



Report from VP, Finance Joanne Chan, ARIDO 7 March 2024

The 2023 audited statements reflect a year of organizational evolution as we worked to prepare for a future with Direct Regulation. As always, the daily operations of the organization are supported by the hard work of Board and staff as we continue to work closely together towards the goals outlined our strategic plan.

2023 Audited Financial Statements

Here are important highlights related to ARIDO's revenue for 2023:

- ARIDO achieved 97.89% of it's projected membership dues.
- For the year ending December 31, 2023, ARIDO gained \$111, 006 in investment income.
- \$86,000 was raised in sponsorship for the 2023 Awards Gala Event.
- Projected ticket sales revenue for the gala was \$150,000 but only \$137,500 was raised causing a deficit of \$12,500.

Here are important highlights related to ARIDO's expenses for 2023:

- ARIDO spent \$204,328 in development costs related to the Examination Alternative Project
- ARIDO originally budgeted \$30,000 in Awards submission fees but only received \$15,000 causing a deficit of \$15,000.

At the 2023 AGM, a budget forecasting a deficit of \$35, 838 was presented. The 2023 audited financial statements currently reflect a \$363,422 deficit. As in past years, you must deduct the amortization amount of \$117, 638. While it is a book entry on ARIDO's financial statements, it is not a cash entry.

The Competency Development costs represent the Examination Alternative Project (EAP). While these development costs are reflected within our expenses, the EAP is a 2-year special and does not represent regular operating costs. Additionally, development costs for the EAP are not supplemented by normal revenue streams, but are covered by ARIDO's regulatory fund which is a dedicated set of investments to be used for costs related to the Direct Regulation Model.

Therefore, the actual bottom line for 2023 when you deduct the Amortization amount of \$117,638 and the development costs of the EAP at \$204,328, is a deficit in operations of \$41,456. This is a variance in deficit of \$5,618.

2024 Proposed Budget

Here are important highlights related to the 2024 Budget:

- Additional EAP development costs for 2024 will total \$170,000
- Recruitment costs for a new Registrar will total \$25,000
- Salary and Employee benefits represent the increase in staff due to a new Registrar

The audited statements will reflect a deficit for 2024 in the amount of \$307,627. Again, the amortization amount of \$117,638, the EAP development costs of \$170,000 and the Registrar Recruitment costs of \$25,000 must be deducted from the deficit of \$307, 627 which leaves us with a surplus of \$5,011.

As I close my report, I want to inform the membership of a new financial sustainability strategy that the ARIDO Finance Committee has undertaken. We know that there will be an increase in operational costs that we must be prepared for related to the Direct Regulation Mode.

While ARIDO has the Regulatory Fund to serve as our dedicated financial pool, the organization recognizes there are additional revenue streams the organization can explore to ensure the growth of the organization can be sustained outside of membership dues.

ARIDO's Finance Committee, is in the final stages of developing a strategy to expand ARIDO's property rental income to increase its rental revenue stream to support for our regulatory future. The Finance Committee and the ARIDO Board see the ARIDO owned property at 43 Hanna Ave, as an untapped real estate opportunity that can generate additional revenue while remaining the home of interior design in Ontario. We are excited for the opportunity to share details with the membership at the 2024 Town Hall and AGM in March 2024.

It has been a rewarding experience contributing ARIDO, spearheading new revenue strategies and to work collectively with my talented and dedicated peers on the Board and also with the ARIDO staff. A big thank you to the staff and Board for their contributions in keeping the organization moving forward.

Regards,

A handwritten signature in dark blue ink, appearing to read "Joanne Chan", with a stylized flourish at the end.

Joanne Chan, ARIDO
VP, Finance