

## Financial Report (2022)

This report covers the fiscal year running from November 1<sup>st</sup>, 2021 to October 31<sup>st</sup>, 2022.

We are pleased that we finished the year on a positive note financially. Again this year we ended with a surplus. As you may recall, we had budgeted for a reasonable surplus but ended up ahead of that.

The following significant reasons allowed us to achieve the surplus over the budget:

- Our Cost related activities, although generating less revenue than budgeted for, had significantly less expenditure. Of note the Annual General Meeting had record attendance again in the virtual format, creating a surplus of approximately \$50k. Exams, Lectures and Evaluations also had a surplus of \$33k.
- Although Discipline recovery was below budget, discipline costs were significantly down resulting in a net surplus of \$95k compared to budget
- Office administration was ahead of budget by \$79k due to decreases in audit and accounting costs, website maintenance (due to delays in completing the membership database), reductions in postage and courier, and reduces in computing costs (less maintenance was required)
- Committee expenses continued to be lower due to reduced travel, which did not return to the level expected (savings of \$39k)
- The Survey Review Department was ahead of budget by \$42k (which already predicted a surplus) due to strong Plan Submission revenue, which was ahead by \$20k, and decreased travel expenses of \$13k and other minor savings.

Other items of note when comparing budget to actuals for 2022 are:

- A \$45k shortfall in fees and licensing due to less registrations than predicted
- A significant shortfall in investment income (\$117k) due to the troubling economic climate of 2022
- A slight reduction in advertising revenue for the Ontario Professional Surveying Magazine
- An increase in the President's spending as in-person annual meetings resumed across Canada

## **2023 Budget**

The 2023 budget was informed by past performance but also included the following significant changes:

- \$150k was allocated to Marketing to address the shortage of surveyors. This is an increase of approximately \$110k.
- We are hoping for a much more positive year in our investments as many adjustments to the economy have already taken place (e.g. increased in interest rates). We are predicting a slightly below average return
- Cost-Related Activities have risen in both revenues and expenditures anticipating additional exam activity
- Salaries have gone up considering inflation.
- Office administration costs have been lowered considering the operation of a hybrid work environment
- There is an expectation of a slight decline in revenue from plan submission stickers due to an anticipated contraction of the economy

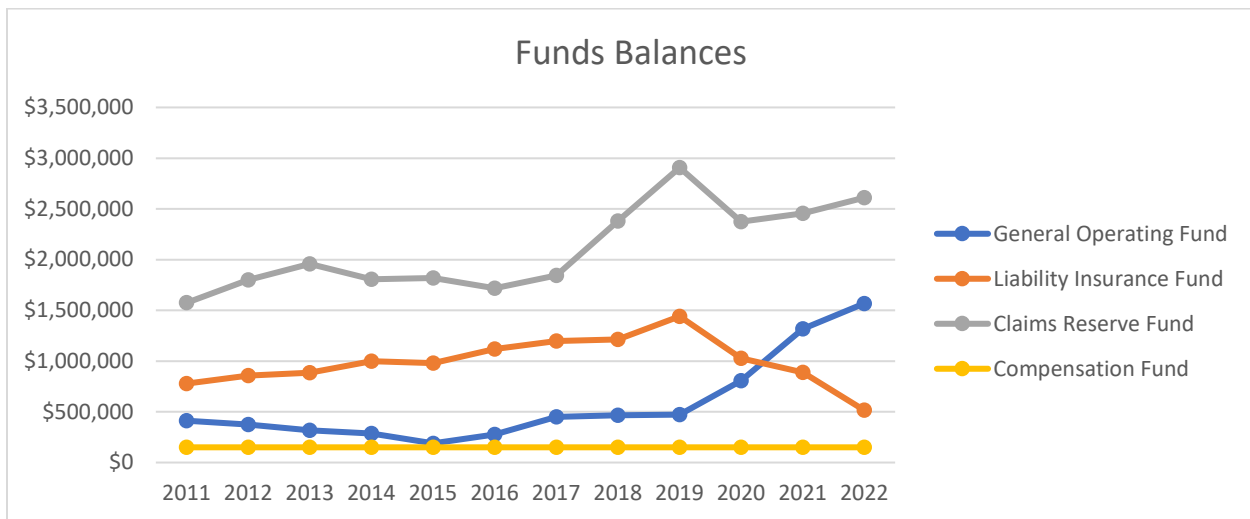
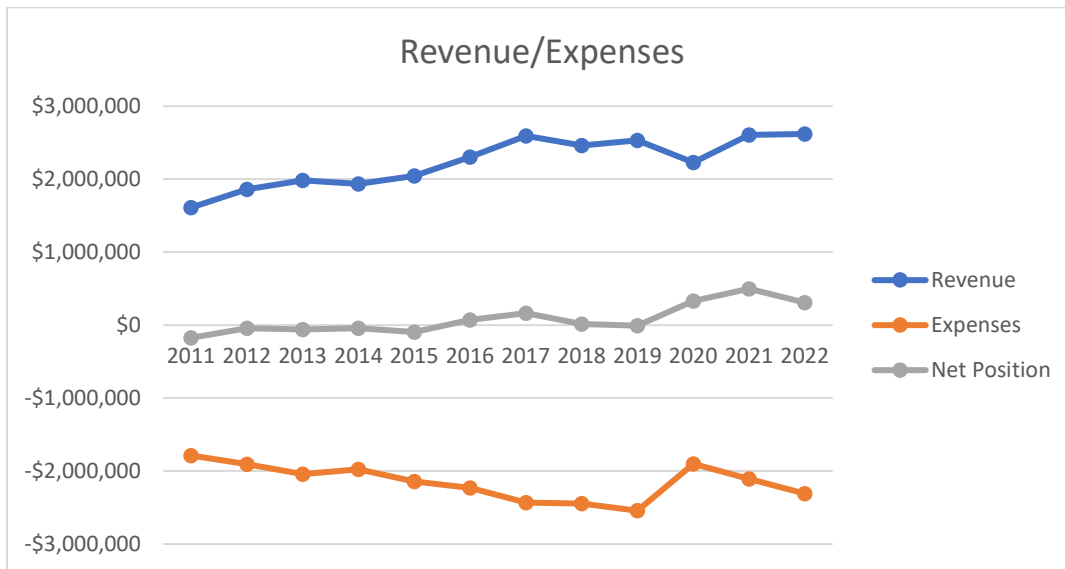
Overall we believe the budget is achievable and realistic and remains slightly positive.

### Long Term Situation

The last three years have allowed us to bring our general reserves back to where they should be, which is in the 6 to 12 months of operating expenses (see charts below).

Again, this year we provided a holiday to members on paying for the self-insured retention fund (partial this year). This drew down on our Liability Insurance Fund and unfortunately we will not likely be able to offer any support this coming year to offset the self-insured retention fund payments of \$550,000. Over the last three years we have been able to provide relief of \$1.4 million due to past strong performance in our investments. We have retained sufficient funds to cover all liabilities with a reasonable contingency for a dramatic downturn in our investments.

Although this last year has been a terrible year for our investments, over the long term we have averaged 4.6 per cent on our investments and expect to see similar returns in the future.



Please see the 2023 budget and the 2022 Financial Statements from RSSM<sub>LLP</sub> Chartered Professional Accountants. In summary, the Association is in a good financial position with reserves that will allow us to deal with unforeseen challenges that may arise.

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Treasurer and Executive Director

Saša Krcmar, OLS  
Finance Councillor