

Financial Update - Impacts of COVID-19 on ARIDO

8 September, 2020

At our Annual General Meeting in March, the emergency response to COVID-19 had just begun and there were many unknown factors looming in the year ahead. Now, roughly six months have passed and we are writing to provide you with an update on how the Association has fared over this time.

ARIDO, like many organizations and design firms, adjusted budget line items and operations in order to adapt to the changing state of affairs. Decisions were made which focused on the financial health and sustainability of the organization during these times, while respecting the financial hardships that our members and industry partners may also be experiencing.

The Impact of COVID-19

As the shutdown of the province rolled out in late March, this impacted the following initiatives and required several decisions by the Board of Management:



Association Travel and Meetings

- All travel for the Board and staff was suspended.
- All meetings were moved to a virtual format.
- This resulted in a 60% drop in meeting and travel expenses.



Event Based Programming Cancelled

- All second quarter Chapter events and the Awards Gala were cancelled to protect the attendees and avoid financial loss.
- This resulted in a 69% drop in event sponsorship for 2020 events.
- This also resulted in a 50% decrease in credit card processing fees.



2020 ARIDO AGM Held Virtually

- The 2020 AGM was moved to a virtual meeting with online voting capabilities.
- This led to a savings of 56% of the event budget.



ARIDO Offices Closed

- The ARIDO office was closed and a Work from Home framework was deployed for all staff.
- This resulted in an 80% decrease in office supplies and a 50% decrease in office hydro and utility costs.

2020 Budget and Expenses review



- The Finance Committee revised the current budget to cut or minimize spending on essential operations.
- The Registrar's Fund, which exists to provide financial support to members who experience difficulty in paying their dues, is at 90% usage for 2020.

2020 Membership Renewals



- The ARIDO Board extended the March 31, 2020 renewal deadline to June 30, 2020 to provide members impacted by the pandemic, either through job loss or loss of revenue, additional months to identify ways to maintain their membership.

Government Funding



- ARIDO applied for \$54,546 from the Canada Emergency Wage Subsidy (CEWS) and \$40,000 from the Canada Emergency Business Account (CEBA).
- Our prior application for government funding intended to offset the costs of the new supervised work experience requirement is still under review.

43 Hanna Ave Tenancy



- The rental lease with Three H was extended to December 31, 2020, ensuring ARIDO meets 98% of its budgeted rental income for 2020.
- This fall, ARIDO will market the Three H space at market rate for a January 2021 occupancy.

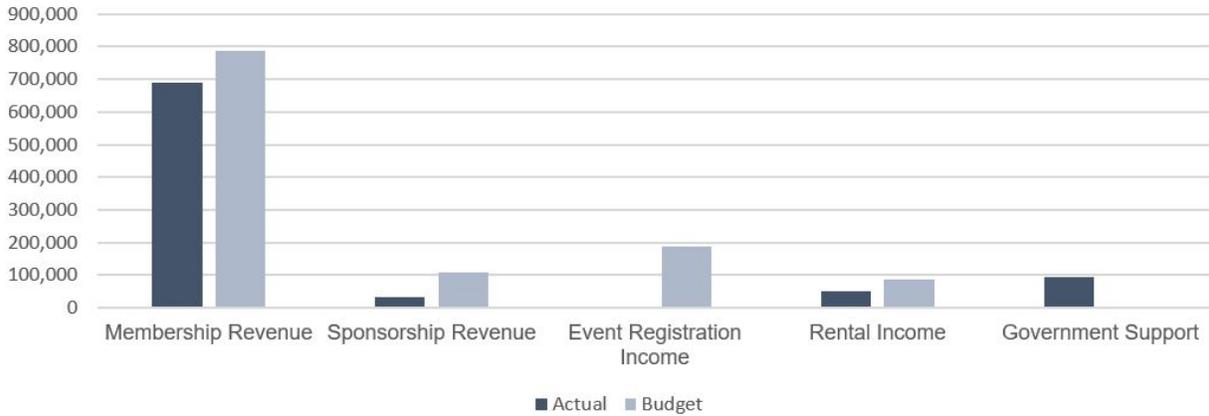
Investment Strategy



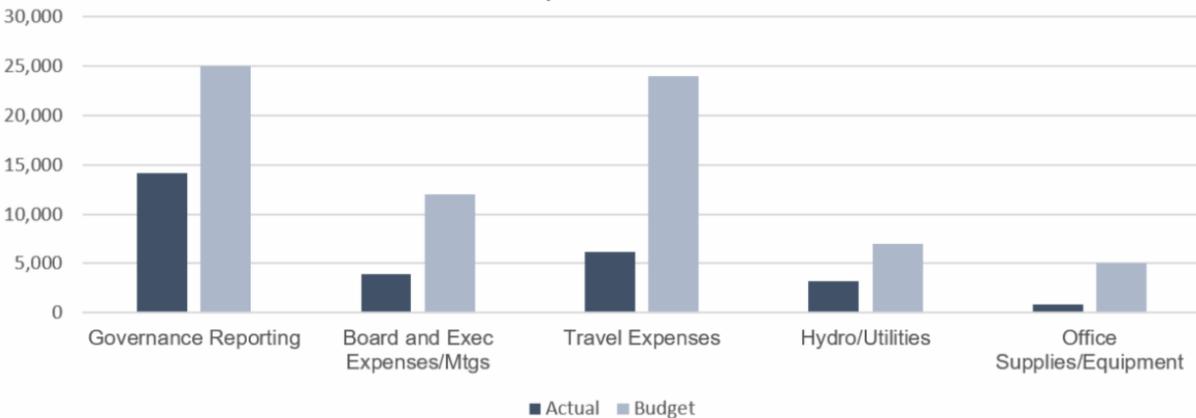
- The Finance Committee worked with Financial Advisor Al Jones to monitor our investments.
- ARIDO experienced a slight decrease in the spring but our investments recovered with a modest increase.
- ARIDO's investments are sitting at \$1,114,350.92, not including total net assets, such as the ARIDO offices.
- ARIDO is deploying a cash flow strategy for the fall months through small withdrawals from the General Fund of Investment.
- The Finance Committee will work with Al Jones on the repayment of these funds back into our investments for 2021.

As a result of these activities, the 2020 budget as of July 31, 2020 has been impacted as follows.

Revenue



Expenses



In Summary

The Association has adapted our financial expenditures in accordance with the current situation. As we move into the fall, there are many unknowns related to the pandemic which could have further impacts on how ARIDO fares financially in the 4th quarter. Moving forward, the Board and staff will continue to be diligent in their decision making to maintain a stable and sustainable financial position.

While exploring alternative and creative revenue opportunities will become a larger priority for ARIDO, we anticipate that revenue from membership dues will continue to be the organization's primary source of income as we prepare for the 2021 membership year.

We thank our members and industry partners for their ongoing and continued support of ARIDO, as our commitment to supporting our membership remains steadfast.

Sincerely,

Daniel Long, ARIDO

VP Finance

ARIDO Finance Committee

Daniel Long, ARIDO, Finance Committee Chair/VP Finance

Jennifer Warling, ARIDO

Karin Crawford, ARIDO

Irma Kemp, ARIDO staff

Sharon Portelli, ARIDO staff