



## Audit and Finance Committee Report for 2021 Annual General Meeting

**Chair:** Chris Jordan  
**Members:** Allan Braido, Michael Cheung, Brian Gray, Eric Morrison, Tim Langford, Hitesh Pandya, David Windross  
**Staff Liaisons:** Maria Kukhta, Amedeo Zottola  
**Ex-officio:** Jen Baker

Under its Charter, the Audit and Finance Committee's (AFC's) role includes all duties for audit and finance, oversight of the Association's investments while maintaining a strong and stable financial position and safeguarding assets in anticipation of future needs.

The Board was presented with a budget for fiscal 2020 that included a three-year plan to invest in Information technology and human resources. The investment is driving a strategy of innovation and business partnerships to diversify and increase revenue, while enhancing communications and advocacy. The budgeted deficit of (\$401,890), accounts for approximately 6.6% of total budgeted expenditures.

The effects of the COVID-19 Pandemic have resulted in significant pressure on the revenue lines and forced the necessity to cancel the OPA annual conference. The offsetting expenses were all but negated by the efforts of staff in achieving deposit refunds from conference facilities of \$130,000. When factoring out the conference revenue in both years, the 2020 overall Association revenues remained within 1% of 2019 results. When considering conference expenses in both years, the 2020 expenditures increased by 13.5% over 2019, as planned in the Association's three-year projection.

### **2020 Results**

The operating results for 2020 produced a deficit of (\$243,981), a 39% improved position on the expected budgeted deficit of (\$401,908). The pandemic lockdowns and travel restrictions necessitated a work from home policy and reduced costs in many areas and are not comparable to the previous year on this basis. In line with the three-year plan, the Association increased spending in the areas of Human Resources, Information Technology, Communications and Advocacy.

The addition of Other Income and Expenses brought our 2020 operational deficit to a surplus of \$522,853 of which 55% or \$287,785 is related to the regulated accounting inclusion of fair market adjustment to investments (unrealized gains or losses of as at December 31, 2020). These unrealized gains or losses on investments will fluctuate with the market until sold and realized.

Highlights are as follows:

- Public and government relations expenditures increased by 74 percent over 2019, heightened by the number of successes with Government for the profession and including a public ad campaign launched in the latter half of 2020.
- Our IT transformation and additional costs in computer service expenses implemented a new Website, a new Learning Management System and a new Customer Relations Management System.
- Investments in staffing included the areas of business development as well as marketing and communications.

### **Moving Forward**

The Audit and Finance Committee provided for an estimated operating deficit of (\$363,369) in 2021, approved by the Board of Directors. The budget for 2021 is a further commitment of the committee and board, through its three-year strategic plan, to invest in the resources and approach to lead to more positive and new revenue results through partnerships and business opportunities, with the objective of long-term sustainability.

The Association will continue its advocacy efforts for pharmacy professionals on the pandemic file and will continue to pursue government approval with fair reimbursement of Minor Ailment Prescribing Authority, along with the other opportunities for the Association that will help increase membership.

As of December 31, the Association received membership fees in advance and funds for programs under administration of \$2,507,278 and \$217,455 respectively which will be reported as revenue in 2021.

The AFC continues to maintain a philosophy of fiscal responsibility, to exercise due diligence in approving expenditures, and to report on a risk-management basis to the Board of Directors.

The member-appointed accounting firm of McCarney Group LLP performed the audit on the Association's financial results for 2020 and provided members of OPA with an unqualified report on the Association's 2020 financial statements. The financial position of the Association remains strong and its net assets are considered conservative and continue to be in line with OPA's not-for-profit status.

The strength of any committee comes from the dedication and enthusiasm of its members. Participation on the AFC requires a great deal of time and energy, and I would like to sincerely thank the committee members and staff for their commitment and hard work during the past year. It has been a pleasure to work with each of them.

Respectfully submitted,

Chris Jordan  
Chair, Audit and Finance Committee