

**ENGINEERS GEOSCIENTISTS MANITOBA
BUDGET FOR THE YEAR ENDING JUNE 30, 2021**

Approved by Council June 11, 2020

	2020 Budget	2021 Budget	Difference from 2020 Budget	Notes (see pg.2)
REVENUE AND EXPENSE BUDGET				1, 2, 3
Core Governance and Operations				
Admissions	(156,378)	(178,707)	(22,329)	4
Executive	(280,078)	(277,709)	2,368	
Finance	(263,092)	(301,687)	(38,595)	5
Governance	(153,770)	(136,550)	17,220	6
Information Technology	(239,626)	(243,411)	(3,784)	
Meeting and Event Hosting	5,294	15,549	10,255	7
Membership and Internship	3,513,206	3,790,101	276,894	8
Operations	(879,470)	(859,105)	20,365	9
Professional Standards	(461,272)	(560,180)	(98,908)	3, 10
Core Governance and Operations Total	1,084,815	1,248,301	163,487	
Communications and Outreach				
Communications and Stakeholder Relations	(389,157)	(408,908)	(19,752)	3, 9(a), 11
Equity and Representation	(441,630)	(556,136)	(114,506)	12
Governance	(1,730)	(1,191)	539	
Government Relations	(219,982)	(228,539)	(8,558)	3, 13
Meeting and Event Hosting	(57,110)	(79,905)	(22,795)	3, 9(a)
Communications and Outreach Total	(1,109,609)	(1,274,680)	(165,071)	
Recurring Projects				14
Curling Funspiel	3,600	3,600	-	
Ingenium Conference and AGM	(203,447)	(159,127)	44,320	15
Making Links Engineering Classic Golf Tournament	12,755	12,755	-	
MLA Government Reception	(8,500)	(8,500)	-	
New Members Lunch	(12,450)	(12,450)	-	
Provincial Engineering and Geoscience Week	(11,911)	(12,411)	(500)	
Volunteer Appreciation Event	(7,000)	(7,000)	-	
Capacity Building for Engineers	(2,150)	(2,160)	(10)	
Recurring Projects Total	(229,103)	(185,293)	43,820	
Investments				
Investment Income and Expense	254,300	232,700	(21,600)	16
Investments Total	254,300	232,700	(21,600)	
TOTAL FUNDED FROM OPERATIONS AND INVESTMENTS	403	21,029	20,626	17
Special Projects Funded from Restricted Reserves				18
CCWESTT hosting 3 year project	172,137	(168,194)	(340,332)	19
Centennial Events and Activities	(490,256)	(90,018)	400,239	20
Cyber Security Assessment		(15,000)	(15,000)	21
Engineering Changes Lives	(169,155)	-	169,155	22
Special Projects Total	(487,274)	(273,212)	229,053	
GRAND TOTAL OF ALL BUDGETED REVENUES AND EXPENSES	(486,871)	(252,183)	234,688	23
CAPITAL AND CASH BUDGETS				
CAPITAL BUDGET				24
Computer equipment	(27,000)	(10,400)	16,600	25
Computer software		(15,000)	(15,000)	26
Leasehold improvements	(28,000)	(120,000)	(92,000)	27
Office furniture and equipment	(35,000)	(20,000)	15,000	28
CAPITAL BUDGET TOTAL	(90,000)	(165,400)	(75,400)	
CASH BUDGET				29
Estimated cash Balance (June 30, 2020)		1,700,000		30
Net budget including special projects		(252,183)		31
Capital asset acquisitions		(165,400)		32
Add backdeferred revenues and non-cash expenses		(93,706)		33
ESTIMATED CASH BALANCE (June 30, 2021)		1,188,711		34
CASH NET CHANGE		(511,289)		35

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.
- 2 Revenue forecasts have been estimated based on prior year actuals using regression analysis, and trend analyses including linear, logarithmic, and exponential growth models.
- 3 An error in the 2020 fiscal year budget resulted in the omission of a portion of Employee Health Benefits resulting in an understated estimate of salaries and benefits in the 2020 budget. This results in a higher estimate in 2021, despite only a small increase to rates from the benefits provider and impacts the net amounts for each of the activity lines in the 2021 budget.
- 4 Net change primarily due to trend analysis results related to application, assessment, administration, and examination fees.
- 5 Increased use of credit cards as the preferred payment method by registrants has resulted in higher volumes of transactions and the total fees have increased as a result. Card transaction fee rates increased in December of 2019, which also contributes to the increase.
- 6 Governance activity consists primarily of costs attributable to Council. The net decrease is a result of a combination of an increase to consulting fees relating to the review of the Association's Governance model, along with decreases to legal cost expectations (based on prior experience and trend analysis) and the removal of ongoing governance coach retainer fees.
- 7 Trend analysis shows an increase in revenues related to the Technical Writing Course offered through the Association.
- 8 Net increase is primarily due to Intern and Member Annual dues revenues previously collected during the 2020 fiscal year. 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; Despite no change to member fees, the recognition of 6 months of the previous year's member dues change results in an increase in annual revenue being *recognized* during the first half of the 2021 fiscal year. Annual dues in this scenario are based on an unchanged member fee of \$536 (see Proposed Fee List). In response to member feedback, \$10K has been allocated to begin setting up a new Mentorship Program (separate from the CIPWIE Mentorship Program).
- 9 (a) Employee role definition refinement, along with improved methods of cost tracking and allocation have resulted in wage costs being shifted out of "Operations" and into more appropriate categories to reflect cost by activity (Events and Communications). (b) This results in a decrease in expense allocated to this activity. Minor increases are seen in general HR costs, office lease, and equipment leases which offset the expense reduction slightly.
- 10 Trend of increasing legal costs attributable to investigations and discipline has resulted in expectations of continued cost increases. \$78K of the increase is attributable to legal cost estimates.
- 11 The role of Communications and Events Coordinator was split late in the 2020 fiscal year. The 2021 fiscal year budget includes both positions for the full year. Chapter funding was also increased from \$15K in 2020 to \$25K for 2021. Other minor changes contribute to the net change.
- 12 Includes female and indigenous outreach activities. Net change is primarily a result of the shift from the Engineering Changes Lives special project funding, to regular operational budget programming in January 2020. The 2020 budget was split, where the 2021 budget represents the full year in the regular operating budget.
- 13 Slight adjustment to wage estimate to increase accuracy of budget.
- 14 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.
- 15 No Gala dinner is planned for the 2021 fiscal year; this reduces awards video production costs, and reduces the catering, event support, and venue costs related to the Ingenium activities. With uncertainties related to COVID-19, this budget is subject to change.
- 16 Volatility in the markets over the past few years has resulted in large variances in market values month-to-month (unrecognized gains and losses). In 2020, investments were on budget until the COVID-19 crisis impacted the markets. The Association saw significant decreases in market values in February and March. The portfolio has been seeing recovery in April and May. Recovery is expected to continue during the 2021 fiscal year, and the method of forecasting using trend analysis and probabilities was applied to this budget estimate.
- 17 Applying the principal that the Association will not plan a deficit budget, the 2021 regular operating budget from a "Statement of Operations" perspective (Revenues - Expenses) results in a small 2021 budgeted surplus. With the uncertainties stemming from COVID-19, it is prudent to have a small surplus in order to hedge against higher than budgeted expenses, or lower than budgeted revenues.
- 18 "Special Projects Funded from Restricted Reserves" are defined as projects with a defined beginning and end, which do not have an expectation of regular recurrence. These projects are not funded from regular operating revenues, 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.
- 19 This project was originally budgeted to occur over 3 fiscal years beginning in 2019, with the bulk of revenues and expenses being generated during the 2020 fiscal year. Social distancing and travel restrictions resulting from COVID-19 forced the committee to postpone the conference until November 2020 (in the 2021 fiscal year). The 2020 and 2021 budget represented here have been adjusted as a result of changes to timing of revenues and costs. Significant uncertainty surrounds this event at the time of budget preparation. It is expected that this budget will be adjusted regularly over the next few months, however it is expected that the net amount for this project will not exceed the limits originally set out in terms of total funding assigned through the restricted fund (a subset of the Centennial Fund).
- 20 The majority of revenues and expenditures related to this project were originally budgeted to occur during the 2020 fiscal year. Social distancing and travel restrictions resulting from COVID-19 forced the committee to postpone most in-person events until the 2021 fiscal year. The 2020 and 2021 budget represented here have been adjusted as a result of changes to timing of revenues and costs. Significant uncertainty surrounds the Centennial events and activities at the time of budget preparation. It is expected that this budget will be adjusted regularly over the next few months, however it is expected that the net amount for this project will not exceed the limits originally set out in terms of total funding assigned through the restricted fund.
- 21 A firm will be engaged to perform an assessment of the Association's IT systems to ensure that the systems and data of the Association are sufficiently secured, and to consult on implementing changes to improve the Association's IT security position against new and emerging threats.
- 22 This project reached its completion in the winter of 2020 at which time the restricted fund was fully depleted and wound down. The project resulted in the formation of the Equity and Representation Department of the Association which also rolled in the Indigenous outreach activities along with the CIPWIE committee, and has since been working to enhance the Association's efforts towards E5 at a broader level.
- 23 This line represents the budgeted net deficit from an "All In" revenue and expense perspective. This net deficit is funded from prior year and/or projected budget surpluses (i.e. savings) which have been allocated for this purpose through internally restricted funds.
- 24 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.
- 25 Server hardware upgrades, along with a higher number of computers reaching their end of life were budgeted in 2020 compared with 2021.
- 26 Server Operating Systems, SQL Server, and accounting system software upgrades and updates are planned for 2021.
- 27 Renovations to the entry and lobby area are planned for 2021.
- 28 Banner pop up displays and miscellaneous office furniture purchases.
- 29 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.
- 30 The Association began June 2020 with a healthy cash position (excluding investment accounts) of just over \$2M. It is expected that by the end of June, the cash balance will be approximately \$1.7M.
- 31 This is the "All In" net deficit value from the budgeted revenues and expenses.
- 32 This reduces the cash as a result of capital purchases that are not included in revenues and expenses.
- 33 This adds back non-cash expenses such as depreciation, and adjusts for the effect of revenue deferrals.
- 34 The expected cash balance at the end of the year, considering the adjustments previously noted. Based on monthly cash flow analysis, it is anticipated that the cash on-hand, along with the timing of purchases, and cash collections within the 2021 budget year will allow the Association to operate, without the need to sell investments during the 2021 fiscal year (if market volatility continues, it is advantageous to have sufficient cash so that investments don't have to be sold at a loss, where unrealized losses become realized).
- 35 The change (reduction) in cash from the beginning of the fiscal year, to the end of the fiscal year excluding investment cash accounts. Investment accounts have been excluded as a measure of caution resulting from market volatility generated by COVID-19 as it avoids any reliance on the value of these accounts in the estimates.

**ENGINEERS GEOSCIENTISTS MANITOBA
DUES AND FEES LIST FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

Approved by Council June 11, 2020

	Current Total Including GST	New Total Including GST	Total Change Including GST	Proposed Date of Change
Annual Dues / Licenses				
Annual Dues - Practising Member*	536.00	536.00	-	
Annual Dues - Retired Member*	110.00	110.00	-	
Annual Licence - Temporary Licensee	536.00	536.00	-	
Annual Licence - Specified Scope of Practice	536.00	536.00	-	
Certificate of Authorization - Practising Entity	500.00	500.00	-	
Certificate of Authorization - Sole Practitioner	250.00	250.00	-	
Annual Dues - Intern	268.00	268.00	-	
Annual Dues - Student	20.00	20.00	-	
Annual Dues - Member On Leave	110.00	110.00	-	
Dues Relief - Intern	(134.00)	(134.00)	-	
Dues Relief - Registered	(268.00)	(268.00)	-	
Dues Relief - Specified Scope License	(268.00)	(268.00)	-	
Fees				
Application Fee (Non-Refundable)	125.00	125.00	-	
Application Fee - Specified Scope of Practice	500.00	500.00	-	
Application Fee - Certificate of Authorization	250.01	250.01	-	
Administration Fee - De-Registration	100.00	100.00	-	
Assessment Fee - Academic	440.00	440.00	-	
Assessment Fee - Geoscience	105.00	105.00	-	
Assessment Fee - Exam Re-Read (Non-Refundable)	250.00	250.00	-	
Exam Fee - National Professional Practice Exam	260.00	260.00	-	
Exam Fee - Technical	300.00	300.00	-	
PPE Writer's Fee	130.00	130.00	-	
Administration Fee - Late Fee (Non-Refundable)	52.50	52.50	-	
Administration Fee - Cancellation of Suspension	105.00	105.00	-	
Administration Fee - Copy of Report	53.50	53.50	-	
Administration Fee - Late Report	10.71	10.71	-	
Administration Fee - Pre-Enrollment Time	53.00	53.00	-	
Administration Fee - Pre-Grad Time	53.50	53.50	-	
Administration Fee - Stamp Replacement	52.50	52.50	-	
Administration Fee - Letter of Good Standing		21.00	21.00	July 1, 2020
Administration Fee - Letter of Good Standing (Rush)		36.75	36.75	July 1, 2020
Assessment Fee - Interview Fee (Non-Refundable)	500.00	500.00	-	
Assessment Fee - Re-Assess	125.00	125.00	-	
Assessment Fee - Reinstatement	233.00	233.00	-	
Assessment Fee - Thesis Reading (Non-Refundable)	240.00	240.00	-	
Deposits				
Deposit - Discipline Appeal	500.00	500.00	-	

*Pending revision by Council as per 2020 By-law voting results