000.00 contribution increased the Legal Reserve Fund from \$74,348 to \$83,348 (not including unpaid interest accrued to date).
- The Fund now consists of one 5-year fixed rate GIC (2.25%) valued at \$9,000 (maturing December 2022) and three 5-year cashable escalating rate GICs valued at \$40,348.10, \$25,000.00 and \$9,000 (maturing April 2019, December 2020 & December 2021, respectively).
- There is no set goal for this fund; however, it is the wish of Council to contribute as much as feasible on an annual basis.

#### **Don Jossa Scholarship Fund**

- In 2017, the Don Jossa Architectural Scholarship was awarded to one recipient, receiving \$1,500 as a second-time recipient. The remaining \$2,500 budgeted in 2017 was transferred to the scholarship fund established in 2015.
- As of December 31, 2017, \$3,511.86 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, 2017, NWTAA's operating account had a balance of \$22,036.69.

- The office also retains a Petty Cash balance of \$200.00.

## 2018 BUDGET

The 2018 Operating Budget was initially approved by Council on November 23, 2017, with minor revisions being discussed at subsequent Council meetings. It is included on the attached Cash Flow & Income Statement. The Budget was developed to be practical and conservative, and Council's approach remains largely consistent with the 2017 budget, with some exceptions noted as follows:

### Revenue

- Revenue is budgeted at \$138,940, which is \$7,520 higher than the 2017 budget. The number of members was expected to remain stable in 2018, but it was anticipated that firm permit registrations would decrease. Conversely, the full contingent of firms renewed their firm permits in 2018.
- Membership Fee Increase: In 2017, Council undertook a thorough review of the Association's long-term financial stability and identified a need to offset the increased costs associated with the ongoing and expanding operation of the Association. Council passed a motion in late 2017 to increase the registration fee for Architects from \$1,100 to \$1,200 in order to provide the financial certainty needed to continue its resilient operation in 2018 and beyond.
- Firm Permit "Loophole": An exploited in the firm permit fee structure was discussed at the 2015 and 2016 AGM. In 2016, legal counsel advised that Council's interpretation of its Firm Permit fee structure is correct and enforceable. Council subsequently clarified its fees with firms who had knowingly or unknowingly taken advantage of the exploit, with positive results. There have been no challenges to Council's position and, at this time, the issues surrounding the Firm Permit "loophole" can be considered resolved, bringing this issue to a close.

### Expenses

#### Education

- A very innovative, active, and productive Continuing Education Committee presented two ConEd sessions that were essentially revenue neutral (the cost to the association was \$266.36).
- Based on the 2017 successes, the 2018 budget for ConEd is \$0 to reflect the revenue neutral nature of Continuing Education events. These events proved to be very successful, affordable, and accessible.

#### 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 related to the administration of a regulatory body.
- During 2017, Council discussed a desire provide a health benefits plan for the Executive Director. Having a single employee appears to present challenges to securing an administered plan

though an insurance/benefit provider. In March 2018, Council voted to setup a self-administered *health spending account* for the Executive Director, with the specifics to be finalized during 2018. Council will continue to explore other feasible options to provide this coverage.

### **Operations**

- Minor adjustments have been made to allocation of operating costs, but the budgeted amounts remain largely consistent with the 2017 budget.

### **2017 FINANCIAL AUDIT**

In February 2018, Crowe MacKay LLP completed its annual audit of NWTAA's finances and operations. The Audited Financial Statements were received on March 13, 2018 and are pending acceptance at the AGM.

Highlights from the Audit, which are of particular importance to members, 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, 2017, 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 2017. The totals in this statement appear different from the year-end Cash Flow & Income Statement reported to Council. This is due to reporting variances on asset amortization, sums carried from 2016 or deferred to 2018, treatment of fund contributions, and interest earned but not paid. An internal variance analysis shows the audited statement and Council's statement are both correct for their respective purposes.
- Page 11 Includes the specifics related the NWTAA's Long Term Investments as described above in this report.

Respectfully submitted,

Doug Townson

# Cash Flow & Income Statement

as at February 28, 2018

Prepared by Ben Russo on March 12, 2018

<b>ASSETS</b>	2017 YEAR-END	2018 TO DATE
<b>CIBC Chequing Account</b>	<b>27,664.85</b>	<b>149,061.89</b>
Operating Reserve Fund (1 GIC)	66,022.18	66,022.18
Legal Reserve Fund (4 GICs)	83,348.18	83,348.18
Don Jossa Scholarship Fund (Savings)	3,511.86	3,513.56
Cash on Hand	0.00	0.00
Petty Cash	200.00	200.00
Accounts Receivable	7,739.91	17,665.00
<b>TOTAL ASSETS</b>	<b>188,486.98</b>	<b>319,810.81</b>

<b>REVENUE</b>	2017 ACTUAL	2018 BUDGET	2018 TO DATE
<b>Membership</b>	<b>135,036.66</b>	<b>136,100.00</b>	<b>152,106.00</b>
Member Registrations	84,702.66	91,800.00	88,356.00
Firm Permit Registrations	46,634.00	42,050.00	62,950.00
Application Fees	2,950.00	1,500.00	300.00
Late Fees & Other	750.00	750.00	500.00
<b>Other</b>	<b>56,018.07</b>	<b>2,840.00</b>	<b>0.00</b>
Continuing Education Fees	20,420.25	1,000.00	0.00
Funding & Sponsorships	32,234.82	0.00	0.00
ExAC Registrations	3,220.00	1,840.00	0.00
Events & Social Activities	0.00	0.00	0.00
Regulatory Fines/Penalties	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00
Miscellaneous Income	143.00	0.00	0.00
<b>TOTAL REVENUE</b>	<b>191,054.73</b>	<b>138,940.00</b>	<b>152,106.00</b>

## COST OF SERVICES

Registrar Expenses	490.55	250.00	0.00
National Levies & Fees	3,093.71	3,000.00	0.00
ExAC Administration	2,825.55	1,200.00	0.00
ConEd Fees & Expenses	52,921.43	0.00	0.00
<b>TOTAL COSTS</b>	<b>59,331.24</b>	<b>4,450.00</b>	<b>0.00</b>

<b>NET REVENUE</b>	<b>131,723.49</b>	<b>134,490.00</b>	<b>152,106.00</b>
--------------------	-------------------	-------------------	-------------------

NOTE: Banking revenue and expenses, such as interest and service fees, may be outstanding.

<b>NET INCOME</b>	<b>1,341.94</b>	<b>2,195.00</b>	<b>137,870.07</b>
-------------------	-----------------	-----------------	-------------------

<b>LIABILITIES</b>	2017 YEAR-END	2018 TO DATE
Accounts Payable & Cheques Outstanding	4,552.80	893.80
Credit Card Payables	0.00	0.00
Other Payables & Customer Deposits	1,310.00	0.00
<b>TOTAL LIABILITIES</b>	<b>5,862.80</b>	<b>893.80</b>

Cash Flow (Cash + Chq. + A/R - A/P)	29,541.96	165,833.09
-------------------------------------	-----------	------------

<b>NET WORTH</b>	<b>182,624.18</b>	<b>318,917.01</b>
------------------	-------------------	-------------------

<b>EXPENSES</b>	2017 ACTUAL	2018 BUDGET	2018 TO DATE
<b>Governance</b>	<b>12,737.64</b>	<b>14,750.00</b>	<b>245.69</b>
Council Meetings	986.55	1,000.00	158.43
Council Travel & Expenses	3,153.90	3,000.00	0.00
Committee Meetings & Exp.	526.77	500.00	87.26
Annual General Meeting	211.45	250.00	0.00
National Meetings	7,858.97	10,000.00	0.00
Discipline & Regulatory	0.00	0.00	0.00
<b>Operations</b>	<b>103,378.17</b>	<b>102,345.00</b>	<b>13,990.24</b>
Administration	72,872.73	76,000.00	11,046.24
Office Lease and O&M	8,731.80	9,550.00	1,587.60
Financial Services	6,109.88	6,500.00	0.00
Legal Services	6,266.82	0.00	0.00
Insurance Policies	2,345.00	2,345.00	0.00
Office Supplies & Expenses	1,623.91	1,200.00	240.95
Mail & Courier Services	196.88	200.00	78.89
Phone & Internet Services	2,213.52	2,200.00	366.58
Website Services	133.26	150.00	113.27
Advertising & Promotional	2,103.91	2,500.00	500.00
Capital Purchases	393.71	1,000.00	0.00
Bank & Interest Fees	183.00	200.00	56.71
Miscellaneous	203.75	500.00	0.00
<b>Funds &amp; Awards</b>	<b>13,000.00</b>	<b>12,500.00</b>	<b>0.00</b>
Operating Reserve Fund	0.00	3,500.00	0.00
Legal Reserve Fund	9,000.00	5,000.00	0.00
Don Jossa Scholarship	4,000.00	4,000.00	0.00
Awards & Prizes	0.00	0.00	0.00
<b>Other</b>	<b>1,265.74</b>	<b>2,700.00</b>	<b>0.00</b>
Social Events & Programs	649.08	1,500.00	0.00
Gifts & Accolades	26.88	200.00	0.00
President's Initiative	589.78	1,000.00	0.00
<b>TOTAL EXPENSES</b>	<b>130,381.55</b>	<b>132,295.00</b>	<b>14,235.93</b>