

**ENGINEERS GEOSCIENTISTS MANITOBA
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

Approved by Council June 10, 2021

	2021 Budget	2022 Budget	Difference from 2021 Budget	Notes (see pg.2)
REVENUE AND EXPENSE BUDGET				
1, 2, 3				
Core Governance and Operations				
Admissions	(178,707)	(203,209)	(24,503)	4
Executive	(277,709)	(285,534)	(7,825)	
Finance	(301,687)	(299,323)	2,364	
Governance	(137,740)	(88,277)	49,463	5
Information Technology	(243,410)	(281,792)	(38,383)	6
Meeting and Event Hosting	15,549		(15,549)	7
Membership and Internship	3,790,101	4,004,701	214,600	8
Operations	(859,119)	(871,438)	(12,319)	
Professional Standards	(560,180)	(629,031)	(68,850)	9
Core Governance and Operations Total	1,247,098	1,346,096	98,998	
Communications and Outreach				
Communications and Stakeholder Relations	(408,908)	(436,852)	(27,944)	10
Equity and Representation	(556,136)	(550,621)	5,515	
Government Relations	(228,539)	(263,173)	(34,634)	11
Meeting and Event Hosting	(79,905)	(82,561)	(2,656)	
Membership and Internship	-	(4,500)	(4,500)	12
Communications and Outreach Total	(1,273,489)	(1,337,707)	(64,218)	
Recurring Projects				13
Curling Funspiel	3,600	3,600	-	
Ingenium Conference and AGM	(159,127)	(30,262)	128,865	14
Making Links Engineering Classic Golf Tournament	12,755	25,510	12,755	15
MLA Government Reception	(8,500)	(8,500)	-	
New Members Welcome	(12,450)	(22,450)	(10,000)	16
Provincial Engineering and Geoscience Week	(12,411)	(12,138)	273	
Volunteer Appreciation	(7,000)	(7,000)	-	
Recurring Projects Total	(183,133)	(51,240)	131,893	
Investments				
Investment Income and Expense	232,700	339,200	106,500	17
Investments Total	232,700	339,200	106,500	
NET FROM OPERATIONS, RECURRING PROJECTS AND INVESTMENTS	<u>21,029</u>	<u>296,348</u>	275,320	18
Special Projects Funded from Restricted Reserves				19
Act and By-law Revision	-	(60,150)	(60,150)	20
Capacity Building for Engineers (BRACE)	(2,160)	(43,250)	(41,090)	21
CCWESTT hosting 3 year project	(168,194)	-	168,194	22
Centennial Events and Activities	(90,018)	-	90,018	23
Cyber Security and Audit	(15,000)	(5,000)		24
Governance Review	-	(100,000)		25
Special Projects Total	(275,372)	(208,400)	66,972	
GRAND TOTAL OF ALL BUDGETED REVENUES AND EXPENSES	<u>(252,183)</u>	<u>87,948</u>	340,131	26
CAPITAL BUDGET				
27				
PLANNED CAPITAL PURCHASES				
Computer equipment	(10,400)	(25,300)	(14,900)	28
Computer software	(15,000)	-	15,000	29
Leasehold improvements	(120,000)	(458,000)	(338,000)	30
Office furniture and equipment	(20,000)	(41,000)	(21,000)	31
CAPITAL BUDGET TOTAL	<u>(165,400)</u>	<u>(524,300)</u>	(358,900)	
CASH BUDGET				
32				
ESTIMATED CHANGES TO CASH ACCOUNTS				
Estimated opening cash balance (July 1, 2021)		1,900,000		33
Budgeted Revenues and Expenses (from above)		87,948		34
Capital asset purchases (from above)		(524,300)		35
Add back (Deduct) effect of deferred revenues and non-cash expenses		(34,336)		36
Cash in from (Out to) investments		-		37
ESTIMATED CASH BALANCE (June 30, 2022)		1,429,312		38
ESTIMATED CASH NET CHANGE FOR THE BUDGET YEAR		<u>(470,688)</u>		39

NOTES TO BUDGET

- 1 Revenues and Expenses are shown on a *net basis* (revenues minus expenses) by primary activity. Activities that result in a *net expense* to the Association are represented in brackets and are subtracted, while those that result in *net revenues* are added. These are shown based on an accrual basis as they would be reported on externally published financial statements, following accounting rules as they apply to a Not-for-Profit entity. The intention is to demonstrate the net contribution or cost of each activity undertaken by the Association rather than presenting revenues and expenses by account category.
- 2 Revenue forecasts have been estimated based on prior year actuals using regression analysis, and trend analyses including linear, logarithmic, and exponential growth models as well as averages where appropriate.
- 3 In general, in-person meetings and travel have been reduced with the assumption that COVID restrictions will continue to limit the Association in these areas until roughly 6 months into the fiscal year.
- 4 Reductions in estimated revenues based on trend analysis, and limitations to the exam program due to COVID reduce revenues slightly while expenses remain stable.
- 5 Governance activity consists primarily of costs attributable to Council. Reductions in costs are attributable to reduced meeting costs due to COVID restrictions, and a reduction of estimated legal fees based on current and historical year spending. Consulting costs normally attributed to governance training has been reduced, as the larger Governance Review special project will occur during this fiscal year.
- 6 Increased spending on IT is aimed at improving overall IT security through a program of periodic and routine penetration testing, vulnerability scans, and phishing training for staff by an external consultant. Other increases to spending include general improvements and enhancements to systems to allow for improved disaster recovery capabilities, and communications and reporting.
- 7 The Technical Writing Course is now administered by the provider, and revenues and expenses no longer stream through the Association.
- 8 Dues are collected during the renewal window of November to January each year and subsequently, unearned portions are backed out to comply with accounting standards; Annual dues in this scenario are based on an unchanged member fee of \$536. Estimated increases in revenues are based on projected registrant number growth. Expenses in this area have been increased to accommodate for the hiring of a new Membership Services Coordinator staff member. This position has been added to improve service to Members and add value to their membership, as well as to develop and deliver a new mentorship program.
- 9 Increases to spending in Professional Standards is split between two initiatives; (1) Phase 2 of development of training modules, and (2) exploratory work on a possible "Practice Audit" program.
- 10 \$10,000 increase to Chapter funding base with other miscellaneous adjustments based on prior years spending and other miscellaneous adjustments to sponsorships, donations, scholarships and bursaries.
- 11 \$30,000 increase to develop initiatives for Sustainable Development
- 12 Estimated costs for developing and hosting Mentorship Events in support of the new mentorship program that will be developed.
- 13 Recurring projects are activities with defined beginning and end dates and which occur during short timeframes within the year. They are projects that are generally scheduled annually, but which may be added, removed, or altered year-by-year.
- 14 The annual conference and AGM will be held virtually this year, where an in-person conference had been planned in the prior year budget. Costs are reduced as a result of lower spending on venue, catering, and equipment rentals.
- 15 The MLEC tournament scheduled for June 2021 has been shifted to August 2021. The June 2022 is still scheduled to proceed next season, so this will result in two tournaments in one fiscal year. Net proceeds are donated to the University of Manitoba.
- 16 Formerly "New Members Lunch", this item has been adjusted to include other costs that are attributable to the welcoming of new members which had previously been recorded as general operational costs. This adjustment is to allow the segment to accommodate these costs and to more appropriately reflect activities that may not necessarily be directly attributable to the "New Members Lunch" in-person event.
- 17 The Association saw significant decreases in market values in February and March of 2020 (during the 2020 fiscal year). The portfolio has recovered during the 2021 fiscal year, and since then has seen less volatility. Forecasting investment income uses trend analysis and probabilities for the various revenue types and was applied to forecast 2022.
- 18 Applying the principle that the Association will not plan a deficit budget, the 2022 regular operating budget from a "Statement of Operations" perspective (Revenues - Expenses) results in a reasonable budgeted surplus.
- 19 Special Projects funded from internally restricted funds are defined as projects with a defined beginning and end, which do not have an expectation of regular recurrence. These projects are not normally funded from regular operating revenues or unrestricted funds (small value projects may not require a restricted fund), but rather through prior year surpluses that have accumulated over time, and which have been allocated to an internally restricted reserve fund for the purpose of funding the project.
- 20 Act changes during this fiscal year are highly likely, which will require spending on legal fees and possibly consulting fees.
- 21 The BRACE project was formalized in the fall of 2020 through a contract with the Manitoba government and extends over two years. Funded by the provincial and federal governments, the first year actual revenues exceeded expenses resulting in a net surplus for the Association's 2021 fiscal year-end. The budgeted net deficit for 2022 presented here is intended to offset the 2021 surplus by the end of the project contract to result in a break-even state (revenue/expense neutral) upon contract completion.
- 22 This project was completed in the fall of 2020. The planning and execution of the conference was done over 3 fiscal years, and despite complications due to COVID and the postponement from the spring of 2020 to the fall, and a move from an in-person conference to a remote conference, the project resulted in a net surplus which was shared with CCWESTT.
- 23 Centennial spending was originally planned to wrap up by the end of the 2020 calendar year. Due to cancellations during the 2020 fiscal year (spring of 2020) and other delays caused by COVID, funds remain in the Centennial fund. The budget for 2022 for this project has not been decided as of the date of this draft budget. This line will be adjusted when decisions are made on how to treat the remaining funds.
- 24 A general cybersecurity assessment was budgeted for the 2021 fiscal year. The 2022 budget is for an audit of the voting system software used by the Association.
- 25 Allocation to review the governance structure of the Association. A restricted fund was set up by a Finance Committee resolution in April of 2021 to fund this project, which will be initiated in the 2022 fiscal year.
- 26 **This line represents the budgeted net surplus from an "All In" revenue and expense perspective. This net surplus will contribute to the net assets of the Association at the end of the fiscal year and is the line that most use as the basis of determining a net surplus or deficit for budgeting purposes.**
- 27 The purchase of capital assets are not represented in the "Revenue and Expense" portion of the budget; only the calculated depreciation of these assets are represented as an expense. This section provides details on the planned purchases of capital assets during the fiscal year.
- 28 Association policy is to refresh computers every four years. 2022 will see several computers retired and replaced, as well as an additional computer purchased for the new Members Services Coordinator position. Some additional spending will occur to update meeting rooms to allow for hybrid remote meeting capabilities.
- 29 Most software used by the Association is subscription based. No new software purchases are planned for 2022 that would qualify as a capital purchase.
- 30 Second floor renovations are planned to configure unused space into space that can be used by staff, members, and volunteers. Use of space will focus on mentorship programming, audio visual content production, and hybrid meetings.
- 31 Furniture and hybrid meeting equipment will be purchased and installed as part of the second floor renovation project identified in note 30.
- 32 Revenues and Expenses are represented on an accrual basis and exclude certain cash transactions, or include transactions that don't impact the cash position of the Association. The Cash Budget adjusts for these transactions to estimate the ending cash balance of the Association for the 2021 budget year.
- 33 The Association began June 2021 with a healthy cash position (excluding investment accounts) of approximately \$2.5M. It is expected that by the end of June, the cash balance will be approximately \$1.9M.
- 34 This is the "All In" net deficit value from the budgeted revenues and expenses.
- 35 Reduces the cash as a result of capital purchases that are not included in revenues and expenses.
- 36 This adds back non-cash expenses such as depreciation, and adjusts for the effect of revenue deferrals. In 2022, since there is no change in member dues pricing, the revenue deferral effect is not as impactful as years where there's a change. Estimated amortization of the 2021 member year deferral and the adjusted forecast for the 2022 member year combined with the add back of depreciation contribute to a negative estimate on this line for 2022.
- 37 Available cash in the general operating accounts is sufficient and there is no anticipated need to draw cash out of investments.
- 38 The expected cash balance at the end of the year, considering the adjustments previously noted.
- 39 The net increase (reduction) in cash from the beginning of the fiscal year, to the end of the fiscal year.

**ENGINEERS GEOSCIENTISTS MANITOBA
DUES AND FEES LIST FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

Approved by Council June 10, 2021

	Current Total Including GST	New Total Including GST	Total Change Including GST	Proposed Date of Change
Annual Dues / Licenses				
Annual Dues - General Member	536.00	536.00	-	N/A
Annual Dues - General Member (dues waived)	(536.00)	(536.00)	-	N/A
Annual Dues - Intern	268.00	268.00	-	N/A
Annual Dues - Member On Leave	110.00	110.00	-	N/A
Annual Dues - Senior Member	536.00	536.00	-	N/A
Annual Dues - Senior Member (dues waived)	(536.00)	(536.00)	-	N/A
Annual Dues - Student	20.00	20.00	-	N/A
Annual Licence - Specified Scope of Practice	536.00	536.00	-	N/A
Annual Licence - Temporary Licensee	536.00	536.00	-	N/A
Certificate of Authorization - Practising Entity	500.00	500.00	-	N/A
Certificate of Authorization - Sole Practitioner	250.00	250.00	-	N/A
Dues Relief - General	(268.00)	(268.00)	-	N/A
Dues Relief - Intern	(134.00)	(134.00)	-	N/A
Dues Relief - Specified Scope License	(268.00)	(268.00)	-	N/A
Fees				
Administration Fee - Cancellation of Suspension	105.00	105.00	-	N/A
Administration Fee - Copy of Report	53.50	53.50	-	N/A
Administration Fee - De-Registration	100.00	100.00	-	N/A
Administration Fee - Late Fee (Non-Refundable)	52.50	52.50	-	N/A
Administration Fee - Late Report	10.70	10.70	-	N/A
Administration Fee - Letter of Good Standing	21.00	21.00	-	N/A
Administration Fee - Pre-Enrollment Time	53.00	53.00	-	N/A
Administration Fee - Pre-Grad Time	53.50	53.50	-	N/A
Administration Fee - Stamp Replacement	52.50	52.50	-	N/A
Application Fee - Certificate of Authorization	250.00	250.00	-	N/A
Application Fee - Non-Refundable	125.00	125.00	-	N/A
Application Fee - Specified Scope of Practice	500.00	500.00	-	N/A
Assessment Fee - Academic	440.00	440.00	-	N/A
Assessment Fee - Exam Re-Read (Non-Refundable)	250.00	250.00	-	N/A
Assessment Fee - Geoscience	105.00	105.00	-	N/A
Assessment Fee - Interview Fee (Non-Refundable)	500.00	500.00	-	N/A
Assessment Fee - Re-Assess	125.00	125.00	-	N/A
Assessment Fee - Reinstatement	233.00	233.00	-	N/A
Assessment Fee - Thesis Reading (Non-Refundable)	240.00	240.00	-	N/A
Exam Fee - National Professional Practice Exam	260.00	260.00	-	N/A
Exam Fee - PPE Writer's Fee	130.00	130.00	-	N/A
Exam Fee - Technical	300.00	300.00	-	N/A
Deposits				
Deposit - Discipline Appeal	500.00	500.00	-	N/A