

## BRIEFING NOTE

**TO:** Board of Directors

**FROM:** Fazal Khan, Registrar and CEO

**DATE:** June 3, 2024

**SUBJECT:** Financial Condition Policy (2-03) Monitoring Report

☐ For Decision

☐ For Information

☒ Monitoring Report

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**Purpose:**

To provide the Board with a monitoring report on the Financial Condition Policy, in accordance with the monitoring report schedule approved by the Board.

**CEO Interpretation and Evidence:**

The Financial Condition Policy (2-03) was approved by the Board in September 2011 and recently revised in June 2023.

The information contained in this monitoring report represents compliance with a reasonable interpretation of the policy. The monitoring report covers the period from June 2023 to May 2024. The next Financial Condition Policy Monitoring report is due in June 2025.

Policy Requirement	Interpretation and Evidence
Financial Position	The 2023 fiscal year ended with a surplus of revenues over expenditures in the amount of \$187,219. The College's audited net assets at December 31, 2023 were \$5,209,158, including \$96,360 in restricted assets.
Expenditure	The 2023 fiscal year ended with sufficient liquidity to operate in 2024. There was an increase in database costs resulting in a \$22,017 variance to the budget, which reflected the Colleges investment in major projects which enhanced system accessibility, reporting capabilities and the member experience. Overall total expenditures were under budget by 8% as a result of Board/Committee meetings being held virtually, fewer matters requiring external legal advice, and the indefinite deferral of the MSF project. Budget line variances were presented and explained to the Finance Committee each quarter and approved prior to the presentation to the Board.
Debt	No funds were borrowed or loaned in 2023 or in Q1 of 2024.

Reserve Funds	General reserve funds were not accessed in 2023 as a budgeted surplus was anticipated at year end. At the December 2023 meeting, the Board was informed that no funds from the general reserve fund would be used in 2024 for operational activities. The restricted reserve for the funding of Therapy and Counselling was used in 2022 (\$400) and replenished from the College's operating income.
Payments and Receivables	Vendor payments, payroll, Board expenses, source deductions, and HST payments were remitted in accordance with a 30 day payment schedule with EFT/cheques issued every 2 weeks.
Reporting	The Financial Condition of the College was reported to the Executive/Finance Committee and the Board each quarter through the Financial Variance Report. The report includes quarterly actuals of the current and previous year, \$ differences from the previous year, % variance to the previous year, and % variance to the total budget. The Executive Committee reviews the report in detail prior to the presentation to the Board.

#### **Public Interest Considerations:**

Does the Registrar, CEO's interpretation or application of the Policy serve or impact the public's interest or trust in the College?

#### **Diversity, Equity, and Inclusion Considerations:**

Does the Registrar, CEO's interpretation or application of the Policy impact the College's commitment to Diversity, Equity, and Inclusion?

#### **Risk Management Consideration:**

The policy being monitored falls into the Operational Boundaries policy category. In reviewing this monitoring report, the board should consider whether it is satisfied with the Registrar, CEO's interpretation and application of the policy to manage risk relating to the COO's financial position and its ability to operate within its means.

#### **Recommendations/Action Required:**

The Board is asked to consider the following questions:

- 1) Was the Registrar, CEO's interpretation of the policy reasonable?
- 2) In the Board's opinion, did the Registrar, CEO comply with this policy?