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# Report of the CSC Treasurer

Jason Pearson, Dept. of Chemistry, University of PEI, (902) 566-0934, [jpearson@upei.ca](mailto:jpearson@upei.ca)

## The Year 2019 in Review

### 1. Summary

Our members may recall that 2018 ended with a rather significant financial deficit (**\$94,101**). This was due to several factors, but chief among them were significant market loses within our investment portfolio (**\$59,888**). Tempered against that fact, we may view the end of 2018 in a more positive light and important steps were taken to increase the fiscal stability within our society and the Chemical Institute of Canada. Several of these measures have come to fruition in 2019, hence their mention here. First, the national office staff have begun the process of relocating from their previous location at 222 Queen Street Suite 400, Ottawa. The lease for this space was deemed to be excessive relative to the needs of our national office team, and so this move is in an attempt to reduce our fixed costs associated with maintaining a physical space. The relocation does not come without initial costs (breaking lease agreements, moving expenses, etc.) but overall these efforts will help place the CIC and its constituent societies in a stronger financial position in perpetuity.

We are pleased to report that the CSC ended the 2019 fiscal year with a surplus of \$20,390 versus the budgeted deficit of **\$49,000**. Significant gains from its investment portfolio (\$21,891) and a surplus realized from CCCE 2019 (\$63,687) were major contributing factors to this position, and other highlights are listed below.

The CSC 2019 equity of \$483,182 is currently 31% of operating costs and is just below the 35%–50% percentage set by the CSC Board.

### 2. Revenue

Counter to the end of the 2018 fiscal year, the investment portfolio of the CSC realized an *increase* in market value of **\$21,891** by the end of fiscal 2019, which coincided well with our net surplus for the year.

Total membership fees were over budget in 2019 by **\$5,909**. This is encouraging, but perhaps somewhat misleading. Membership fees are strongly tied to attendance figures at our national meeting, the Canadian Chemistry Conference and Exhibition (CCCE). Our favourable increase in 2019 membership fee revenue relative to the budgeted projections are largely a reflection of the excellent conference program organized for the CCCE 2019 meeting in Quebec City. For this, and many other reasons, we owe a debt of gratitude to the organizers of that conference. Over a larger swath of time, one would discover that there does appear to be a gradual decline in membership numbers, which adversely affects the financial health of the society. As such, I would encourage all of our members to renew their membership regularly and be active participants in our national chemistry community. We are all stronger together.



222 Queen Street, Suite 1009, Ottawa, Ontario, Canada K1P 5V9



613-232-6252  
1-888-542-2242



[info@cheminst.ca](mailto:info@cheminst.ca)  
[www.cheminst.ca](http://www.cheminst.ca)

Further to my comments above regarding the 2019 CCCE Conference in Quebec City, this conference realized a net surplus of \$117,375 (\$19,000 over budget) and was a key factor in the CSC being able to provide a strong fiscal position at years end. As members will recall, the current conference surplus sharing mechanism states that the first \$10,000 in surplus goes to the CSC in addition to 50% of any remaining surplus over \$10,000. This resulted in a total of **\$63,687** in conference surplus directed to the society. Additionally, the society now collects a fee from the conference revenue that is commensurate with the actual costs of facilitating the meeting, including staff time and overheads. This has helped to create fiscal stability in perpetuity for the CSC.

Accreditation services earned **\$12,000** in 2019, which was \$13,000 less than budgeted. This is primarily due to deferrals of site visits that will be rescheduled.

### 3. Expenses

Expenses for 2019 were in relatively good agreement with the approved 2019 budget. Though the costs of administering the CCCE meeting were higher than anticipated, these were overshadowed by the conference revenue and the net change from budget was positive.

The most significant change from the approved 2019 budget was associated with an \$11,980 increase in the CIC society fee, which was largely due to the expectation in our budget that we would relocate in 2019 which did not materialize, and the rent was higher than budget.

Furthermore, the CSC incurred no costs associated with the staff restructuring that occurred in November of 2019.

## A Look to 2020

I would be remiss not to provide some commentary regarding the fiscal year 2020. Though normally such a discussion would be reserved for the 2021 AGM, my assumption is that many questions will be circulating among our members about the financial health of the CSC, given the unprecedented series of events associated with the COVID-19 pandemic. As such, I will here attempt to provide a high-level description of the status of our financial liabilities and prospects for the future amid an uncertain horizon.

As our members will all be aware, the CSC Board and CCCE 2020 organizers made the difficult but necessary decision to cancel the CCCE 2020 meeting, which was scheduled to take place in Winnipeg. As such, the CSC has assumed financial risk as many of the liabilities associated with the conference had been committed by that point. Fortunately, there are several measures that were successfully taken to mitigate this risk.

First, we were able to defer \$10,000 of the deposits for the RBC convention center and recover \$55,000 of what had already been committed. Furthermore, the strategic timing of cancellation afforded the “force majeure” clause for our hotel contracts to be invoked and thus we were not liable for the conference hotel rooms.

In total, the impact of the CCCE 2020 cancellation was as follows:

- All registration fees have been refunded
- All sponsorship or exhibition revenue has either been transferred to 2021 or refunded
- Staff time up to the end of March was \$65,000
- Website & Publicity costs were approximately \$12,000
- Registration & Conference Program Software costs were approximately \$14,000

- There is an additional \$4,800 on credit card charges, travel and miscellaneous costs
- We have been able to defer \$10,000 of the deposits for the RBC Convention Centre and recover \$55,000
- In total, the overall deficit resulting from the cancellation of the CCCE 2020 is \$96,000

Due to the COVID crisis we have also applied for the CEWS (Canadian Employee Wage Subsidy) which has not yet been received but will be used to offset the conference staff costs.

In closing, the reality is that the 2020 fiscal year will certainly present significant challenges, though these have been mitigated to a large extent due to the excellent work by the conference organizers, and national office staff. Fortunately, these challenges are not beyond what the CSC is able to withstand. We therefore look to 2021 with optimism. In particular, we remain hopeful that further meetings, including those with which we have a financial stake (such as Pacificchem), are not so adversely affected by the pandemic.

This will be my final report to the membership of the CSC as treasurer. I thank the membership for allowing me to serve in this capacity over the past 3 years. I also thank the members of the CSC Board whom I've served alongside over the past 3 years for their support and thoughtful mentorship throughout my term. Finally, I thank the national office team for providing guidance and important institutional knowledge as we worked together to create a stronger, more vibrant chemistry community in Canada.