2018 ASSOCIATION TREASURER’S REPORT

TO: Members of the Association

FROM: Peter Sorensen
      Treasurer and Director

PREAMBLE:

2017 was a year of hope that our financial affairs would realize the benefits of changes flowing from the 2014 Articles of Continuance. Notably, our annual Consolidated Financial Statements and Audit Reports for 2015 and 2016 would be completed and the new policies and processes for financial management of the Association would begin to demonstrate value for the membership and divisions. Regrettably, the efforts to prepare and issue the 2015 and 2016 Consolidated Financial Statements continued to be delayed – either by missing information or lack of priority from the Public Auditor.

2017 PRIORITIES & RESULTS:

2017 Priorities for the Treasurer were:

- Priority #1: Coordinate the Public Auditor’s reports – status and issuance for the 2017 AGM process;
- Priority #2: Monitor the approved financial management policies and processes from Financial Affairs Working Group;
- Priority #3: Establish and implement a bookkeeping service/function for the intake and consolidation of the annual financial information from all 32 financial centers of Association (Office, Divisions, & MLD); and
- Priority #4: Perform the Treasurer’s duties related to the Association’s Office Budget, including the financial planning and accounting for the 2017 Modified AGM in PEI.

As of April 30, 2018, our Audited 2015 Financial Statements are still with the Public Auditor but expected to be accepted and issued prior to the 2018 AGM.

The bookkeeping service provided for inputting of all financial information into the Association’s Office Sage50 system to enable consolidation for audit by the Public Auditor and eliminating the need for the Public Auditor to provide bookkeeping services, at a significantly higher cost. Our contract bookkeeper BP Bookkeeping provided the Consolidated 2016 Financial Information to the Public Auditor for Audit. The 2016 Statements and Audit Report were scheduled for completion by the 2018 AGM, in Winnipeg, MB, but must await the Auditor’s completed 2015 Statements and Report.
ASSOCIATION’S CONSOLIDATED FINANCIAL POSITION (DRAFT 2015):

The formal annual reporting by the Treasurer to the membership is based on Audited Financial Statements provided by a member-appointed Public Auditor. In the absence of completed 2015 and 2016 Audited Financial Statements, the Draft 2015 Financial Position indicates an operating loss, on a Consolidated basis, of approximately $30,000 compared to the surplus in 2014 of $44,000. 2015 showed operating revenues less by ~$70,000 (primarily from Special Project and Other Revenues) while expenses were ~$10,000 more than 2014.

BUDGET OF THE ASSOCIATION OFFICE (2017):

The Association Office’s Budget for 2017 was released to all members in December of 2016 and similarly, the Budget for 2018 was sent to all members in December 2017.

Budgeting on an Association-wide basis will be considered over the next 2-3 years. The Association Office’s budget will be distributed to all members on an annual basis following review and approval by the Board of Directors.

2017 Association Office Budget & Actual Highlights:

- Overall Revenues and Expenses remained relatively consistent with prior years, e.g. $354,000 and $306,000, respectively, leaving a projected surplus of $48,000 (unaudited);
- Dues revenues were projected to be $190,000 which were inclusive of prior surcharges for Insurance and Audit costs, but actual Dues remitted were $176,000;
- Sponsorship Revenues also remained constant at $112,000 net but also benefitted from a refund from Nova Scotia 2016 AGM surplus revenues;
- Office Staff and Expenses came in lower at ~$132,000 (as the last quarter saw less staff costs with the departures of the Executive Officer and Assistant Executive Officer);
- AGM Hosting Costs were lower than forecasted, with the Modified AGM format, e.g. 2017 AGM direct costs (hotel events – reception/dinner) were less than $16,000 (as the 1st Modified AGM, there is early evidence that AGM costs can be reduced - the Association will need to continue its experiment with Modified AGMs); and
- Program Costs (BoD, Communications, Finance, Membership & Member Services) were also significantly lower at ~$85,000 but is subject to adjustments for accrued costs, e.g. audit costs.
APPOINTMENT OF THE PUBLIC AUDITOR:

During 2017, the Board of Directors accepted the resignation of Welch LLP as the Public Auditor subject to their completion of the 2015 and 2016 fiscal years. Accordingly, a competitive procurement was undertaken by inviting three (3) firms to submit proposals to be our Public Auditor. Deloitte LLP was successful and was appointed to be the Associations Public Auditor for the fiscal year 2017, by the Board of Directors.

Resolution #1, for the 2018 AGM, seeks to appoint Deloitte LLP for the auditing of the fiscal year 2018.

CONCLUDING REMARKS:

2017 was a good year working together and with updated policies, our annual financial consolidation and reporting will only continue to become easier and productive.

The outlook for the annual financial information gathering, consolidation and auditing is good if we maximize the bookkeeping strategy in the Association system and our annual Financial Statements get completed by the fall of 2017.

The 2015 and 2016 (plus 2017 later in 2018) Audited Financial Statements will be distributed to every member when received and approved.

Thank you to my colleague Directors for direction and support, and to all Treasurers and Division executives who have helped over the past months with moving our Association forward.

Respectfully submitted:

Peter Sorensen
May 25, 2018