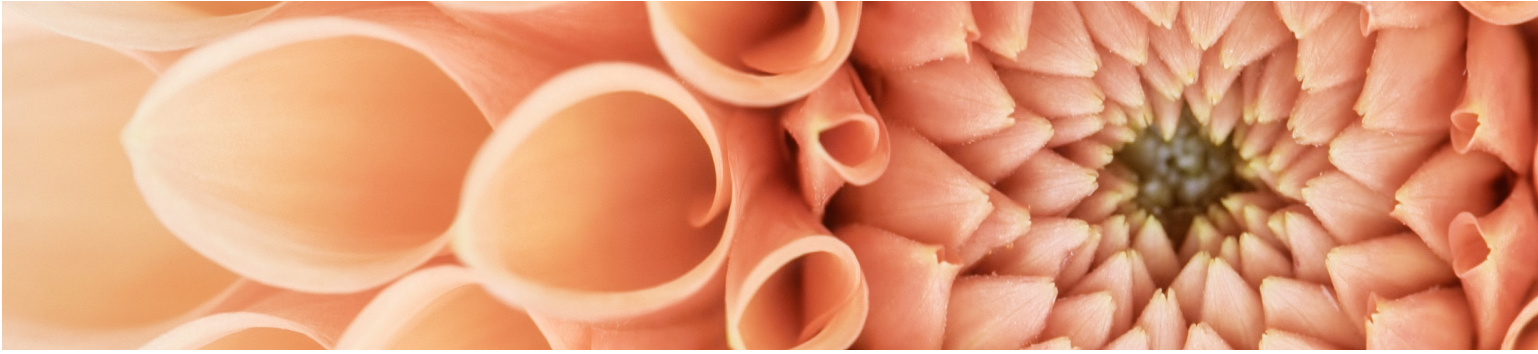




# Refocus

Annual Report  
2022



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## Executive

**Dr. Jacques Guigné, P. Geo., FGC**  
Chair (Elected)

**Gerry Antle, P. Eng., FEC**  
Chair-Elect (Elected)

**Bill O’Keefe, P. Eng., FEC**  
Past Chair (Elected)

## Directors

**Steve Emberley, P. Geo.**  
Director (Elected)

**Alex Gibson, CPHR**  
Director (Ministerial Appointee)

**Barry Hillier, P. Eng.**  
Director (Elected)

**Michelle Lethbridge, P. Geo.**  
Director (Elected)

**Nicole Myers, P. Eng.**  
Director (Elected)

**Liz Palmera-Núñez, P. Eng.**  
Director (Elected)

**Louise Pinsent Parsons**  
Director (Ministerial Appointee)

**Dr. Titia Praamsma, P. Geo.**  
Director (Elected)

**Andrea Stack, CFP, CLU, FCSI**  
Director (Ministerial Appointee)



# Board of Directors

2022-2023

**Standing (L-R)** - Louise, Andrea, Steve, Titia, Michelle, Barry, Janet, Nicole

**Seated (L-R)** - Gerry, Jacques, Bill

**Special Guest (bottom-left):** Asher (the cat)

## Staff



**Janet Bradshaw**  
P. Eng., FEC, ICD.D  
CEO & Registrar



**Mark Fewer**  
B. Comm., GSP, FEC (Hon)  
COO & Deputy Registrar



**Bill Hunt**  
P. Eng., GSP, FEC  
Professional Standards  
Director



**Heather Appleby**  
P. Eng., FEC  
Special Projects Manager



**Jennifer Lane**  
Administrative Assistant



**Lesley Oakley-Foster**  
Registration Coordinator



**Andrew Peach**  
B. Comm.  
Operations Coordinator



**Davyani Vasta**  
E.I.T.  
Special Projects  
Coordinator



**Kevina Willmott**  
FEC (Hon)  
Office Manager



# 2022 Adapting to Change

## Chair and CEO Report

For those not directly involved with PEGNL, the organization (and self-regulation in general) may appear to exist in a relatively stable, unchanging environment. This is because we continue to perform the organization's core functions: to issue licences and permits to practice, develop practice standards and guidelines, administer professional development, respond to allegations and complaints and facilitate competent and ethical practice. The truth, however, is that the landscape in which we work is changing quickly. In recent years, both the board and staff of PEGNL have undertaken numerous initiatives to facilitate and adapt to multiple changes.



**Dr. Jacques Guigné**  
P. Geo., FGC  
Chair



**Janet Bradshaw**  
P. Eng., FEC, ICD.D  
CEO & Registrar

## Revised Ends Policies

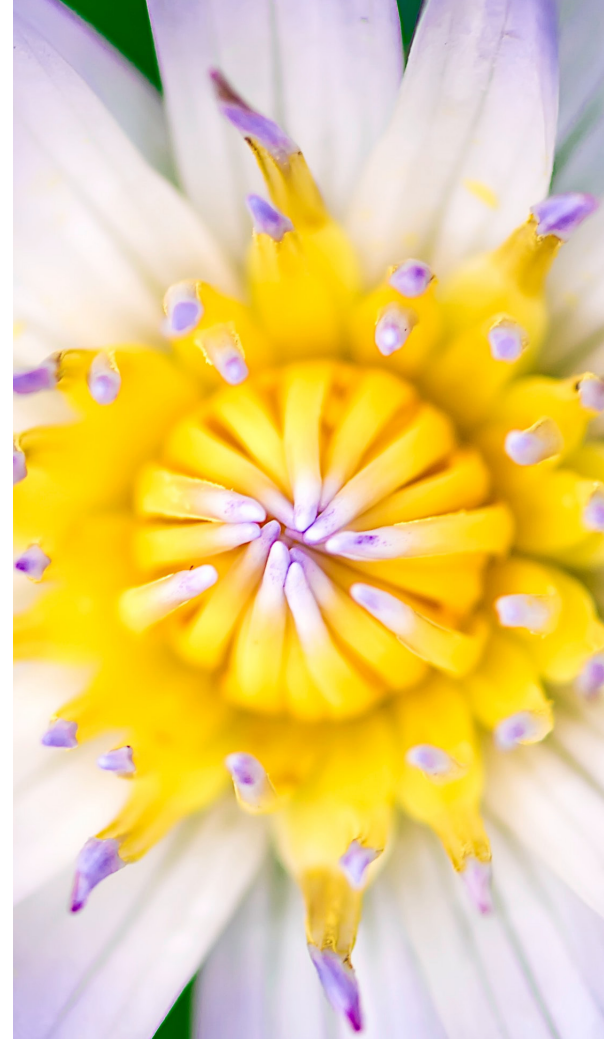
Under the governance model employed by PEGNL, the board's role is clearly distinguished from that of staff. The board sets the direction for the organization through its "Ends Policies." These policies define what benefits will result from the work of PEGNL and who the beneficiaries of that work will be. For example, one significant End is "Licensed, competent and ethical practitioners of engineering and geoscience." In other words, because of PEGNL's regulatory work, the NL public benefits from the fact that engineering and geoscience in the province is performed by licensed practitioners who practice competently and ethically.

In 2022, the PEGNL board undertook an in-depth and comprehensive review of its Ends Policies which resulted in a much more focused set of goals that align with PEGNL's mandate as set out in the Engineers and Geoscientists Act. These revised Ends Policies set a solid foundation for the organization's work in the years ahead.

## Environmental Stewardship

The board has established an environmental stewardship policy preventing the organization from having practices that harm or jeopardize the environment where reasonable alternatives are not cost-prohibitive. In 2022, staff established a baseline by preparing an internal greenhouse gas emissions (GHG) inventory for 2019 (chosen as a "typical" pre-pandemic year). A qualified GHG quantification consultant later confirmed the staff inventory and emissions calculations to be 60.5 tonnes of carbon dioxide equivalent. This baseline inventory provided a reasonable reference point for setting GHG reduction targets.

Since then, PEGNL has taken many steps to reduce its emissions (detailed in the feature article on page 16), and preliminary estimates for 2022 indicate that a 47% reduction has been achieved. In addition, PEGNL purchased offsets to achieve carbon neutrality for 2022.



In 2022:

**47%**  
reduction  
in emissions

Officially  
**Carbon  
Neutral**



## Atlantic Regulators Collaboration

For many years, efforts have been made and steps have been taken to harmonize the practices of Canadian regulators of engineering and geoscience. While some progress has been made, it has been slow, due at least in part to the wide variation in legislative requirements in the various provinces and territories. During the past year, regulators from the four Atlantic Provinces have been working on several initiatives which offer collaboration potential. One such initiative is the Professional Development (PD) Program. The goals of this collaboration are multi-step, beginning with the adoption of a substantially equivalent PD program. The ultimate goal (potentially still a few years away) will be that individuals licensed in multiple Atlantic provinces will be able to file a single PD report which all Atlantic Regulators will accept. The Atlantic regulators hope this initiative will serve as an example and a catalyst for better collaboration and harmonization across the country.

## Regulatory Changes

### New Regulations

In 2022, PEGNL proposed changes to the Engineers and Geoscientists Regulations, 2011. These were initiated mainly through the adoption of the Competency-Based Assessment model for evaluating an applicant's suitability for licensure as well as the decision to move away from the issuance of Permits to Practice by discipline. Extensive consultations were conducted with PEGNL members and permit holders, provincial government departments, NL municipalities and other associations such as AETTNL (Association of Engineering Technicians and Technologists NL) and ALBNL (Architects Licensing Board). Feedback was received and considered by the Board and incorporated where appropriate. If accepted by the government, these changes will facilitate more efficient processing of applications and better align the legislation with current regulatory best practices.

### Fair Registration Practices Act

In October 2022, the Government of Newfoundland and Labrador introduced the proposed Fair Registration Practices Act to help reduce or eliminate barriers related to qualification recognition for international and Canadian-educated professionals. The Act intends to ensure that regulated professions' registration practices are transparent, timely and fair for all applicants. The new Act applies to thirteen regulators of occupations for which there is demonstrated demand among immigrants to NL. While the Act sets out the framework, the associated Regulations, which will contain the details and prescribe timelines, are not yet released at the time of writing this report. The requirements of the Regulations will determine to what extent, if any, PEGNL processes and policies will need to change.

## Public Awareness Campaigns (local & national)

We have often heard comments that the public needs to better understand the engineering and geoscience professions. In some ways, that's understandable as the average person doesn't have the same contact with those professionals that they have with other professions such as doctors, nurses, lawyers, accountants, etc. This, coupled with the constant evolution of new areas of practice and new technologies, seems to make our professions even more elusive. PEGNL's efforts to prevent unlicensed practice would be easier and more accessible if the public understood what we do and the importance of licensure. In 2022, we began developing a Communications Strategy and Public Awareness Campaign highlighting the breadth and diversity of engineers' and geoscientists' work. Simultaneously, Engineers Canada is developing a national campaign with a similar goal. Both campaigns are scheduled for release in Spring 2023.

## New CEO

The last significant change coming in 2023 is that PEGNL will welcome a new CEO & Registrar. After more than eight years with PEGNL, including almost four as CEO, Janet Bradshaw, P. Eng., ICD.D, FEC, has announced her retirement effective April 30, 2023. Citing her time with PEGNL as enjoyable and very rewarding, the decision to retire did not come easy for Janet. After an extensive search process that garnered more than 35 applications, Mark Fewer, B. Comm, GSP, FEC(Hon) was appointed to the position. Mark joined PEGNL in 2002 and served as its COO & Deputy Registrar since 2010.

# Independent Auditor's Report

## Opinion

We have audited the financial statements of Professional Engineers and Geoscientists Newfoundland and Labrador (the Association), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 24, 2022.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.





# Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. John's, Newfoundland and Labrador  
March 31, 2023

*Power & Associates*  
CHARTERED PROFESSIONAL ACCOUNTANTS

## Statement of Financial Position

Year Ended December 31

	2022 Total	2021 Total
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$2,025,840	\$1,599,207
Marketable securities	987,362	1,089,374
Accounts receivable	6,036	6,036
Prepaid expenses	32,550	23,093
Interfund receivables	13,862	18,483
<b>TOTAL CURRENT ASSETS</b>	<b>3,065,650</b>	<b>2,736,193</b>
CAPITAL ASSETS	367,462	442,544
LONG TERM INVESTMENTS	1,248,398	1,209,021
<b>TOTAL ASSETS</b>	<b>4,681,510</b>	<b>4,387,758</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	264,385	227,989
Deferred income	1,552,437	1,386,120
Interfund payable	13,862	18,483
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,830,684</b>	<b>1,632,592</b>
<b>NET ASSETS</b>		
Unrestricted	1,204,683	1,005,813
Capital asset fund	367,462	442,061
Board restricted reserve fund	646,315	624,160
Externally restricted	632,366	683,132
<b>TOTAL NET ASSETS</b>	<b>2,850,826</b>	<b>2,755,166</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$4,681,510</b>	<b>\$4,387,758</b>

## Statement of Operations

Year Ended December 31

	2022 Total	2021 Total
<b>INCOME</b>		
Membership fees	\$1,252,164	\$1,182,601
Permit fees	431,739	413,322
Unrealized gain (loss) on investments	(120,994)	193,238
Application fees	154,124	144,400
Other	127,123	77,570
Donation revenue	17,087	69,801
Seals & examinations	65,096	61,415
Interest and investment revenue	63,435	26,949
Chapter revenue	44,830	7,935
<b>TOTAL INCOME</b>	2,034,604	2,177,231
<b>EXPENSES</b>		
Salaries and wages	940,547	835,887
Administration	392,220	479,256
Amortization	149,006	160,453
Board governance	78,333	48,959
Engineers / Geoscientists Canada	71,541	62,552
Professional fees	67,265	108,861
Internal and external communications	61,427	20,511
Seals and exams	52,370	42,536
Chapter expense	44,439	31,592
Scholarships and student support	38,237	40,997
Membership services	20,330	24,260
Special projects	7,110	
Other	5,584	8,809
Travel	5,407	1,554
Meetings expense	5,130	6,254
	1,938,946	1,872,481
<b>EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES</b>	\$95,658	\$304,750


**Statement of Cash Flows**

**Year Ended December 31**

	2022 Total	2021 Total
<b>OPERATING ACTIVITIES</b>		
Cash receipts from members	\$2,200,921	\$2,315,015
Cash paid to suppliers and employees	(1,744,086)	(1,705,115)
Interest and dividends received	63,439	26,949
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>520,274</b>	<b>636,849</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(74,330)	(351,076)
Proceeds on disposal of investments	217,328	113,418
Purchase of investments	(236,639)	(1,013,972)
<b>CASH FLOW FROM (USED BY) INVESTING ACTIVITIES</b>	<b>(93,641)</b>	<b>(1,251,630)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>426,633</b>	<b>(614,781)</b>
Cash- beginning of year	1,599,207	2,213,988
<b>CASH- END OF YEAR</b>	<b>\$2,025,840</b>	<b>\$1,599,207</b>



**Dr. Jacques Guigné**  
P. Geo., FGC  
Chair



**Janet Bradshaw**  
P. Eng., FEC, ICD. D  
CEO & Registrar

# Professional Standards Report



**Bill Hunt**  
P. Eng., GSP, FEC

## Allegations and Disciplinary Activities

At the start of 2022, there were four active discipline files before the Complaints Authorization Committee (CAC). During the year, three new allegations were received by the Registrar and all were referred to the CAC. Four cases were decided by the CAC during the year, and all four cases were dismissed. Three active cases remained before the CAC at the end of 2022.

## Compliance and Enforcement Activities

Compliance and enforcement activities are mainly proactive and are focused on ensuring individuals and firms are aware of the requirement to obtain appropriate licensure. Companies and individuals that appear to be practicing the professions, and/or using protected titles, but who are not licensed by PEGNL are contacted and informed of the legislative requirements. Most compliance issues are resolved on initial contact but in some cases follow up is required and, in those cases, a compliance file is opened. In 2022, thirty-seven (37) compliance files were opened and thirty-five (35) were successfully resolved by year end.

## National Discipline and Enforcement Activities

The Discipline and Enforcement (D&E) staff at Engineers Canada and the D&E representatives from the provincial and territorial regulators met virtually in March, May and November and face-to-face in August of 2022. These meetings and the relationships built, enable a high level of co-operation among Canadian D&E officials, which is largely fostered by Engineers Canada. This collaboration is invaluable for the sharing of best practices across the country.

## Practice Standards and Guidelines

PEGNL developed and issued one new guideline in 2022: *“Practice Guideline for the Design of Formwork and Falsework by Professional Members”*.

## Ethics and Professional Practice Seminars

An introductory *“Professionalism and Ethics in the Workplace”* lecture was delivered twice (winter and fall semester) to first year engineering students about to embark on their first work term and an in-person ethics seminar was delivered to the graduating Earth Sciences class members.

PEGNL continues to offer on-line Ethics and Professionalism modules through the member’s portal and each of these modules can be utilized to fulfill the minimum mandatory requirement in the Ethical Practice category of PEGNL’s Continuing Professional Development program. PEGNL launched a new learning site in 2022, to provide greater flexibility in expanding its online learning opportunities.

# Registration Report



**Terry Gardiner**  
P. Eng., FEC  
Chair, Registration Committee



**Mark Fewer**  
GSP, FEC (Hon)  
COO & Deputy Registrar

The Registration Committee determines the eligibility of new applicants for the right to practice engineering and geoscience in the province. It does so through the assessment of applications for registration under the following categories: Professional Engineer, Professional Geoscientist, Engineer-In-Training, Geoscientist-In-Training, Limited Licensee, and Permit to Practice.

Overall, PEGNL experienced a net increase in membership of 0.8%. While not a large increase, it's the first positive net growth since 2018. The increases came mainly under the categories of Professional Geoscientist, Member-in-Training, and Limited Licensee. The number of permits to practice slightly decreased by 0.3%.

The Registration Committee evaluated a total of 523 applications in 2022, with 189 of those for professional licensure, 230 for Member-in-Training and 104 for permits to practice applications and revisions. The Registration Committee also endorsed 268 transfer applications for professional licensure as required under the Canadian Free Trade Agreement. Transfer applicants are those who reside and hold a professional license in good standing in another province or territory.

PEGNL's registration process continued its transformation in 2022. In 2021, we adopted the competency-based assessment framework for the evaluation of experience for new applicants. In 2022, a new public Registration Policy document was introduced to help improve the transparency of the requirements and processes for registration, and online application forms were introduced as part of PEGNL's new website, improving the user experience for applicants. Also in 2022, the provincial government introduced the Fair Registration Practices Act, which brought about new requirements surrounding transparency, timeliness, and fairness of the registration processes for various professional regulatory bodies in the province. PEGNL anticipates that further enhancements will be required to its requirements and processes moving forward to ensure compliance with this Act and its associated Regulations (which are currently under development).

Volunteers are vital to the successful function of organizations such as PEGNL. Thank you to all PEGNL members who have helped with the academic and experience evaluation processes as well as members of the Registration Committee, the Examination Waiver Committee, and the Limited License Assessment Committee for their time, dedication, and expertise. A special thank you to Terry Gardiner, P. Eng., FEC, who completed his term on the Registration Committee in 2022, having served on the committee for over ten years, including most recently as Chair. PEGNL thanks Terry for his many years of service to the committee and to the professions.

## Registration Statistics 2013-2022

Year Ended December 31, 2022

MEMBERSHIP CATEGORY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Non-Practicing Members (Life, Retired, Non-Practicing)	244	271	298	330	356	371	519	427	402	414
Professional Engineers	3362	3614	3808	3795	3956	3962	3727	3743	3752	3723
Professional Geoscientists	296	306	325	320	332	341	307	323	336	343
Dual P. Eng. / P. Geo.	14	15	12	12	13	14	13	15	16	15
Engineers-in-Training	482	523	523	532	529	523	515	517	520	552
Geoscientists-in-Training	58	55	58	74	62	77	85	82	71	85
Limited Licensee - Eng. L.	2	8	11	13	13	15	16	15	16	21
Limited Licensee - Geo. L.	0	0	0	0	1	1	1	1	1	1
<b>TOTAL MEMBERSHIP</b>	<b>4458</b>	<b>4792</b>	<b>5035</b>	<b>5076</b>	<b>5262</b>	<b>5304</b>	<b>5183</b>	<b>5123</b>	<b>5114</b>	<b>5154</b>
Annual Growth	8.7%	7.5%	5.1%	0.8%	3.7%	0.8%	-2.3%	-1.2%	-0.2%	0.8%

PERMITS TO PRACTICE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Engineering	486	510	534	544	578	595	559	562	579	574
Geoscience	26	28	31	28	25	27	24	25	29	31
Engineering & Geoscience	12	14	15	16	18	19	18	18	23	24
<b>TOTAL PERMITS TO PRACTICE</b>	<b>524</b>	<b>552</b>	<b>580</b>	<b>588</b>	<b>621</b>	<b>641</b>	<b>601</b>	<b>605</b>	<b>631</b>	<b>629</b>
Annual Growth	13.2%	5.3%	5.1%	1.4%	5.6%	3.2%	-6.2%	0.7%	4.3%	-0.3%



PEGNL  
**Carbon Neutral**  
in 2022

## New Executive Limitation and Strategy

In December 2021, PEGNL's Board of Directors established a new Executive Limitation Board Policy, "2.10 Environmental Stewardship". The policy states *"The CEO shall not allow practices which harm [jeopardize] the environment where reasonable alternatives exist which are not cost prohibitive."* As part of the CEO's interpretation of this policy, the need for an inventory of PEGNL's greenhouse gas (GHG) emissions was identified, as taking action on climate change begins with knowing our current environmental impacts.

The year 2019 was chosen as a reasonable reference point or baseline for determining GHG reduction targets due to the pandemic influence in the years 2020 and 2021. In 2019, PEGNL operations produced 60.5 tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e).

PEGNL's GHG inventory was prepared based on the Greenhouse Gas Protocol. This approach classifies emission sources by "scopes". There are three scopes defined in the Greenhouse Gas Protocol: i) direct GHG emissions; ii) electricity indirect GHG emissions; and iii) other indirect GHG emissions. As an office-based organization with a leased office space, PEGNL has no direct GHG emissions, while electricity indirect GHG emissions are generated through PEGNL's leased office. Most of PEGNL's GHG emissions however can be attributed to other indirect GHG emissions.

The largest contributors of greenhouse gas emissions were business travel (53.4%), staff commuting (19.1%), catering for Board and volunteer committee meetings (10.1%) and office related activities such as printing and waste (10.9%).



Various initiatives undertaken since 2019 have contributed to reductions in PEGNL's GHG emissions, such as: moving to a new smaller office space with energy efficient lighting/appliances; reduction in staff commuting emissions; and greater use of virtual meetings.

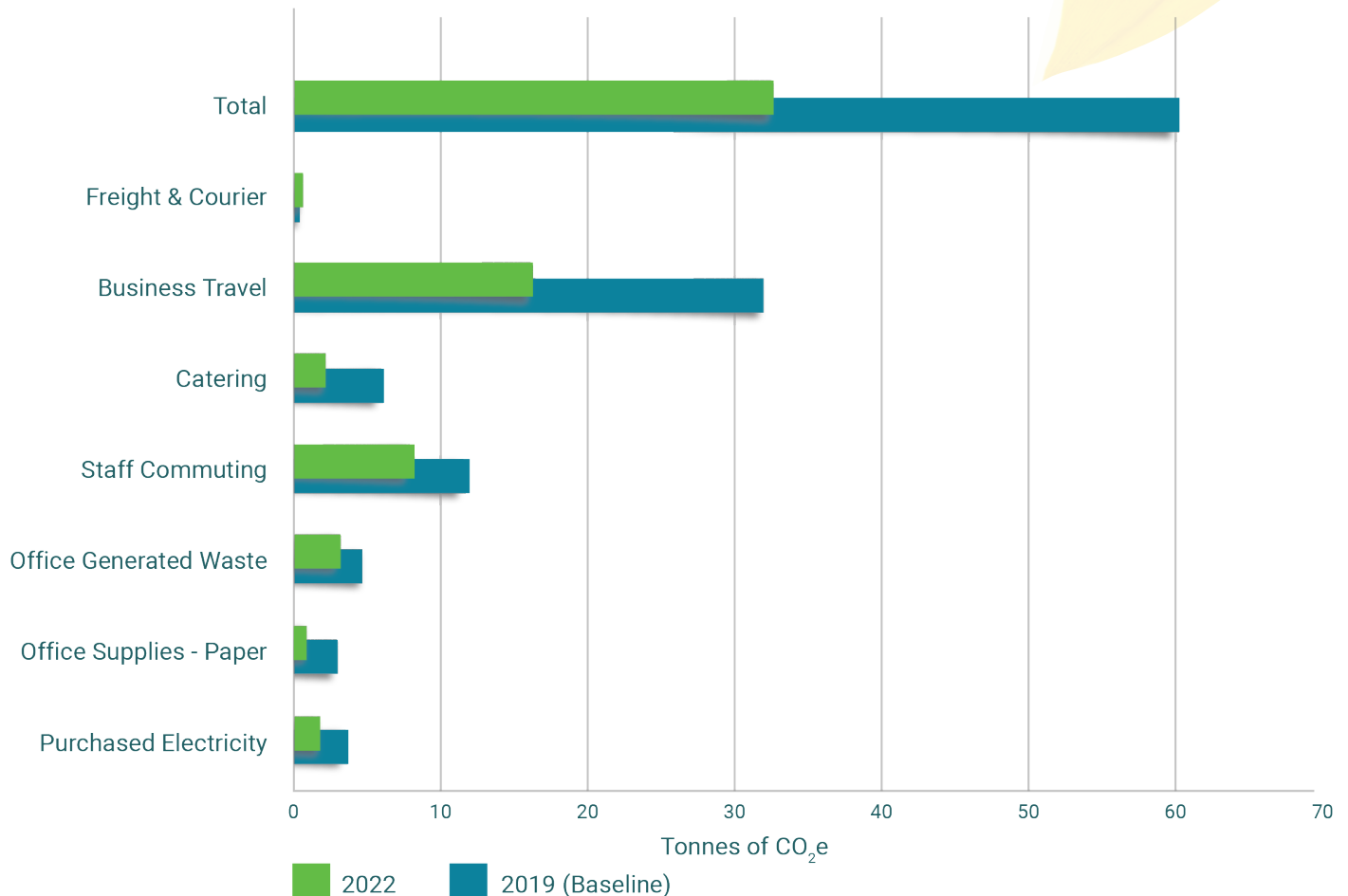
The draft 2022 GHG inventory resulted in 32.3 tonnes of CO<sub>2</sub>e, a 47% decrease from the 2019 baseline. PEGNL will complete annual GHG inventories, with a goal to reducing and offsetting residual GHG emissions. A carbon offset (or carbon credit) is the certified reduction or removal of one tonne of CO<sub>2</sub>e from the atmosphere.

For the 2022 residual emissions (32.3 tonnes CO<sub>2</sub>e), PEGNL will offset with carbon credits from the UN Carbon Offset market. UN Framework for Climate Change (UNFCCC) projects not only cut carbon but also deliver life-changing benefits to vulnerable communities. Purchasing emission

reductions from projects that support sustainable development in vulnerable communities ensures that offsetting also contributes to climate justice, improving the lives of those least responsible for the problem and least economically equipped to adapt to the changing conditions caused by climate change. This helps contribute toward meeting Sustainable Development Goals (SDG) such as no poverty (SDG1), good health and well-being (SDG3), gender equality (SDG5), clean water and sanitation (SDG6), affordable clean energy (SDG7), decent work and economic growth (SDG8), life on land (SDG15) and of course, climate action (SDG13).

We all have a role to play in the fight against climate change. Our actions, however small, can have a profound impact when combined with those of thousands of others wanting to make a difference.

## 2019 vs 2022 GHG Emissions





# Appreciating the Roles of Engineers and Geoscientists

We sometimes hear from both PEGNL members and the public alike, that the engineering and geoscience professions are not well-understood. More specifically, the areas of practice of the professions are seen as being much more narrow than they actually are. There are stereotypical views of the professions that are both outdated and inaccurate.

In 2022, PEGNL began working on a public awareness campaign aimed at improving public understanding of what the professions are and the full range of impacts they have on people's daily lives. Also in 2022, Engineers Canada undertook a national campaign to highlight the diversity and value of the work of engineers. In addition to improving public understanding, the campaigns are aimed at attracting more young people and increasing the diversity of the professions.

# Campaign Key Messages

- Engineering and Geoscience solutions are born from creativity, compassion, perspective and ingenuity (not just math and science).
- The work of engineers and geoscientists is aimed at impacting the world and people's lives for the better.
- Many of the toughest challenges of today and tomorrow are solved by engineers and geoscientists.
- Engineers and Geoscientists advance technology, create economic value and do social good. Above all, they help people.
- Engineers and Geoscientists are responding to the pressure to find solutions that work well not only for their employers, but for everyone.
- Engineering and Geoscience are satisfying and accessible careers where a diversity of skills and perspectives are needed.

At the same time, the Engineers Canada campaign will focus on increasing the trust and value of the engineering profession. It will highlight some of the emerging disciplines and non-traditional roles that engineers play in society such as:

- Designing novel medical treatment methodologies and equipment
- Creating smarter cities
- Harnessing renewable energy
- Helping people live independently through prosthetic limbs etc.

While the two campaigns are independent, they will be mutually complementary; both aiming to increase public understanding of and value for our professions. Both campaigns will launch in 2023.

**Stay tuned...**

# 2022 PEGNL Volunteers

Sudeshna Abbott, P. Eng., FEC  
Eric Albrechtsons, P. Geo.  
Carolyn Anstey-Moore, P. Geo.  
Gerry Antle, P. Eng., FEC  
Matthew Appleby, P. Eng.  
Richard Appleby, P. Eng.  
Azher Babar, P. Eng.  
Michelle Baikie  
Sheldon Baikie, P. Eng.  
Kristine Bailieu, P. Eng.  
Joanna Barnard, P. Eng. (Retired), FEC  
Stephen Barnes  
Eric Barrett, P. Eng.  
Dr. Luigi Benedicenti, P. Eng.  
Byron Bennett, P. Eng.  
Gilbert Bennett, P. Eng.  
Darryl Benson, P. Eng., FEC  
Chad Benteau, P. Eng.  
Andrew Blundon, P. Eng., FEC  
Lorne Boone, P. Eng., P. Geo., FEC, FGC  
Ann Bridger, P. Eng. (Retired)  
Derek Brown, P. Eng. (Retired), FEC  
Dr. Stephen Butt, P. Eng.  
Sarah Butt, P. Eng.  
Dr. Susan Caines, P. Eng.  
Jonathan Caines, P. Eng.  
Deric Cameron, P. Eng.  
Nic Capps, P. Geo.  
Michael Carroll, P. Eng.  
Rod Churchill, P. Geo., FGC  
Ben Collingwood, P. Eng.  
Alyssa Comerford, E.I.T.  
Mark Constantine, P. Eng.  
Ryan Cooper, P. Eng.  
Steve Corbett, P. Eng.  
Dr. Stephen Czarnuch, P. Eng.  
Dr. Claude Daley, P. Eng., FEC  
Chelsea Davis, P. Eng.

Brad Dawe, P. Eng.  
Dr. Bentotage (Oscar) De Silva, P. Eng  
Paul Deering, P. Eng., P. Geo.  
Michael Dormody, P. Eng.  
Logan Drum, P. Eng.  
Gerard Dunphy, P. Eng., FEC  
Sherry Dunsworth, P. Geo.  
Shawn Duquet, P. Geo.  
Rod Durnford, P. Eng.  
Jordan Elliot  
Geoff Emberley, P. Eng. (Retired), FEC  
Steve Emberley, P. Geo  
Derek Follett, P. Eng.  
Steven Frizzel, P. Eng.  
Mike Furey, P. Eng.  
Terry Gardiner, P. Eng., FEC  
Michael Gehue, P. Eng.  
Dr. Glynn George  
Alex Gibson, CPHR  
Dr. Eric Gill, P. Eng.  
Erin Gillis, P. Geo.  
Nick Gillis, P. Eng.  
Doug Goodridge, P. Eng., FEC  
Dr. Ray Gosine, P. Eng., FEC  
Steven Greeley, P. Eng.  
Dr. Jacques Guigné, P. Geo.  
Natalie Hallett, P. Eng., FEC  
Dorothea Hanchar, P. Geo.  
Dr. Kelly Hawboldt, P. Eng.  
Jill Henderson, P. Eng.  
Susann Hickey, P. Eng., FEC  
David Hicks, P. Eng.  
Barry Hillier, P. Eng.  
Dwayne Hopkins, P. Eng.  
Grant Horwood, P. Eng.  
Stewart Hughes, P. Eng.  
Jason Kean, P. Eng.

Mark Kenny, P. Eng.  
Kim Kieley, P. Eng., FEC  
Alan Kirby, P. Eng. (Retired), FEC  
Bikky Kumar, P. Eng.  
Rob Langridge, P. Geo.  
Darin LeBlanc, FEC  
Bill Legge  
Michelle Lethbridge, P. Geo.  
Dr. Leonard Lye, P. Eng. (Retired), FEC  
Nikita Mailman, P. Eng.  
Bill Maybee, P. Eng. (Retired), FEC  
Melanie McGrath, LLB, MBA  
Shafiu Mintu, P. Eng.  
Patrick Moran, P. Geo.  
Mervin Morris, P. Eng.  
Thomas Mullins  
Stephen Mulrooney, P. Eng.  
Michael Murphy, P. Eng.  
Paul Murphy, P. Eng.  
Gary Murray, P. Eng., FEC  
Jennifer Murray, P. Eng.  
Nicole Myers, P. Eng.  
Dr. Baafour Nyantekyi-Kwakye, P. Eng.  
Jason O'Brien, P. Eng.  
Adedoyin Odukoya, P. Eng.  
Bill O'Keefe, P. Eng., FEC  
Dale O'Reilly, P. Geo.  
Liz Palmera-Nuñez, P. Eng.  
Kimberley Pearce, P. Eng.  
Mark Peddle, P. Eng.  
Elizabeth Percy, P. Eng.  
Dr. Dennis Peters, P. Eng., FEC  
Dr. Stephen Piercey, P. Geo., FGC  
Louise Pinsent Parsons  
Dr. Titia Praamsma, P. Geo.  
Dr. John Quaicoe, P. Eng., FEC  
Amanda Rietze, P. Geo.

Matthew Runyon, P. Eng.  
Dr. Noori Saady, P. Eng.  
Dr. Scott Schillereff, P. Geo., FGC  
Pamela Sharpe, P. Eng.  
Valerie Shepard, P. Eng.  
Krista Simmons, P. Eng.  
Ashley Skinner, P. Eng., FEC  
Renee Smith, P. Eng., FEC  
Trevor Sooley, P. Eng.  
Chris Soper, P. Eng. (Retired), FEC  
Darlene Spracklin-Reid, P. Eng., FEC  
Andrea Stack, CFP, CLU, FPSI  
Leanne Stein, P. Eng.  
Amy Stewart, P. Eng.  
Mark Stuckless, P. Eng.  
Brian Taite, P. Eng.  
John Townsley, P. Geo.  
Karen Traverse, P. Eng.  
Barry Trenholm, P. Eng.  
Trina Troke, P. Eng.  
Onochie Umeogu, E.I.T.  
Spencer Vatcher, P. Geo.  
Suraj Wadhawan, P. Eng. (Retired)  
Erin Walsh, P. Eng.  
Victoria Warford, P. Eng. (Retired), FEC  
Michel Wawrzkow, P. Eng., P. Geo.  
Dr. Kim Welford, P. Geo.  
Darlene Whalen, P. Eng., FEC  
Scott Whalen, P. Eng.  
Jennifer Williams, P. Eng., FEC  
Dr. Derek Wilton, P. Geo., FGC  
Dr. Christopher Woodworth-Lynas, P. Geo.  
Dr. Babatunde Yusuf, P. Eng., MBA  
Dr. Helen Zhang, P. Eng.



PROFESSIONAL  
ENGINEERS &  
GEOSCIENTISTS  
NEWFOUNDLAND  
& LABRADOR

professional excellence. public trust.

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**  
**Financial Statements**  
**Year Ended December 31, 2022**

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**  
**Index to Financial Statements**  
**Year Ended December 31, 2022**

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# POWER & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Professional Engineers and Geoscientists Newfoundland and Labrador

### *Opinion*

We have audited the financial statements of Professional Engineers and Geoscientists Newfoundland and Labrador (the Association), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 24, 2022.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

(continues)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**  
**Statement of Financial Position**  
**December 31, 2022**

	General Fund	Future Set Fund	Endowment Fund	<b>2022 Total</b>	2021 Total
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 2,019,422	\$ 2,703	\$ 3,715	\$ <b>2,025,840</b>	\$ 1,599,207
Marketable securities (Note 2)	987,362	-	-	<b>987,362</b>	1,089,374
Accounts receivable	-	6,036	-	<b>6,036</b>	6,036
Prepaid expenses	32,550	-	-	<b>32,550</b>	23,093
Interfund receivables	5,746	-	8,116	<b>13,862</b>	18,483
	3,045,080	8,739	11,831	<b>3,065,650</b>	2,736,193
CAPITAL ASSETS (Note 3)	367,153	309	-	<b>367,462</b>	442,544
LONG TERM INVESTMENTS (Note 4)	627,863	-	620,535	<b>1,248,398</b>	1,209,021
	<b>\$ 4,040,096</b>	<b>\$ 9,048</b>	<b>\$ 632,366</b>	<b>\$ 4,681,510</b>	<b>\$ 4,387,758</b>

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**

**Statement of Financial Position**

**December 31, 2022**

	General Fund	Future Set Fund	Endowment Fund	<b>2022 Total</b>	2021 Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities <i>(Note 5)</i>	\$ 264,385	\$ -	\$ -	\$ <b>264,385</b>	\$ 227,989
Deferred income	1,552,437	-	-	<b>1,552,437</b>	1,386,120
Interfund payable	8,116	5,746	-	<b>13,862</b>	18,483
	<u>1,824,938</u>	<u>5,746</u>	<u>-</u>	<b><u>1,830,684</u></b>	<u>1,632,592</u>
<b>NET ASSETS</b>					
Unrestricted	1,201,381	3,302	-	<b>1,204,683</b>	1,005,813
Capital asset fund	367,462	-	-	<b>367,462</b>	442,061
Board restricted reserve fund	646,315	-	-	<b>646,315</b>	624,160
Externally restricted	-	-	632,366	<b>632,366</b>	683,132
	<u>2,215,158</u>	<u>3,302</u>	<u>632,366</u>	<b><u>2,850,826</u></b>	<u>2,755,166</u>
	<u>\$ 4,040,096</u>	<u>\$ 9,048</u>	<u>\$ 632,366</u>	<b><u>\$ 4,681,510</u></b>	<u>\$ 4,387,758</u>

LEASE COMMITMENTS *(Note 8)*

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**

**Statement of Operations**

**Year Ended December 31, 2022**

	General Fund 2022	Future Set Fund 2022	Endowment Fund 2022	Total 2022	Total 2021
<b>INCOME</b>					
Membership fees	\$ 1,252,164	\$ -	\$ -	\$ 1,252,164	\$ 1,182,601
Permit fees	431,739	-	-	431,739	413,322
Application fees	154,124	-	-	154,124	144,400
Other (Note 6)	127,123	-	-	127,123	77,570
Seals & examinations	65,096	-	-	65,096	61,415
Interest and investment revenue	42,180	17	21,238	63,435	26,949
Chapter revenue	44,830	-	-	44,830	7,935
Donation revenue	-	-	17,087	17,087	69,801
Unrealized gain (loss) on investments	(61,188)	-	(59,806)	(120,994)	193,238
	<u>2,056,068</u>	<u>17</u>	<u>(21,481)</u>	<u>2,034,604</u>	<u>2,177,231</u>
<b>EXPENSES</b>					
Salaries and wages	940,547	-	-	940,547	835,887
Administration	388,435	-	3,785	392,220	479,256
Amortization	148,929	77	-	149,006	160,453
Board governance	78,333	-	-	78,333	48,959
Engineers / Geoscientists Canada	71,541	-	-	71,541	62,552
Professional fees	67,265	-	-	67,265	108,861
Internal and external communications	61,427	-	-	61,427	20,511
Seals and exams	52,370	-	-	52,370	42,536
Chapter expense	44,439	-	-	44,439	31,592
Scholarships and student support	12,737	-	25,500	38,237	40,997
Membership services (Note 7)	20,330	-	-	20,330	24,260
Special projects	7,110	-	-	7,110	-
Other	5,584	-	-	5,584	8,809
Travel	5,407	-	-	5,407	1,554
Meetings expense	5,130	-	-	5,130	6,254
	<u>1,909,584</u>	<u>77</u>	<u>29,285</u>	<u>1,938,946</u>	<u>1,872,481</u>
<b>EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES</b>	<b>\$ 146,484</b>	<b>\$ (60)</b>	<b>\$ (50,766)</b>	<b>\$ 95,658</b>	<b>\$ 304,750</b>

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2022**

	GENERAL FUND	Future Set Fund	Endowment Funds	Board Restricted Reserve Fund	Capital Assets Fund	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,002,453	\$ 3,362	\$ 683,132	\$ 624,160	\$ 442,061	<b>\$ 2,755,168</b>	\$ 2,450,418
Excess (deficiency) of income over expenses	295,413	(60)	(50,766)	-	(148,929)	<b>95,658</b>	304,750
Capital purchases	(74,330)	-	-	-	74,330	-	-
Interfund transfers	(22,155)	-	-	22,155	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,201,381</b>	<b>\$ 3,302</b>	<b>\$ 632,366</b>	<b>\$ 646,315</b>	<b>\$ 367,462</b>	<b>\$ 2,850,826</b>	<b>\$ 2,755,168</b>

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR****Statement of Cash Flows****Year Ended December 31, 2022**

	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Cash receipts from members	\$ 2,200,921	\$ 2,315,015
Cash paid to suppliers and employees	(1,744,086)	(1,705,115)
Interest and dividends received	63,439	26,949
	<hr/>	<hr/>
Cash flow from operating activities	<b>520,274</b>	636,849
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(74,330)	(351,076)
Proceeds on disposal of investments	217,328	113,418
Purchase of investments	(236,639)	(1,013,972)
	<hr/>	<hr/>
Cash flow used by investing activities	<b>(93,641)</b>	(1,251,630)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>426,633</b>	(614,781)
Cash - beginning of year	<hr/> <b>1,599,207</b>	<hr/> 2,213,988
<b>CASH - END OF YEAR</b>	<hr/> <b>\$ 2,025,840</b>	<hr/> \$ 1,599,207

# PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

## Notes to Financial Statements

Year Ended December 31, 2022

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The Association was incorporated without share capital under the laws of the Province of Newfoundland and Labrador as a non-profit organization on March 7, 1995. Its principal activities include the registration and regulation of the engineering and geoscience professions, as well as the promotion of the proficiency of professional engineers and geoscientists in the Province of Newfoundland and Labrador. The Association is a non-profit organization under the Income Tax Act and is exempt from income tax.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial Statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Fund Accounting

The Association follows the deferral method of accounting for contributions and presents using fund accounting.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund. The General Fund also reports activity for unrestricted funds where no separate fund is presented. This includes Capital Asset Fund, Legal and Miscellaneous Contingency Fund and Wind-up Contingency Fund.

The Endowment Fund is an unincorporated registered charity and is not subject to income tax. The purpose of the Endowment Fund is to receive donations from members of Professional Engineers and Geoscientists Newfoundland and Labrador to aid in the provision of scholarships and bursaries to worthy students.

The Future Set Fund was formed in 1995 and is unincorporated registered charity and is not subject to income tax. The purpose of the division is to advance the education of school age children through camps and school workshops. Also, the National Engineering and Geoscience Month (NEGM) program commenced in 2010. This program focuses on the sustainability of the professions of engineering and geoscience by promoting interest in these professions among youth.

#### Internally Restricted Contingency Funds

The Board Restricted Reserve Fund represents internally restricted appropriated surplus funds set aside by the board of directors to ensure the long-term financial viability of Professional Engineers and Geoscientists Newfoundland and Labrador. These funds are not to be used for operating purposes without specific approval of the Board of Directors.

The Board of Directors approved that balances of these appropriated surplus funds shall be adjusted annually to 4/12 of actual yearly expenses.

*(continues)*



# PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	20% & 50%	declining balance method
Database	3 years	straight-line method
Furniture and equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method

The Association regularly reviews its property, plant and equipment to eliminate obsolete items.

#### Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Revenue from membership fees, licenses to practice and permits to practice are recognized in full during the period which they were received as payment of these fees is voluntary. The revenue is not considered collectible until the fees are received.

The Association sends reminder notices to its members in October of upcoming membership renewals. All membership fees received after this time are treated as membership revenue for the upcoming fiscal year, and are adjusted to deferred revenue.

Unrestricted net investment income is recognized as revenue when earned.

Endowment contributions are recognized as net assets when received.

Net investment income earned on endowment fund resources are fully restricted and are recognized as revenue of the fund when earned.

All other revenue is recognized on the accrual basis, when performance is achieved and collectability is reasonably assured.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist.

#### Contributed services

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

*(continues)*

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include deferred revenue and the useful lives of capital assets.

**2. MARKETABLE SECURITIES**

	<u>2022</u>	<u>2021</u>
Marketable securities, at cost	\$ 828,129	\$ 887,264
Adjustment to fair value	159,233	202,110
	<u>\$ 987,362</u>	<u>\$ 1,089,374</u>

**3. PROPERTY, PLANT AND EQUIPMENT**

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Computer equipment	\$ 233,954	\$ 180,283	\$ 215,288	\$ 169,197
Database	306,687	227,116	254,375	154,724
Furniture and fixtures	180,336	154,960	177,390	148,985
Furniture and equipment	57,605	57,141	57,605	57,025
Leasehold improvements	417,508	209,128	417,508	149,691
	<u>\$ 1,196,090</u>	<u>\$ 828,628</u>	<u>\$ 1,122,166</u>	<u>\$ 679,622</u>
Net book value	<u>\$ 367,462</u>		<u>\$ 442,544</u>	

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**4. LONG TERM INVESTMENTS**

	2022	2021
General Fund, at cost	\$ 647,223	\$ 559,564
Adjustment to fair value	(19,360)	(1,049)
	<b>627,863</b>	558,515
	2022	2021
Endowment Funds, at cost	545,847	516,012
Adjustment to fair value	74,688	134,494
	<b>620,535</b>	650,506
Grand total	<b>\$ 1,248,398</b>	\$ 1,209,021

**5. GOVERNMENT REMITTANCES**

Included in accounts payable and accrued liabilities are government remittances payable of \$213,438 (2021 - \$130,631).

**6. OTHER REVENUE**

	2022	2021
Insurance programs	\$ 81,108	\$ 77,310
Canada Emergency Business Account forgiveness	20,000	-
Disciplinary fees	26,015	-
Sundry	-	260
	<b>\$ 127,123</b>	\$ 77,570

**7. MEMBER SERVICES**

Member services expense relates to secondary professional liability premiums.

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2022

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**8. LEASE COMMITMENTS**

The Association has a lease with respect to its office space and parking that expires on December 31, 2026. Under the lease, the Association is required to pay a base rate of \$8,970 per month, which includes all operating costs, realty taxes and electricity.

Contractual obligation repayment schedule:

2023	\$	107,640
2024		107,640
2025		107,640
2026		107,640

**9. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2022.

**(a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Association is exposed to the risk mainly through its accounts payable and accrued liabilities.

**(b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk and other price risk.

**(c) Interest rate risk**

The Association is exposed to interest rate fair value risk on its fixed rate investments. The Association's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. The Association mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

**(d) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in quoted shares. The risk has decreased from the prior year due to decrease in marketable securities.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.