



PROFESSIONAL STAFF ASSOCIATION

ANNUAL FINANCIAL REPORT 2020-2021 & BUDGET 2021- 2022

This document provides the membership with an overview and a high level analysis of the financial results of the fiscal year ending April 30, 2021 and presents the budget for 2021-2022.

TABLE OF CONTENTS

Contents

A Message from the Treasurer	1
Discussion & Analysis	2
Financial Statements	6
Notes to Financial Statements	9
Budget 2020-2021	10

ANNUAL FINANCIAL REPORT 2020-2021

A Message from the Treasurer

Dear PSA Members:

I hope you find this report informative and easy to understand. If you have any questions or feedback, please do not hesitate to send questions to psa@uoguelph.ca.

Despite the challenges we have all faced throughout the pandemic it continues to be a pleasure to serve as treasurer and as part of the executive committee. The PSA continues to work hard to provide value to the membership and I am proud to be part of this fantastic network of people across campus.

Thank you and stay well,

A handwritten signature in black ink, appearing to read "Mark", followed by a long horizontal line that extends to the right.

Mark Torcoletti, CPA, CMA

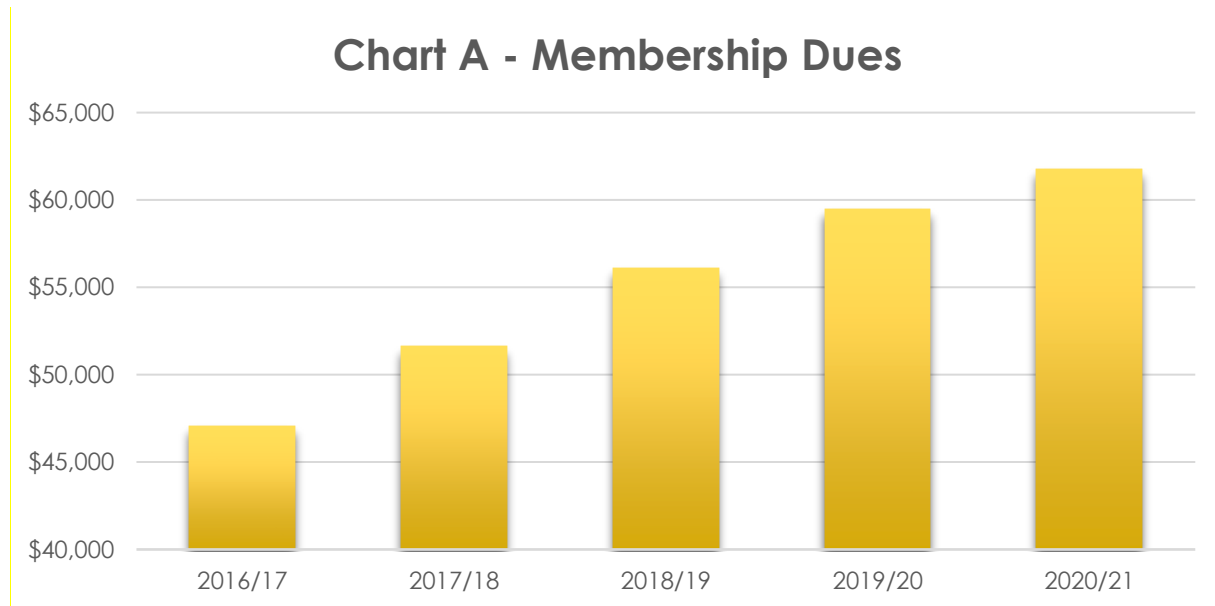
ANNUAL FINANCIAL REPORT 2020-2021

Discussion & Analysis

REVENUES

Overall revenues increased by \$1,280 or 2% in 2020-2021 to \$62,565 due to the continued growth in membership over the last year (Chart A). In comparison to last year average monthly membership increased from 496 members in 2019-2020 to 520 members in 2020-2021.

Offsetting the growth in membership was a decline in interest income earned of \$1,030 in 2020-2021 as result of declining interest rates.



This sustained growth in revenues continues to keep the PSA on strong financial footing.

EXPENSES

Normal Operating Expenses

Overall expenses from normal operations or ordinary activities declined by 15.7% year over year and were 29.5% lower than budgeted. Chart B shows the makeup of normal operating expenses by category for 2020-2021 and Chart C shows the change in spending year over year. The ongoing Covid-19 pandemic and campus shutdown had a significant impact on overall expenditures for 2020-2021. Several key categories had significantly lowering spending than expected when comparing actual expenses to budget for the past year.

Chart B - Normal Operating Expenses By Category for 2020-2021

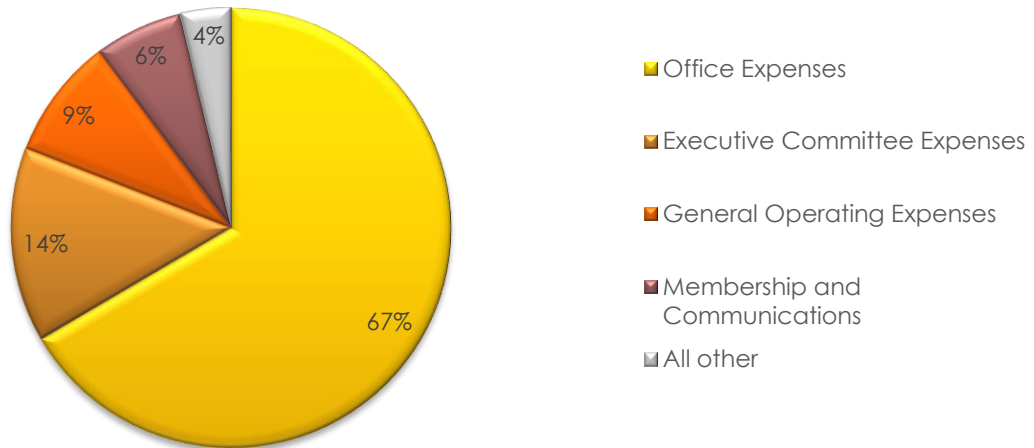
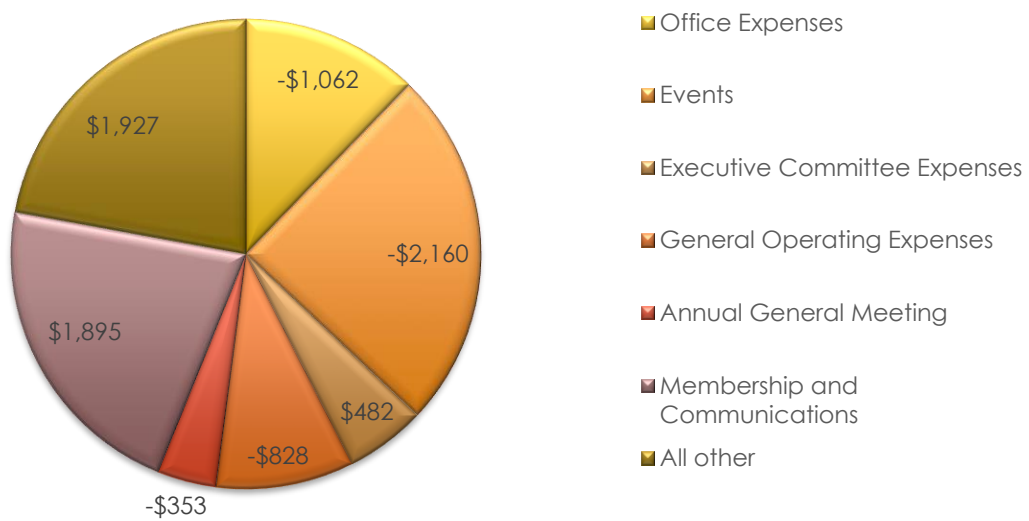


Chart C - Change in Normal Operating Expenses by Category for 2020-2021



ANNUAL FINANCIAL REPORT 2020-2021

The PSA did not incur any expenses as planned for the Annual General meeting which was held virtually and as well other planned events that were deferred or cancelled. This resulted in an unexpected reduction in spending of \$12,600 when compared to the budget for 2020-2021 and \$8,377 when compared to actual results for 2019-2020. In addition, executive committee expenditures were reduced as all meetings and committee business was conducted virtually in 2020-2021 resulting in savings of \$1,258 when compared to budget and \$1,273 when compared to actual results for 2019-2020.

The membership and communications committee also incurred less expenses than expected when compared to budget for 2020-21 while increasing by \$236 when compared to 2019-2020. The only other significantly decline was legal fees (captured under all other) for 2020-2021 which declined by \$1,199 year over year and cost \$1,500 less than expected when compared to budget. This is direct result of less members utilizing the legal assistance subsidy benefit in 2020-2021. These costs are not easily predicted and tend to fluctuate on an annual basis.

The cost of sponsorship was reduced by \$650 in 2020-2021 when compared to the prior year as the executive committee decided to only support one person for the Young Professionals on Board Program at a cost of \$850 in 2020-2021. Finally, there was less expenses incurred than expected for subcommittees and working groups as similar to the executive committee business was conducted virtually over the last year.

The major item offsetting these reductions was an increase in spending on office expenses which increased by \$2,872 when compared to 2019-2020 and was \$545 more than budgeted in 2020-2021. This mainly due to the timing of wage expenditures in 2020-2021 and inflationary costs of running the PSA office as our membership continues to grow.

In addition, the general operating expenses of the PSA increased by \$906 when compared to actual results 2019-2020 and were \$210 more than budgeted for the year as the cost of insurance and web hosting fees were higher than anticipated.

Extraordinary Activities

There were two extraordinary expenses incurred for 2020-2021 which was a change from 2019-2020 where no activities planned or incurred. The PSA planned on incurring costs related to the negotiation of the new compact in 2020-2021 at a cost of \$2,000 but only incurred \$172 after a bridge deal was reached in the summer of 2020 between the PSA and the University. The other extraordinary expense which was not planned for as part of the budget for 2020-2021 but was approved by the executive committee mid-year was the one-time member benefit voucher administered through "Bells and Whistles" which cost \$17,250.

ANNUAL FINANCIAL REPORT 2020-2021

CHANGE IN NET ASSETS

Overall, the PSA saw an increase of \$3,593 in total net assets for the year as result of an excess of revenues over expenses in 2020-2021.

There were no changes made to the contingency reserve and the special project reserve in 2020-2021 as the PSA continues to set aside \$50,000 in each reserve. As a result, the PSA ended the year with \$64,970 in unrestricted net assets and \$100,000 in restricted net assets. Th PSA continues to be in a very strong net financial position of \$164,970 in total net assets at April 30, 2021.

It should be noted that all cash is held at Meridian Credit Union. Meridian Credit Union is the largest credit union in Ontario and is fully insured by the Deposit Insurance Corporation of Ontario. Meridian Credit Union was selected after conducting a market analysis of financial institutions in 2017-2018 that determined Meridian Credit Union to offer the best value to the PSA.

ANNUAL FINANCIAL REPORT 2020-2021

Financial Statements

STATEMENT 1

UNIVERSITY OF GUELPH PROFESSIONAL STAFF ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2021
(in dollars)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current		
Cash	169,020	163,978
Accounts Receivable	0	0
	<u>169,020</u>	<u>163,978</u>
<u>LIABILITIES</u>		
Current		
Accounts Payable	4,050	2,601
	<u>4,050</u>	<u>2,601</u>
<u>NET ASSETS</u>		
Internally Restricted Net Assets	100,000	100,000
Unrestricted Net Assets	64,970	61,377
	<u>169,020</u>	<u>163,978</u>

ANNUAL FINANCIAL REPORT 2020-2021

STATEMENT 2

UNIVERSITY OF GUELPH PROFESSIONAL STAFF ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2021
(in dollars)

	<u>2020/21 ACTUAL</u>	<u>2020/21 BUDGET</u>	<u>2019/20 ACTUAL</u>
REVENUE			
Membership	61,770	59,000	59,460
Interest	795	1,800	1,825
	<u>62,565</u>	<u>60,800</u>	<u>61,285</u>
EXPENSES			
Office Expenses	27,660	27,115	24,787
General Operating Expenses	3,710	3,500	2,804
Executive Committee Expenses	5,942	7,200	7,215
Membership and Communications	2,684	4,200	2,448
Subcommittees and working groups	0	700	22
Events	0	9,000	5,211
Annual General Meeting	0	3,600	3,166
Legal	500	2,000	1,699
Sponsorship	850	850	1,500
Other	205	500	200
	<u>41,550</u>	<u>58,665</u>	<u>49,051</u>
Excess/(Deficiency) of Revenues over Expenses	<u>21,015</u>	<u>2,135</u>	<u>12,233</u>
EXTRAORDINARY ITEMS			
Negotiation Expenses	172	2,000	0
Member Benefit Voucher	17,250	0	0
	<u>17,422</u>	<u>2,000</u>	<u>0</u>
CHANGE IN NET ASSETS	<u>3,593</u>	<u>135</u>	<u>12,233</u>

ANNUAL FINANCIAL REPORT 2020-2021

STATEMENT 3

UNIVERSITY OF GUELPH PROFESSIONAL STAFF ASSOCIATION STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED APRIL 30, 2021

(in dollars)

	2020-2021			2019-2020
	Unrestricted	Internally Restricted	Total	Total
Balance, Beginning of Year	61,377	100,000	161,377	149,144
Excess of Revenues over Expenses	21,015	0	21,015	12,233
Extraordinary Item - Negotiation Expenses	(172)	0	(172)	0
Extraordinary Item - Member Benefit Voucher	(17,250)	0	(17,250)	0
Changes to Contingency Reserve	0		0	0
Changes to Special Project Reserve	0		0	0
Balance, End of Year	64,970	100,000	164,970	161,377

Note: The establishment of both reserves was approved by the Executive Committee on March 22, 2018. The Contingency Reserve is set at \$50,000 as a proxy for 1 year of membership dues. The purpose of this reserve is to ensure that the PSA has sufficient financial resources available to continue to operate in the case of a financial emergency. The Special Project Reserve is set at \$50,000 for use on major special projects. To utilize this reserve a plan must be presented by an executive committee member(s) and can only be approved if supported by the majority of the executive committee members through a vote.

Notes to Financial Statements

ACCOUNTING POLICY

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations in Canada ("GAAP").

The fiscal year of the PSA is from May 1st to April 30th and this in accordance with PSA Bylaw 2a).

REVIEW PROCESS

These statements have been reviewed in accordance with PSA Bylaw 2b). For 2020-2021 the two members appointed to review the financial records of the PSA were Brennan Reniers, CPA, CGA and Rob Laird, CPA, CGA. In their opinion, the financial records of the PSA are accurate, and the financial statements are presented fairly in accordance with Canadian generally accepted accounting principles.

BUDGET 2021-2022

Budget 2021-2022

The following presents the budget plan for 2021-2022. This plan was developed by Finance Committee and was approved by the Executive Committee on April 21, 2021.

This budget plan was developed and approved based on the overarching assumption that there will be some form of return to campus in 2021-22 and therefore expenditures will be more reflective of a normal year. The Finance Committee recognizes that there are still many unknowns as a result of the ongoing Covid-19 pandemic, and we will review these assumptions in the coming months as required. The budget projects a modest \$4,722 in excess of revenues over expenses for next year. At the time of planning an extraordinary expense of \$2,000 was estimated for the costs of refreshing office IT equipment. For an expected increase in net assets of \$2,722.

Similar to prior years, pro-forma financial statements and a table detailing the budget assumptions have been provided.

BUDGET 2021-2022

BUDGET 2021-2022

UNIVERSITY OF GUELPH PROFESSIONAL STAFF ASSOCIATION
STATEMENT OF OPERATIONS
PROJECTED FOR THE YEAR ENDING APRIL 30, 2022
(in dollars)

	<u>2021/22</u> <u>BUDGET</u>	<u>2020/21</u> <u>BUDGET</u>	<u>2020/21</u> <u>ACTUAL</u>
REVENUE			
Membership	64,800	59,000	61,770
Interest	650	1,800	795
	<u>65,450</u>	<u>60,800</u>	<u>62,565</u>
EXPENSES			
Office Expenses	27,928	27,115	27,660
General Operating Expenses	4,000	3,500	3,710
Executive Expenses	7,200	7,200	5,942
Membership and Communications	4,200	4,200	2,684
Subcommittees and working groups	700	700	0
Events	12,000	9,000	0
Annual General Meeting	500	3,600	0
Legal	2,000	2,000	500
Sponsorship	1,700	850	850
Other	500	500	205
	<u>60,728</u>	<u>58,665</u>	<u>41,550</u>
Excess/(Deficiency) of Revenues over Expenses	<u>4,722</u>	<u>2,135</u>	<u>21,015</u>
EXTRAORDINARY ITEMS			
Negotiation Expenses	0	2,000	172
Member Benefit Voucher	0	0	17,250
Office IT Equipment Refresh	2,000	0	0
	<u>2,000</u>	<u>2,000</u>	<u>17,422</u>
CHANGE IN NET ASSETS	<u>2,722</u>	<u>135</u>	<u>3,593</u>

BUDGET 2021-2022

UNIVERSITY OF GUELPH PROFESSIONAL STAFF ASSOCIATION STATEMENT OF CHANGES IN NET ASSETS PROJECTED FOR THE YEAR ENDING APRIL 30, 2022

(in dollars)

	2021-2022			2020-2021
	Unrestricted	Internally Restricted	Total	Total
Balance, Beginning of Year	64,970	100,000	164,970	161,377
Excess of Revenues over Expenses	4,722	0	4,722	21,015
Extraordinary Item - Negotiation Expenses	0	0	0	-172
Extraordinary Item - Member Benefit Voucher	0	0	0	-17,250
Extraordinary Item - Office IT Equipment Refresh	-2,000	0	-2,000	0
Changes to Contingency Reserve	0	0	0	0
Changes to Special Project Reserve	0	0	0	0
Balance, End of Year	67,692	100,000	167,692	164,970

Note: The establishment of both reserves was approved by the Executive Committee on March 22, 2018. The Contingency Reserve is set at \$50,000 as a proxy for 1 year of membership dues. The purpose of this reserve is to ensure that the PSA has sufficient financial resources available to continue to operate in the case of a financial emergency. The Special Project Reserve is set at \$50,000 for use on major special projects. To utilize this reserve a plan must be presented by an executive committee member(s) and can only be approved if supported by the majority of the executive committee members through a vote.

BUDGET 2021-2022

BUDGET ASSUMPTIONS FOR 2021-2022:

Budget Assumptions – Normal/Ordinary Activities

CATEGORY	DESCRIPTION	ASSUMPTIONS – 21/22
Membership	Membership dues collected for the year.	\$5,400/month. Based on last 6 month's average monthly membership
Interest	Interest earned on cash in the bank.	Earning 0.5% assume balance of 130,000. Decrease to \$650.
Office Expenses	Includes wages, rent, office supplies, and telephone/internet.	Based on last year's budget plus 3.0% inflation
General Operating Expenses	Includes bank charges, insurance and web hosting fees.	Based on updated insurance renewal information and assumes similar costs to last year for the other expense items.
Executive Expenses	Includes honorarium, per diem, travel and meeting costs.	Based on prior years budget and actual expenses. Estimate of \$5200 for honoraria and \$2000 for pier diem, travel, and meeting costs.
Membership and Communications	Includes any expenses related to membership programming (non-events) and communications with existing, new, and prospective members.	Same as prior year budget, supports bells and whistles program and other initiatives = \$4,200.
Subcommittees and working groups	Expenses related to work of various subcommittees and working groups including the area head program. Most costs are related to supplies and meeting costs.	Same as prior year budget.
Events	Includes all costs related to hosting events for members including networking and professional development programming.	\$12,000 for events. 6-8 events at \$1,500 \$2,000. Based on the assumption of a more normal year ahead.
Annual General Meeting	Costs to host Annual General Meeting including meeting room space and lunch.	Estimate of \$500 based on delivering a virtual event
Legal	This includes costs related to legal advice sought by the Chair as well as the legal subsidy program for members.	Same as prior year budget.

BUDGET 2021-2022

Sponsorship	This is for the sponsorship of the Young Professionals on Board program through the People and Information Network of Guelph and Wellington County.	Budget increased to support 2 PSA member at an increased annual cost of \$1,700. Previous year supported 1.
Other	This category is to cover any other minor expenses not appropriately captured in the various other categories.	Same as prior year budget.

Budget Assumptions – Extraordinary Activities

Other extraordinary items	Other unusual or infrequent expenses	Office IT equipment refresh of \$2,000.
----------------------------------	--------------------------------------	---