

Learning From Today  
Shaping Tomorrow



# 2013 ANNUAL REPORT



## BOARD OF DIRECTORS

**Sean LaCour**, P. Eng., FEC, Chair (Elected) - Manager of Operations, Newfoundland Power, St. John's

**Dr. Dennis Peters**, P. Eng., FEC, Chair-Elect (Elected) - Head, Department of Electrical & Computer Engineering, Memorial University, St. John's

**Bill Hunt**, P. Eng., FEC, Past Chair (Elected) - Engineering Manager, Molson Coors Canada Ltd., St. John's

**Rod Churchill**, P. Geo., Director (Elected) - Lands & Operations Manager, Altius Resources Inc., St. John's

**Neil Cleary**, P. Eng., Director (Elected) - President and Sr. Mechanical Engineer, Crosbie Engineering Ltd., St. John's

**Sherry Freake**, RN, Director (Ministerial Appointee) - Chief Operating Officer, Central Health, Gander

**Ed Grant**, Director (Ministerial Appointee) - Proprietor, Mount Pearl

**Dr. John Hanchar**, P. Geo. (ex-officio) - Head, Department of Earth Sciences, Memorial University, St. John's

**Jane Kieley**, P. Eng., Director (Elected) - Senior Manager, Network Performance and Traffic Management, Bell Aliant, St. John's

**Dr. Greg Naterer**, P. Eng. (ex-officio) Dean, Faculty of Engineering and Applied Sciences, Memorial University, St. John's

**Ian Osmond**, P. Eng., Director (Elected) - Project Engineer, Atlantic Engineering Consultants Ltd., Corner Brook

**Andrew Peach**, P. Geo., Director (Elected) - Geotechnical Manager, SNC Lavalin, St. John's

**Darlene Spracklin-Reid**, P. Eng., Director (Elected) - Senior Instructional Designer, Memorial University, St. John's

**Marina Whitten**, Q.C., Director (Ministerial Appointee) Lawyer, Aylward, Chislett, & Whitten Law Office, Paradise



(L to R): Dr. John Hanchar, P. Geo.; Dr. Greg Naterer, P. Eng.; Jane Kieley, P. Eng.; Ian Osmond, P. Eng.; Sean LaCour, P. Eng., FEC; Marina Whitten, Q.C.; Geoff Emberley, P. Eng., FEC; Andrew Peach, P. Geo.; Sherry Freake, RN; Ed Grant; Dr. Dennis Peters, P. Eng., FEC  
Missing from Photo: Rod Churchill, P. Geo.; Neil Cleary, P. Eng.; Bill Hunt, P. Eng., FEC; Darlene Spracklin-Reid, P. Eng.

## STAFF



**Geoff Emberley, MBA,**  
P. Eng., FEC, Chief  
Executive Officer, Registrar



**Mark Fewer,** Chief  
Operating Officer,  
Deputy Registrar



**Leo White, P. Eng.,**  
Professional Standards  
Director



**Kevina Willmott,**  
Compliance Officer



**Andrew Peach,**  
Operations Coordinator



**Lesley Oakley,**  
Registration Coordinator



**Jennifer Lane,**  
Administrative Assistant

## CHAIR & CHIEF EXECUTIVE OFFICER'S REPORT



SEAN LACOUR  
P. ENG., FEC



GEOFF EMBERLEY  
MBA, P. ENG., FEC

### REVISED ENDS FOR PEGNL

In 2013 the Board brought to conclusion the revision of its fundamental goals, or Ends as they are called in our Board governance model. The Board adopted the following highest level End for PEGNL:

“Professional Engineers and Geoscientists Newfoundland and Labrador (PEGNL) exists for the protection of the public interest with regard to the practice of engineering and geoscience in accordance with the Engineers and Geoscientists Act, 2008 (the Act) but not limited to the Act, at a cost that demonstrates good stewardship of membership resources.”

The three main Ends of PEGNL are:

- competent and ethical practice of engineering and geoscience
- public confidence that the professions are regulated in accordance with the Act.
- sustainability and relevance of the professions.

This revision of the Ends puts greater emphasis on PEGNL's regulatory role and more clearly defines what is to be achieved. More detail on Ends policies are on PEGNL's website under the Board of Directors' section.

### LIMITED LICENSE TO PRACTICE

The professional member - limited licensee category enables those with appropriate qualifications to become registered with PEGNL and to practice within a specified and limited scope. This limited scope will be defined in accordance with the applicant's education and experience. The new class of license is consistent with what is happening in some other provinces whereby appropriately qualified technologists, natural scientists and others have become professional members with limited licenses to

practice. Those who will have limited licenses to practice will be permitted to use the designations Eng. L. or Geo. L.

In 2013 PEGNL received its first applications for limited licensure. At year end there were two limited licensees in the practice of engineering (Eng. L.) registered with PEGNL. Both are three-year engineering technology graduates. One was evaluated and recommended by the PEGNL Limited License Assessment Committee and approved by the PEGNL Registration Committee. The second was a person registered with the Association of Professional Engineers and Geoscientists of Alberta as a limited licensee in the practice of engineering who applied to PEGNL and was accepted. As of the writing of this report, there is another person registered as a limited licensee in the practice of engineering who has a university science program background. There are a number of applications currently in process. PEGNL expects that there will be significant growth in this category of licensure over the next few years.

### WORKING WITH THE PROVINCIAL GOVERNMENT

During 2013, PEGNL representatives met with then Minister of Service NL, Honourable Nick McGrath and members of his staff. Service NL is the provincial department that has government responsibility for the Engineers and Geoscientists Act (2008). Government indicated that PEGNL appears to be fulfilling its mandate in administering the Engineers and Geoscientists Act in the public interest. PEGNL continues to discuss a number of matters with the province.

## A NATIONAL PERSPECTIVE

PEGNL works with the engineering and geoscience regulatory bodies in each province and territory. The national bodies, Engineers Canada and Geoscientists Canada, were formed by these organizations to work nationally in developing common standards and practices, to work with the federal government regarding the regulation of professional work, and to work with other countries to facilitate agreements for both those coming to Canada to practice professionally and for those licensed here to work in other countries.

Much of the work on the common practices and standards for regulation of the engineering profession is being done through an initiative called, "The Canadian Framework for Licensure". This year the PEGNL Board spent considerable time working on this initiative along with the other boards across the country and Engineers Canada to create a well defined common national engineering regulatory framework.

PEGNL has been working with Geoscientists Canada and the other geoscience regulatory associations across Canada to undertake a new strategic plan for Geoscientists Canada. The last strategic plan saw the implementation of a number of important national initiatives. Important among these was the Geoscience Knowledge Requirements, which is used by geoscience regulatory associations such as PEGNL and by universities to ensure that those graduating from geoscience programs meet common regulatory requirements for licensure.

## GROWTH IN LICENSURE

Paralleling 2011 and 2012, 2013 has been a year of tremendous growth in both individual licensure and corporate permits to practice. Each has grown 8.7% and 13.2% respectively in 2013, down slightly from previous years but well above the averages for similar organizations across Canada. This growth is due to increased professional work being done in or for the province of Newfoundland & Labrador, as well as PEGNL's increased compliance activities.

While part of the increase in PEGNL's register is attributable to these compliance efforts, it is not PEGNL's intent to increase registration through compliance efforts; rather to ensure those practicing in or for the province of Newfoundland & Labrador comply with the Act.

With this overall growth we see increasing numbers of applicants who are trained and working in other countries applying to be licensed with PEGNL. While international agreements and good accreditation practices in other countries facilitate our registration of properly qualified applicants, we work hard to be timely and fair in our registration of applicants from other countries. International applicants are becoming an important part of the contributions that engineering and geoscience make to the province of Newfoundland & Labrador.

Note that the percentage increases noted for 2013 are net increases. The net growth is a combination of increases due to new registrants and reductions due to those who resigned. Much of the work by out of province practitioners tends to be project based and as such these people resign when the projects are completed.

Early indications are that significant overall growth is continuing in 2014.

## CHAIR & CHIEF EXECUTIVE OFFICER'S REPORT

### **VOLUNTEERS & STAFF**

As a self regulating professional organization, PEGNL could not operate without the dedicated efforts of volunteer members. Approximately 150 volunteer engineers and geoscientists contribute many hours annually, conducting PEGNL's regulatory and professional affairs. In addition to our professional members we also thank our ministerial appointed representatives on the PEGNL Board of Directors and on the Discipline Panel.

With the changes associated with the new regulations, the growth in registration and the increase in our compliance efforts, there have been many challenges for PEGNL staff. We thank the staff for responding so well to this year's challenges.

Ms. Julia Ludlow, PEGNL's former Assistant Registrar, resigned her position towards the end of 2013 to pursue other opportunities. We thank her for her contribution to PEGNL and wish her well in her future endeavours.

### **FINANCES**

Financial schedules, excerpted from the Auditors Report, are included in the Annual Report for the information of members.

The statement of operations for the 2013 fiscal year indicates an annual excess of revenues over expenses of \$383,770. There is a significant increase in revenues above the budgeted amount and operating expenditures were lower than budgeted. The increase in revenue above budget 2013 is due to the significant increase in individual registration and corporate permits to practice.

The Statement of Financial Position shows that PEGNL carried a surplus, above the required operating and appropriated reserves, into the fiscal year 2014.

The budget for 2014, projects a positive outcome for 2014 with revenues in excess of expenses at \$85,000. The budgeted revenue component is based on a membership increase of 6%. The budgeted expense component projects an increase in expenditures, primarily labour which includes the first full year for the Compliance Officer and increases in the cost of facilities. If registration continues to increase at the rate that we have seen early in 2014, PEGNL will meet the 6% increase that was budgeted for 2014.

As a consequence of the foregoing, there was no increase in membership fees assessed for 2014.

To the Members of Professional Engineers and Geoscientists Newfoundland and Labrador:

We have audited the accompanying financial statements of Professional Engineers and Geoscientists Newfoundland and Labrador, which comprise the statement of financial position as at December 31, 2013, and the statements of revenues and expenses, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### **OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Professional Engineers and Geoscientists Newfoundland and Labrador as at December 31, 2013 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Newfoundland and Labrador  
April 11, 2014



CHARTERED ACCOUNTANTS

## STATEMENT OF FINANCIAL POSITION

	Dec. 31 2013	Dec. 31 2012
<b>ASSETS</b>		
<b>Current</b>		
Cash and bank	1,210,076	1,123,466
Long-term investments	1,198,438	797,618
Short-term investments	62,440	48,828
Accounts receivable	2,978	1,163
Prepaid expenses	11,313	9,700
	<b>2,485,245</b>	<b>1,980,775</b>
<b>Property and Equipment</b>	<b>60,324</b>	<b>44,812</b>
<b>Intangible asset</b>	<b>35,030</b>	<b>23,970</b>
	<b>2,580,599</b>	<b>2,049,557</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	174,872	139,961
Deferred income	882,590	766,485
Due to related parties	6,385	6,646
Current portion of capital lease obligations	3,125	3,451
Obligations under capital lease	4,991	8,148
	<b>1,071,963</b>	<b>924,691</b>
<b>NET ASSETS</b>		
Invested in capital assets	60,324	44,812
Restricted	197,890	197,890
Unrestricted	1,250,422	882,164
	<b>1,508,636</b>	<b>1,124,866</b>
	<b>2,580,599</b>	<b>2,049,557</b>

Approved on behalf of the Board of Directors:



Geoff Emberley, Chief Executive Officer



Sean LaCour, Chair



# STATEMENT OF OPERATIONS

	Budget 2013	Actual 2013	Variance 2013	Budget 2014
<b>REVENUE</b>				
Membership Fees	949,000	954,748	5,748	1,020,000
Permit Fees	331,000	340,336	9,336	350,000
Other	124,000	163,980	39,980	145,000
Registration Fees	105,000	166,595	61,595	112,000
Interest and Investment Revenue	14,000	20,657	6,657	20,000
Conference Revenue	20,000	30,402	10,402	25,000
	<b>1,543,000</b>	<b>1,676,718</b>	<b>133,718</b>	<b>1,672,000</b>
<b>EXPENSES</b>				
Administration	323,250	316,933	(6,317)	388,900
Engineers Canada/Geosciences Canada	80,000	78,782	(1,218)	90,000
Conference	61,600	46,848	(14,752)	53,750
Board Governance	75,400	56,196	(19,204)	70,150
Internal And External Communications	78,250	83,767	5,517	116,900
Meetings Expense	13,000	13,061	61	14,300
Member Services	20,000	18,241	(1,759)	20,000
Other	126,500	168,958	42,458	117,000
Professional Fees	130,000	42,839	(87,161)	150,000
Salaries and Benefits	490,000	501,658	11,658	515,000
Scholarships and Donations	29,000	11,564	(17,436)	29,000
Travel	32,000	7,015	(24,985)	22,000
	<b>1,459,000</b>	<b>1,345,862</b>	<b>(113,138)</b>	<b>1,587,000</b>
Excess (deficiency) of revenue over expenses	84,000	330,856	246,856	85,000
Unrealized gain (loss) on investments*	-	52,914	52,914	-
	<b>84,000</b>	<b>383,770</b>	<b>299,770</b>	<b>85,000</b>
Capital and Intangible Asset Expenditures**	(50,000)	(65,872)	10,681	(65,000)

\*Unrealized gain (loss) on investments amount represents an unrealized gain on long-term investments. This is a result of an increase in the market value of the long-term investments from December 31, 2012 to December 31, 2013.

\*\*Capital and Intangible Asset Expenditure amount represents gross cash expenditures for the year on tangible and intangible capital items. This line was not a part of the original Audited Statement of Operations, but has been added by PEGNL for information purposes only. The actual amount for 2013 is derived from the Audited Statement of Cash Flow.

## STATEMENT OF CASH FLOW

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Cash receipts from members and related activities	1,770,351	1,618,426
Cash paid to suppliers and employees	(1,219,563)	(1,238,668)
Interest paid	(53,699)	(52,391)
Cash flow from operating activities	<b>497,089</b>	<b>327,367</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(27,523)	(4,425)
Purchase of intangible assets	(38,349)	(28,390)
Interest received	22,748	11,719
Purchase of long-term investments	(410,611)	(319,095)
Proceeds on disposal of short-term investments	47,000	46,000
Cash flow used by investing activities	<b>(406,735)</b>	<b>(294,191)</b>
<b>FINANCING ACTIVITIES</b>		
Advances from (to) related parties	(261)	807
Repayment of obligations under capital lease	(3,483)	(8,850)
Cash flow used by financing activities	<b>(3,744)</b>	<b>(8,043)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>		
Cash - beginning of year	1,123,466	1,098,333
<b>CASH - END OF YEAR</b>	<b>1,210,076</b>	<b>1,123,466</b>

## SUMMARY OF REGISTRATIONS 2003-2013

### MEMBERSHIP

<b>MEMBERSHIP CATEGORY</b>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Life Members	176	186	189	192	195	200	203	210	226	238	244
Professional Engineers	1,802	1,802	1,767	1,851	1,947	2,102	2,175	2,385	2,755	3,108	3,362
Professional Geoscientists	183	190	179	204	203	207	222	246	252	294	296
Dual P. Eng / P.Geo.	13	13	12	11	11	12	12	12	13	13	14
Engineers in Training	287	352	339	321	308	320	339	359	360	398	482
Geoscientists in Training	15	20	25	34	38	49	47	45	42	51	58
Limited License Eng. L.	-	-	-	-	-	-	-	-	-	-	2
Limited License Geo. L.	-	-	-	-	-	-	-	-	-	-	0
<b>TOTAL MEMBERSHIP</b>	<b>2,476</b>	<b>2,581</b>	<b>2,511</b>	<b>2,613</b>	<b>2,702</b>	<b>2,890</b>	<b>2,998</b>	<b>3,257</b>	<b>3,648</b>	<b>4,102</b>	<b>4,458</b>
Annual Growth		4.24%	-2.72%	4.06%	3.41%	6.96%	3.74%	8.64%	12.00%	12.45%	8.68%

### PERMITS TO PRACTICE

<b>PERMITS TO PRACTICE</b>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Engineering	277	273	285	291	280	311	314	321	366	426	486
Geoscience	25	25	28	25	26	27	25	24	22	26	26
Engineering & Geoscience	10	10	9	10	11	12	11	9	11	11	12
<b>TOTAL PERMITS TO PRACTICE</b>	<b>312</b>	<b>308</b>	<b>322</b>	<b>326</b>	<b>317</b>	<b>350</b>	<b>350</b>	<b>354</b>	<b>399</b>	<b>463</b>	<b>524</b>
		-1.28%	4.55%	1.24%	-2.76%	10.41%	0.00%	1.14%	12.71%	16.04%	13.17%

## REGISTRATION COMMITTEE REPORT



DR. STEVE PIERCEY  
P. GEO.

The PEGNL Registration Committee is the decision-making body for admissions for the following categories of registration with PEGNL: Professional Engineers, Professional Geoscientists, Engineers-In-Training, Geoscientists-In-Training, Limited Licensees and Permits to Practice.

2013 marked my first year as Chair of the Registration Committee; the first Professional Geoscientist to serve in this role! 2013 was a busy year; however, the work of the Committee is truly a team effort. A sincere thank you to Dr. Dennis Peters, P. Eng. FEC, for his contribution to the Registration Committee over the past eleven years, including seven as Chair.

During 2013, the Registration Committee held nine regular business meetings and two policy meetings. The committee evaluated 276 applications for professional licensure; 211 applications for member-in-training registration; two applications for limited licensure; 112 applications for permits to practice; and 114 permits to practice addition/revision requests. The committee also endorsed 361 applications for professional licensure, and one application for limited licensure, as required under the Labour Mobility Clause of the Agreement on Internal Trade between provinces.

The growth of registered members continued in 2013. Overall, registration increased by 8.68% over the past year. The number of in-province registrations grew by 8.2%, whereas out-of-province registrations grew by 9.4%.

The total number of Professional Engineers increased by 8.2%. The total number of Professional Geoscientists increased by approximately 1%. Engineer-In-Training registration grew by 21.1% and Geoscientist-In-Training registration grew by 13.7%.

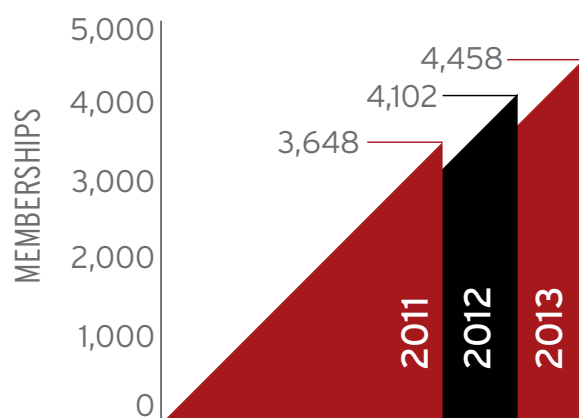
The growth of Permits to Practice also increased significantly in 2013. Overall Permits grew by 13.2%. Out-of-province permits grew by 16.2% and in-province permits by 7.5%. A summary of registrations is included on the previous page.

The Experience Review Committee (ERC), a sub-committee of the Registration Committee, has also been busy in 2013. The ERC completed an assessment of 24 files in 2013, and have continued with assessments in 2014.

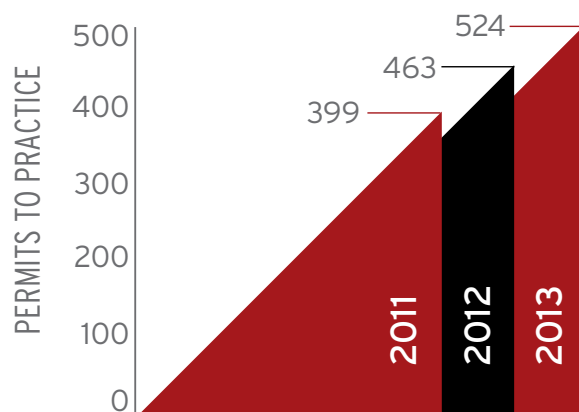
The Limited License Assessment Committee (LLAC), also a sub-committee of the Registration Committee, evaluated its first two applications for a limited license in 2013. The LLAC has continued with further assessments in 2014.

Thank you to all PEGNL Members who have helped with the ERC and LLAC review and interview processes. Thank you to all members of the Registration Committee as well for their time, dedication, and expertise. Volunteers are vital to the successful function of organizations such as PEGNL.

## MEMBERSHIPS



## PERMITS TO PRACTICE



## REGISTRATION COMMITTEE

**EXECUTIVE**

Dr. Steve Piercey, P. Geo. (Chair)  
 Terry Gardiner, P. Eng. (Vice Chair)  
 Dr. Leonard Lye, P. Eng., FEC, (Vice Chair)

**2013 MEMBERS**

Dr. Octavia Dobre, P. Eng.  
 Randy Gillespie, P. Geo.  
 Dr. Ray Gosine, P. Eng., FEC  
 Dr. Amy Hsiao, P. Eng.  
 Kim Kieley, P. Eng., FEC  
 Darin LeBlanc, P. Eng., FEC  
 Paul McDonald, P. Eng., FEC  
 Gary Murray, P. Eng.  
 Paul Nolan, P. Eng.  
 Dr. Derek Wilton, P. Geo.

**EXPERIENCE REVIEW COMMITTEE**

Terry Gardiner, P. Eng. (Chair)  
 Randy Gillespie, P. Geo. (Vice Chair)  
 Dr. Leonard Lye, P. Eng., FEC (Vice Chair)

**LIMITED LICENSE ASSESSMENT COMMITTEE**

Gary Murray, P. Eng. (Chair)  
 Randy Gillespie, P. Geo. (Vice Chair)  
 Darin LeBlanc, P. Eng., FEC (Vice Chair)  
 Derek Brown, P. Eng.  
 Bob Forbes, P. Eng.  
 Dr. Eric Gill, P. Eng.  
 Bill Maybee, P. Eng.  
 Chris Soper, P. Eng., FEC

## PROFESSIONAL STANDARDS DIRECTOR REPORT



LEO WHITE  
P. ENG.

### ROLE OF PROFESSIONAL STANDARDS DIRECTOR

The role of the Professional Standards Director (PSD) is to help enforce the Engineers and Geoscientists Act, 2008 (the Act) and to provide direct and administrative support to the Complaints Authorization Committee and the Disciplinary Panel in all discipline matters. The PSD also enforces the Act in relation to Compliance and Enforcement initiatives. The PSD organizes a seminar offered four times each year to applicants writing the National Professional Practice and Ethics Exam and provides an ethics seminar to Engineering and Earth Science graduates each year. Close liaison is maintained with Memorial University.

### ALLEGATIONS AND DISCIPLINARY ACTIVITIES

At the beginning of 2013, there were three active Discipline files. One of these files had been transitioned from the previous Discipline Committee when the new Act came into effect on July 1, 2009. The others were new files opened in 2011-12. During the year there was one new allegation referred to the Complaints Authorization Committee (CAC), and one of the existing cases was closed. At the end of 2013 there were three active discipline files. The CAC determines whether an allegation constitutes behavior deserving of sanction as defined in the Act. The CAC continues to investigate the three cases before it.

### COMPLIANCE AND ENFORCEMENT ACTIVITIES

Compliance activities are mainly proactive and are focused on ensuring that individuals and firms are made

aware of the requirement to obtain appropriate licensure, are given an opportunity to comply and there is suitable documentation and follow-up. PEGNL now employs a full-time Compliance Officer. In 2013 PEGNL opened 210 compliance files; 179 were closed successfully. Compliance files include both individuals and permits to practice.

### NATIONAL DISCIPLINE AND ENFORCEMENT ACTIVITIES

The Discipline and Enforcement (D&E) staff at Engineers Canada and the D&E representatives from the provinces and territories met in June 2013. A national D&E database and Library Project (summary of cases) has been implemented and is used routinely by D&E officials. There is a high level of co-operation in D&E largely fostered by Engineers Canada.

### PRACTICE STANDARDS AND GUIDELINES

During 2013 PEGNL initiated the review and revision of the Guideline on the Use of the Seal. It is expected that this new Guideline will be completed during 2014. During the last couple of years several new practice guidelines were developed and adopted. The new guidelines are available at [www.pegnl.ca](http://www.pegnl.ca).

### COMMITTEES AND STAFF ACTIVITIES

The PSD acts as staff liaison and support for the Environment Committee, with regular monthly meetings, and for the Consulting Practice Committee, the Structural Engineering Committee and several task force committees. These committees are all active and meet at the call of the chair or as issues arise.

# COMPLAINTS AUTHORIZATION COMMITTEE

The Complaints Authorization Committee (CAC) is appointed by the Board of Directors of PEGNL in accordance with the Engineers and Geoscientists Act, 2008 to receive and handle allegations regarding professional misconduct of members or permit holders. In handling allegations, the Act gives the CAC the power to:

- refer the allegation to the registrar for an investigation or alternative dispute resolution in accordance with the regulations;
- conduct an investigation itself or appoint a person to conduct an investigation on its behalf;
- conduct a practice review into the respondent's practice; and
- require the respondent to appear before it.

Following an investigation of an allegation, the CAC decides whether or not there are reasonable grounds to believe the member or permit holder has engaged in conduct deserving of sanction. If the CAC concludes there are no reasonable grounds, the allegation is dismissed. If the CAC concludes there are reasonable grounds, the CAC may:

- counsel or caution the respondent; or
- instruct the registrar to file the complaint against the respondent and refer it to the disciplinary panel; or
- suspend or restrict the respondent's registration.

The CAC held six meetings during the year and considered five allegations against PEGNL members. For each allegation, the CAC conducted its own investigation. Of these allegations, two were dismissed following detailed investigations, one led to a caution and counsel of the professional member who was deemed to have engaged in

conduct deserving of sanction, one was referred to a disciplinary panel and one allegation is still under investigation.

Thank you to all current and outgoing members of the CAC for their dedicated and thoughtful work during the past year and we extend our appreciation to Geoff Emberley, P. Eng., FEC, Leo White, P. Eng., Julia Ludlow, Kevina Willmott and Paul Coxworthy, LLB, for their valued support for the work of the CAC.



**BILL HUNT**  
P. ENG., FEC

## COMPLAINTS AUTHORIZATION COMMITTEE

### **CURRENT MEMBERSHIP IN THE CAC, IN ACCORDANCE WITH THE ACT, INCLUDES:**

- Bill Hunt, P. Eng., FEC (Chair)
- Sean LaCour, P. Eng., FEC (Vice-Chair)
- Rod Churchill, P. Geo.
- Ed Grant
- Andrew Peach, P. Geo.
- Dr. Dennis Peters, P. Eng., FEC
- Darlene Spracklin-Reid, P. Eng.
- Marina Whitten, Q.C.

### **CAC MEMBERS CONCLUDING THEIR TERMS DURING THE YEAR INCLUDED:**

- Sherry Freake, RN
- Dr. Ray Gosine, P. Eng., FEC
- Glenn Mifflin, CA

## ENGINEERS CANADA DIRECTOR'S REPORT



DARRYL BENSON,  
P. ENG., FEC

Engineers Canada (EC) exists so that its owners, the 12 constituent associations, including PEGNL, have support for advancing the engineering profession and its self-regulation in the public interest at a cost that is justified by the results. EC is committed to providing effective national coordination and a strong national voice for our profession.

### SUPPORTING OUR MEMBERS

EC supports its members by coordinating a streamlined educational system. The Canadian Engineering Accreditation Board ensures that engineering education in Canada prepares graduates to meet the profession's high standards. There are currently 271 accredited engineering programs at 43 higher education institutions in Canada.

EC continues to assist the CA's with their work regulating the profession in Canada. The Canadian Engineering Qualifications Board has task forces in place to address issues in the areas of good character and software engineering. New guidelines will be made available on the EC website.

### CANADIAN FRAMEWORK FOR LICENSURE

To achieve common national standards in the regulatory process, the Canadian Framework for Licensure (CFL) is an initiative to develop a dynamic model of regulation for the CA's. This model will enhance their ability to regulate the practice of professional engineering to better serve and protect the public interest.

Work on the CFL is progressing well, with many endorsed elements now being further developed by creating "implementation documents". The current status is available online.

### NEW BUSINESS NAME

As part of EC's filing under the new not-for-profit Corporations Act, Engineers Canada became the legal business name of the organization and its previous name (Canadian Council of Professional Engineers) is no longer used.

### POLICY GOVERNANCE & ORGANIZATIONAL REALIGNMENT

EC has implemented the Carver Policy Governance model, the same used by PEGNL. This model is a practical approach to ensure organizational performance reflects the best interests of its owners. To better achieve its Ends, EC has been realigned into two divisions: Regulatory Affairs and Business Services.

### UPDATED WEBSITE

EC launched its new website with new content and design. See [www.engineerscanada.ca](http://www.engineerscanada.ca)

### CAREER FOCUS FOR STUDENTS

The Career Focus program features a web-based tool to help students determine their fit with an engineering career. It compares their responses to the personality and behavioural traits of thousands of top performers in more than 500 jobs, generating a report that suggests suitable career paths. This is the first in a series of career-oriented services to be offered through the program.

### PERSONAL ACTIVITIES

This year, I was honoured to be elected to the Executive Committee of the Board of Directors. I served on the Awards, Governance and Compensation committees. It's been my privilege to serve as PEGNL representative in 2013 and I look forward to continuing this service in 2014.



Formed in 1996, Geoscientists Canada (GC), formerly known as the Canadian Council of Professional Geoscientists (CCPG), is a national organization whose members are the self-governing professional associations or constituent associations (CAs) that regulate the profession of geoscience in each province in Canada. Geoscientists Canada does not license geoscientists. Individuals must become licensed with the constituent association (such as PEGNL) in which they intend to practice. Geoscientists Canada exists to deliver national programs and activities that contribute to the work of the CA's and promote the profession and its public profile. GC has a website which has more information about its programs and activities.

## 2013 GC ACTIVITIES

This year, GC has undertaken to review its strategic plan for 2015-2019. The review looks at how Geoscientists Canada is set up and operated to best serve regulators, the profession of geoscience and professional geoscientists in the future. Issues such as mission/mandate, governance, structure and projects that GC will be engaged in are being examined.

Over the past 30 months, GC has been developing a Geoscience Admissions Support Tools (AST) project which is aimed to assist its CA's across Canada to evaluate the credentials of internationally trained geoscientists. The AST project has received \$782,000 of funding from the federal government's Foreign Credentials Recognition Program and it will be supervised by the Canadian Geoscience Standards Board (CGSB). The project

has four main components including (1) competency profiles, (2) a collective approach to academic gaps which includes remedies, (3) a centralized admission function scoping study and (4) a diagnostic report. The project is expected to be finished in March 2015. Since national mobility ensures that a professional geoscientist licensed in good standing in one jurisdiction is potentially accepted by other jurisdictions, common tools for the assessment of competency are important for all CA's.

Other activities in 2013 included the institution of the designation Fellow of Geoscientists Canada and the election of the inaugural 482 Fellowship recipients including 14 from Newfoundland and Labrador. The GC Fellowship honors individuals who have given noteworthy service to the geoscience profession, through service to GC, service to the CA or service in another capacity.

## PERSONAL ACTIVITIES

2013 marked my first year as the GC Director for Newfoundland and Labrador, and it has been a busy one getting up to speed and on top of the issues. I thank everyone at PEGNL and GC for their support and help during the year. I also thank former director Ian Atkinson, P. Geo. for his support and help as well as for his years of service as the GC Director for Newfoundland and Labrador. I will reiterate Ian's call to once again ask P. Geo.'s to encourage all of their colleagues, who have not yet registered with PEGNL, to please do so. It's the law, but just as important, it will provide them with support and benefits throughout their professional careers.



JEFF O'KEEFE,  
P. GEO., P. ENG.

## AWARDS COMMITTEE REPORT



DR. JOHN QUAICOE,  
P. ENG., FEC

The Awards Committee made eight recommendations this year. As part of those recommendations, the Environment Committee solicited nominations and made a recommendation to the Awards Committee for the Environmental Award.

The Board of Directors considered the nominees and confirmed the following awardees:

### AWARD OF MERIT

Dr. Richard Wardle, P. Geo.  
Max Ruelokke, FEC, P. Eng.

### AWARD FOR SERVICE

Larry Hicks, P. Geo.

### ENVIRONMENT AWARD

Suncor Energy Inc. "Terra Nova FPSO - Hydrocarbon Blanket Gas and Recovery System"

### COMMUNITY SERVICE AWARD

Dr. Leonard Lye, P. Eng., FEC  
Rick Tiller, P. Eng., FEC

### TEACHING AWARD

Dr. Amy Hsaio, P. Eng.  
Dr. John Hanchar, P. Geo.

The Awards Committee requests and will receive PEGNL award nominations from Members at any time. PEGNL member input for nominations is very important. Please consider nominating someone for next year. Details are available on the PEGNL website at [www.pegnl.ca](http://www.pegnl.ca).

The Committee thanks Max Ruelokke, FEC, P. Eng. who resigned as chair of the Awards Committee at the end of last year, for his contribution and excellent leadership over the past number of years.

### AWARDS COMMITTEE MEMBERS

Dr. John Quaicoe, P. Eng., FEC (Chair)  
Joanna Barnard, P. Eng.  
Frank Blackwood, P. Geo., FGC  
Ken Domine, P. Eng., FEC  
Geoff Emberley, P. Eng., FEC  
Dr. Rex Gibbons, P. Geo., FGC  
Kim Keating, P. Eng.  
Bill Legge, CET  
Keith White, P. Eng., FEC

### ENVIRONMENTAL COMMITTEE AWARDS SUBCOMMITTEE MEMBERS

Kevin Power, P. Eng., FEC (Chair)  
Bill Scott, P. Eng.  
Chris Soper, P. Eng., FEC  
Leo White, P. Eng.

The Endowment Fund recognizes excellence in engineering and geoscience and provides financial assistance to deserving students.

Each year, with the assistance of Memorial University's Engineering and Earth Science faculties, students are encouraged to apply for these PEGNL scholarships and bursaries. Applications are reviewed and decisions are made based on the applications and the proceeds available from the Endowment Fund.

The Endowment Fund committee members meet on an as required basis throughout the year to make recipient selections and to re-assess investment strategy for the fund assets.

## ASSETS

As per the Endowment Fund audited financial report, the assets of the fund as of December 31, 2013 were \$509,586, compared with \$476,780 as at December 31, 2012. Increases to the Endowment Fund assets come from PEGNL member donations (for 2013 this was \$7,820), returns from the asset's investments, and increases in the investments themselves. At annual fee renewal time, or at any other time, please consider making a donation to the Endowment fund (tax deductible receipts are issued).

## DISBURSEMENTS

This past year the Endowment Fund committee disbursed an amount of \$23,500 from the Endowment Fund.

The typical annual payout from the Fund is \$15,000, however the 2013 payout was increased to provide for additional bursaries. Future payouts will return to the \$15,000 typical amount, unless the size of the Endowment Fund changes materially or it is determined that additional bursaries are justified.

One scholarship of \$5,000 was issued to a MUN earth science student and one scholarship of \$2,500 was issued to a MUN engineering student. Six bursaries of \$2,000 each were distributed (three to engineering students and three to earth sciences students) and four \$1,000 bursaries were distributed (three to engineering students and one to an earth science student).

From what we hear from students who receive them, these scholarships and bursaries make a significant difference in how students apply themselves to their studies, permitting them to focus more on their academic matters and not so much on financial matters and part-time jobs.

## ENDOWMENT FUND COMMITTEE MEMBERS

Don Finch, P. Eng., FEC (Chair)

Frank Davis, P. Eng., FEC (Vice-Chair)

Peter Dimmell, P. Geo., FGC

Eric Jerrett, P. Eng., FEC

Steve McLean, P. Eng., FEC

Geoff Emberley, P. Eng., FEC



**DON FINCH**  
P. ENG., FEC

## VOLUNTEER RECOGNITION 2013

Michael Abbott, P. Eng.  
Sudeshna Abbott, P. Eng.  
Carolyn Anstey-Moore, P. Geo.  
Gerard Antle, P. Eng.  
Heather Appleby, P. Eng.  
Krista Ash, EIT  
Ian Atkinson, P. Geo.  
Ray Bailey, P. Eng.  
Rob Baker, P. Eng.  
Joanna Barnard, P. Eng.  
Keith Bartlett, P. Eng.  
Gilbert Bennett, P. Eng.  
Scott Bennett, P. Eng., FEC  
Darryl Benson, P. Eng., FEC  
Frank Blackwood, P. Geo., FGC  
Andrew Blundon, P. Eng., FEC  
Lorne Boone, P. Eng., FEC/ P. Geo.  
D. Keith Bowden, P. Eng.  
Blair Bridger, P. Eng.  
Derek L. Brown, P. Eng.  
Henry Bulla, P. Eng.  
Mark Burt, P. Eng.  
Sara Butt, EIT  
Ken Butt, P. Eng.  
Roger Butt, P. Eng.  
Jeff Card, P. Eng.  
Jack Casey, P. Eng.  
Steve Chaytor, P. Eng., FEC  
Rodney Churchill, P. Geo.  
K. Neil Cleary, P. Eng.  
Bradley Coady, P. Eng.  
Glenn Collins

Timothy Collins, P. Eng.  
Brian Couves, P. Eng.  
Erin Cullen, P. Eng.  
David Daniels, P. Eng.  
Alun Davies, P. Eng.  
Frank Davis, P. Eng., FEC  
Elizabeth Dawe, EIT  
Tony Dawe, P. Eng., FEC  
Peter Dimmell, P. Geo., FGC  
Gary Dinn, P. Eng.  
Octavia Dobre, P. Eng., Ph.D.  
Ken Dominie, P. Eng., FEC  
Gerry Duggan, P. Eng.  
Gerard Dunphy, P. Eng.  
Fraser Eaton, P. Eng.  
Stephen Edison, P. Eng.  
Mona El-Tahan, P. Eng.  
Don Finch, P. Eng., FEC  
Andy Fisher, P. Eng., FEC  
Chad Fisher, P. Eng.  
David Fong, P. Eng.  
Bob Forbes, P. Eng.  
Sherry Freake, RN  
Terry Gardiner, P. Eng.  
Rex Gibbons, Ph.D., P. Geo., FGC  
Eric Gill, P. Eng.  
Randy Gillespie, P. Geo.  
Nick Gillis, P. Eng.  
Terry Gardiner, P. Eng.  
Raymond Gosine, Ph.D., P. Eng., FEC  
Ed Grant  
Dave Green, P. Eng.

Mike Greene, P. Eng.  
Bill Goulding, P. Eng.  
Natalie Hallett, P. Eng.  
John M. Hanchar, P. Geo., Ph.D.  
Carl Harris, P. Eng.  
Jill Henderson, EIT  
Peter Hennebury, P. Eng., FEC  
Phil Helwig, P. Eng.  
Susann Hickey, P. Eng., FEC  
Renee Hodder, P. Eng.  
Mike Hogan, P. Eng.  
Gordon Holden, P. Eng.  
Amy Hsiao, P. Eng., Ph.D.  
Bill Hunt, P. Eng., FEC  
Aisha Hyde, P. Geo.  
Ivan Hynes, P. Eng.  
Lesley James, Ph.D.  
Eric Jerrett, P. Eng., FEC  
Baxter Kean, P. Geo., FGC  
Rob Kearley, P. Eng., FEC  
Kim Keating, P. Eng.  
Lionel Keeping, P. Eng.  
Jane Kieley, P. Eng.  
Kim Kieley, P. Eng., FEC  
Carl King, P. Eng.  
K. Sean LaCour, P. Eng., FEC  
Gerard Lahey, P. Eng.  
Rob Langridge, P. Geo.  
Darin LeBlanc, P. Eng., FEC  
Bill Legge (Honorary Member)  
Shelly Leighton, P. Eng.  
Erich Lenz, P. Eng.

Peter Lester, P. Eng.  
 Stephen Locke, P. Eng.  
 Leonard Lye, P. Eng., Ph.D., FEC  
 Bill Maybee, P. Eng.  
 Melissa McComiskey, P. Eng.  
 Paul McDonald, P. Eng., FEC  
 Rob McKeown, P. Geo.  
 Steve McLean, P. Eng., FEC  
 Gerard Meaney, P. Eng.  
 David Mercer, P. Eng.  
 Dave Mickleson, P. Eng.  
 Andrew Menchions, P. Eng.  
 Glenn Mifflin, CA  
 Arash Mirmoghisi  
 Doug Moody, P. Eng.  
 Allison Moyle, P. Eng.  
 Gary Murray, P. Eng.  
 D.R. (Dick) Myers, P. Eng., FEC  
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 Andrea Parsons, P. Geo.  
 Andrew Peach, P. Geo.  
 Steve Pearce, P. Eng.  
 Kirk Peddle, P. Eng., FEC

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 Jody Pynn, P. Eng.  
 Wei Qiu, P. Eng., Ph.D  
 John Quaicoe, P. Eng., Ph.D., FEC  
 Leo Quigley, P. Eng.  
 Kent Randell, P. Eng., FEC  
 Ashley Reid, EIT  
 Max Ruelokke, P. Eng., FEC  
 Chris Sargent, P. Eng.  
 Derek Sawler, P. Eng.  
 William A. Scott, P. Eng.  
 Shawn Searle, P. Eng.  
 Richard Severs, P. Eng.  
 Nelson Seymour, P. Eng.  
 Ashley Alan Skinner, EIT  
 James Slade, P. Geo.  
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 Frank Smith, P. Eng.  
 Andrew Smith, P. Eng.  
 Todd Smith, P. Eng.  
 Murray Smith, P. Eng.  
 Natasha Smith, EIT  
 Ken Snelgrove, Ph.D., P. Eng.

Greg Snow, NLAA, MRAIC  
 Chris Soper, P. Eng., FEC  
 Carissa Sparkes, P. Eng.  
 Noorullah Speen Jan, P. Eng.  
 Darlene Spracklin-Reid, P. Eng.  
 Halcum Stanley (Honorary Member)  
 Jason Strickland, P. Eng.  
 Khasraw Talabany, P. Eng.  
 Craig Taite, P. Eng.  
 Anne Tavenor, P. Eng.  
 Karen Thomas, P. Eng.  
 Rick Tiller, P. Eng.  
 Ken Tobin, P. Eng.  
 Trina Troke, P. Eng.  
 Andrea Van Nostrand  
 Spencer Vatcher, P. Geo.  
 Gregory Vineham, P. Eng.  
 Graham Wakeham, P. Eng.  
 Dan Walker, P. Eng.  
 Wendy Warford, P. Eng.  
 Jody Wentzell, P. Eng.  
 Darlene Whalen, P. Eng., FEC  
 Gerald White, P. Eng.  
 Marina Whitten, Q.C.  
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\*No purchase is required. There is one (1) prize to be won. The winner may choose between an amount of \$60,000 CAD to build a dream kitchen of his/her choosing or \$60,000 CAD cash. The winner will be responsible for choosing a supplier and for coordinating all of the required work. The contest is organized by Security National Insurance Company and Premium Insurance Company and is open to members, employees and other eligible persons who reside in Canada and belong to an employee, professional or alumni group which has entered into an agreement with the organizers and is entitled to receive group rates from the organizers. The contest ends on October 31, 2014. The draw will be held on November 21, 2014. A skill-testing question is required. Odds of winning depend on the number of eligible entries received. The complete contest rules are available at [melochemonnex.com/contest](http://melochemonnex.com/contest).

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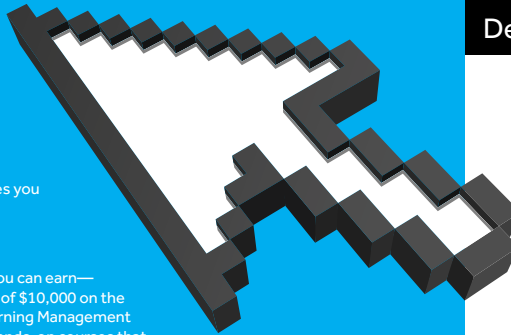
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## Endowment Fund

## How to contribute:



Help to increase the number of annual scholarships or bursaries by donating to the Fund.

1. Photocopy and fill in the form below. Then forward with your cheque, made payable to **Professional Engineers and Geoscientists Endowment Fund**
2. As part of your **annual fee payment**

**Please send to:** Endowment Fund  
Professional Engineers and Geoscientists NL  
P.O. Box 21207, Baine Johnston Centre, 2nd Floor  
10 Fort William Place, St. John's, NL A1A 5B2

*Thank you*

Questions may be directed to:  
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**Facsimile: (709) 753-6131**  
email: [main@pegnl.ca](mailto:main@pegnl.ca)

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All contributors will receive an Income Tax receipt. Registration #: 1017854-21. Donations may be used to fund long-term investments from which returns will be used to financially support students.

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**PEG**   
Newfoundland  
and Labrador   
PROFESSIONAL ENGINEERS AND GEOSCIENTISTS



**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS  
NEWFOUNDLAND AND LABRADOR  
Financial Statements  
Year Ended December 31, 2013**

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR  
Index to Financial Statements  
Year Ended December 31, 2013

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BDO Canada LLP  
53 Bond Street, Suite 200  
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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Professional Engineers and Geoscientists Newfoundland and Labrador

We have audited the accompanying financial statements of Professional Engineers and Geoscientists Newfoundland and Labrador, which comprise the statement of financial position as at December 31, 2013 and the statements of revenues and expenses, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

Independent Auditor's Report to the Members of Professional Engineers and Geoscientists Newfoundland and Labrador *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Professional Engineers and Geoscientists Newfoundland and Labrador as at December 31, 2013 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Newfoundland and Labrador  
April 11, 2014

  
CHARTERED ACCOUNTANTS

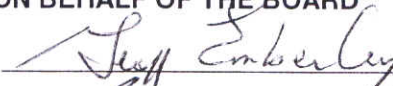

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Statement of Financial Position

December 31, 2013

	2013	2012
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,210,076	\$ 1,123,466
Short-term investments (Note 2)	62,440	48,828
Accounts receivable	2,978	1,163
Prepaid expenses	11,313	9,700
	<u>1,286,807</u>	<u>1,183,157</u>
CAPITAL ASSETS (Note 3)	60,324	44,812
LONG-TERM INVESTMENTS (Note 4)	1,198,438	797,618
INTANGIBLE ASSET (Note 5)	35,030	23,970
	<u>\$ 2,580,599</u>	<u>\$ 2,049,557</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 174,872	\$ 139,961
Current portion of obligations under capital lease (Note 10)	3,125	3,451
Deferred income	882,590	766,485
Due to related parties (Note 9)	6,385	6,646
	<u>1,066,972</u>	<u>916,543</u>
OBLIGATIONS UNDER CAPITAL LEASE (Note 10)	4,991	8,148
	<u>1,071,963</u>	<u>924,691</u>
<b>NET ASSETS</b>		
Unrestricted fund	1,250,422	882,164
Restricted fund	197,890	197,890
Invested in capital assets	60,324	44,812
	<u>1,508,636</u>	<u>1,124,866</u>
	<u>\$ 2,580,599</u>	<u>\$ 2,049,557</u>

ON BEHALF OF THE BOARD

 Secretary-Treasurer  
 Chair

The accompanying notes are an integral part of these financial statements.

**PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2013**

	Unrestricted Fund	Restricted Fund	Invested in Capital Assets	<b>2013</b>	2012
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 882,164	\$ 197,890	\$ 44,812	<b>\$ 1,124,866</b>	\$ 869,094
Capital purchases, net	(27,523)	-	27,523	-	-
Excess of revenues over expenses	395,781	-	(12,011)	<b>383,770</b>	255,772
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,250,422</b>	<b>\$ 197,890</b>	<b>\$ 60,324</b>	<b>\$ 1,508,636</b>	<b>\$ 1,124,866</b>

The accompanying notes are an integral part of these financial statements.

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Statement of Revenues and Expenses

Year Ended December 31, 2013

	Budget (Unaudited) 2013	2013	2012
<b>REVENUES</b>			
Membership fees	\$ 949,000	\$ 954,748	\$ 885,046
Permit fees	331,000	340,336	312,515
Other (Note 11)	124,000	163,980	158,353
Registration fees	105,000	166,595	168,759
Interest and investment revenue (Note 12)	14,000	20,657	11,719
Conference revenue	20,000	30,402	31,618
	1,543,000	1,676,718	1,568,010
<b>EXPENSES</b>			
Administration (Note 13)	323,250	316,933	302,796
Board governance	75,400	56,196	44,374
CCPE / CCPG	80,000	78,782	69,655
Conference	61,600	46,848	42,652
Internal and external communications	78,250	83,767	70,220
Meetings	13,000	13,061	7,253
Member services (Note 14)	20,000	18,241	29,668
Other (Note 13)	126,500	168,958	162,414
Professional fees	130,000	42,839	106,736
Salaries and wages	490,000	501,658	465,096
Scholarships and donations	29,000	11,564	21,057
Travel	32,000	7,015	16,261
	1,459,000	1,345,862	1,338,182
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	84,000	330,856	229,828
Unrealized gain on investments (Note 16)	-	52,914	25,944
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 84,000	\$ 383,770	\$ 255,772

The accompanying notes are an integral part of these financial statements.

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Statement of Cash Flow

Year Ended December 31, 2013

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 1,770,351	\$ 1,618,426
Cash paid to suppliers and employees	(1,219,563)	(1,238,668)
Interest paid	(53,699)	(52,391)
Cash flow from operating activities	<u>497,089</u>	<u>327,367</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(27,523)	(4,425)
Purchase of intangible assets	(38,349)	(28,390)
Interest received	22,748	11,719
Purchase of long-term investments	(410,611)	(319,095)
Proceeds on disposal of short-term investments	47,000	46,000
Cash flow used by investing activities	<u>(406,735)</u>	<u>(294,191)</u>
<b>FINANCING ACTIVITIES</b>		
Advances from (to) related parties	(261)	807
Repayment of obligations under capital lease	(3,483)	(8,850)
Cash flow used by financing activities	<u>(3,744)</u>	<u>(8,043)</u>
<b>INCREASE IN CASH FLOW</b>	<b>86,610</b>	<b>25,133</b>
CASH - BEGINNING OF YEAR	<u>1,123,466</u>	<u>1,098,333</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 1,210,076</u></b>	<b><u>\$ 1,123,466</u></b>

The accompanying notes are an integral part of these financial statements.



Notes to Financial Statements  
Year Ended December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Professional Engineers and Geoscientists Newfoundland and Labrador (PEG NL), "the organization", 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 organization is a non-profit organization under the Income Tax Act and is exempt from income tax.

Basis of presentation/ revenue recognition

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) except that revenue from membership fees, licenses to practice and permits to practice are recognized in full during the period in which they are received. All other revenue is recognized on the accrual basis.

The organization 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.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	20%
Computer equipment under capital lease	50%
Equipment under capital lease	20%
Furniture and equipment	20%

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and are tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

*(continues)*

Notes to Financial Statements  
Year Ended December 31, 2013

1. SUMMARY OF 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.

Internally restricted assets

The Restricted fund represents funds set aside by the Board of Directors to ensure the long-term financial viability of PEG NL. These funds are not to be used for operating purposes without specific approval of the Board of Directors.

Controlled entities

Controlled not-for-profit organizations are not consolidated in the organization's financial statements.

2. SHORT-TERM INVESTMENTS

	<u>2013</u>	<u>2012</u>
Man Prov 5.05% 03 Dec 2013	\$ -	\$ 49,091
GE CAP CDA 5.28% 22 Oct 2014 (market value \$62,440)	64,117	-
Adjustment to market value	(1,677)	(263)
	<u>\$ 62,440</u>	<u>\$ 48,828</u>

3. CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2013 Net book value</b>	2012 Net book value
Computer equipment	\$ 124,050	\$ 96,179	\$ 27,871	\$ 13,955
Computer equipment under capital lease	10,500	10,008	492	2,807
Equipment under capital lease	69,972	59,392	10,580	13,226
Furniture and equipment	121,340	99,959	21,381	14,824
	<u>\$ 325,862</u>	<u>\$ 265,538</u>	<u>\$ 60,324</u>	<u>\$ 44,812</u>

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2013

4. LONG-TERM INVESTMENTS

	2013	2012
AGF All-Cap30 Canadian Equity Fund Series F-FE ( <i>market value \$26,608</i> )	\$ 35,644	\$ 35,644
Bell CDA 3.6% 02Dec2015 ( <i>market value \$72,361</i> )	69,941	69,941
CIF CAP International Global Equity Class F-NL ( <i>market value \$94,565</i> )	59,771	59,771
Manulife Trust Investment Savings MS-NL ( <i>market value \$793,285</i> )	793,285	384,277
Fidelity Canadian Disciplined Equity Fund Series F-NL ( <i>market value \$85,457</i> )	65,342	64,710
GE Cap CDA 5.28% 22 Oct 2014	-	64,117
MAC Cundill Value Class Series F-FE ( <i>market value \$42,584</i> )	32,208	32,208
Manulife Global Real Estate Fund Ser F NL ( <i>market value \$47,250</i> )	35,689	35,689
Harbour Fund Class F-FE ( <i>market value \$36,329</i> )	32,588	31,617
	1,124,468	777,974
Adjustment to market value	73,970	19,644
	\$ 1,198,438	\$ 797,618

5. INTANGIBLE ASSET

	2013	2012
Database, online payment and professional development reporting system	\$ 171,651	\$ 133,302
Accumulated amortization	(136,621)	(109,332)
	\$ 35,030	\$ 23,970

The intangible asset is being amortized on a straight line basis over three years.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Chapter dues	\$ 33,729	\$ 31,054
Harmonized sales tax payable	85,293	69,900
Accounts payable and accrued liabilities	55,850	39,007
	\$ 174,872	\$ 139,961

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2013

7. COLLECTIONS ON BEHALF OF PROVINCIAL DISTRICTS

The following amounts were collected on behalf of the Provincial Districts. Amounts that have not yet been forwarded to the appropriate districts are included in "Accounts payable and accrued liabilities".

	2013	2012
Central Newfoundland	\$ 1,370	\$ 1,635
Eastern Newfoundland Engineering Society	37,994	34,352
Labrador	1,395	1,305
West Coast	1,290	1,155
	<u>\$ 42,049</u>	<u>\$ 38,447</u>

8. CONTROLLED NOT-FOR-PROFIT ORGANIZATIONS AND RELATED PARTY TRANSACTIONS

The organization controls a small not-for-profit organization called Professional Engineers and Geoscientists of Newfoundland and Labrador Endowment Fund. The organization 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 to worthy students. Following is the summarized financial statements for Professional Engineers and Geoscientists of Newfoundland and Labrador Endowment Fund as at December 31, 2013:

	2013	2012
<b>Statement of Financial Position</b>		
Cash	\$ 7,067	\$ -
Short-term investments	497,134	472,634
Due from related party	5,385	4,146
Net assets	(509,586)	(476,780)
<b>Statement of Cash Flow</b>		
Cash flows used in operating activities	(5,773)	(148)
Cash flows from (used in) investing activities	14,079	(45)
Cash flows from (used in) financing activities	(1,239)	193
<b>Statement of Operations</b>		
Donation revenue	7,820	6,487
Fees	(728)	-
Scholarships	(7,500)	(5,000)
Bursaries	(16,000)	(12,000)
Investment income	49,214	33,338
	<u>\$ 32,806</u>	<u>\$ 22,825</u>

(continues)

Notes to Financial Statements

Year Ended December 31, 2013

8. CONTROLLED NOT-FOR-PROFIT ORGANIZATIONS AND RELATED PARTY TRANSACTIONS  
(continued)

The organization also controls a small not-for-profit organization called Professional Engineers and Geoscientists of Newfoundland and Labrador Future Scientists, Engineers and Technologists (PEG NL - Future SET). The organization advances the education of school age children through camps and school workshops. The following is the summarized financial statements for PEG NL - Future SET as at December 31, 2013:

**Statement of Financial Position**

Cash	\$ 255	\$ 208
Due from related party	1,000	2,500
Harmonized sales tax receivable	1,328	622
Capital assets	2,900	3,885
Net assets	(5,483)	(7,215)

**Statement of Cash Flow**

Cash flows from (used in) operating activities	47	(474)
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**Statement of Operations**

Donation revenue	17,000	13,500
Operating expenses	(18,732)	(15,250)
	<u>\$ (1,732)</u>	<u>\$ (1,750)</u>

9. DUE TO RELATED PARTIES

	<u>2013</u>	<u>2012</u>
Due to PEG NL - Endowment Fund	\$ 5,385	\$ 4,146
Due to PEG NL - Future SET	1,000	2,500
	<u>\$ 6,385</u>	<u>\$ 6,646</u>

The balance owing to related parties is non-interest bearing and is expected to be repaid within the next fiscal year.

During 2013, the organization transferred \$6,581 to PEG NL - Endowment Fund's Manulife Securities account and received \$23,500 from this account in order to pay bursaries. During 2013, the organization made donations of \$12,500 to PEG NL - Future SET (2012 - \$10,000). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2013

10. OBLIGATIONS UNDER CAPITAL LEASE

	<u>2013</u>	<u>2012</u>
Dell Financial Services lease bearing interest at 15.9% per annum, repayable in monthly blended payments of \$57. The lease was due to mature on January 21, 2014 and is secured by computer equipment. However, the lease was bought out early during the year.	\$ -	\$ 651
CIT Financial Ltd. lease bearing interest at 9.88% per annum, repayable in monthly blended payments of \$316. The lease matures on May 12, 2016 and is secured by a photocopier with a carrying value of \$8,571.	<u>8,116</u>	10,948
	<b>8,116</b>	11,599
Amounts payable within one year	<u>(3,125)</u>	(3,451)
	<b>\$ 4,991</b>	<b>\$ 8,148</b>

Future minimum capital lease payments are approximately:

2014	\$ 3,787
2015	3,787
2016	<u>1,579</u>
Total minimum lease payments	9,153
Less: amount representing interest at various rates	<u>(1,037)</u>
	<b>\$ 8,116</b>

11. OTHER REVENUE

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
Dialogue	\$ 5,000	\$ 1,200	\$ 2,400
Insurance programs	13,000	13,176	13,942
Professional seals	17,000	32,274	30,347
Professional practice	85,000	112,212	109,470
Sundry	4,000	5,118	2,194
	<u>\$ 124,000</u>	<b>\$ 163,980</b>	<b>\$ 158,353</b>

12. INTEREST AND INVESTMENT INCOME

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 22,749	\$ 16,505
Gain (loss) on disposal of investments	<u>(2,092)</u>	(4,786)
	<b>\$ 20,657</b>	<b>\$ 11,719</b>

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2013

13. ADMINISTRATION AND OTHER EXPENSES

	Budget	2013	2012
<u>Administration expense</u>			
Activity fee expense - bank	\$ -	\$ 4,350	\$ 4,103
Amortization (see note below)	-	12,011	12,754
Amortization - intangible asset	-	27,290	23,956
Equipment service and repairs	25,000	25,037	17,338
Freight and courier	7,000	7,505	6,918
Insurance	15,000	6,854	8,585
Credit card discount fees	22,500	21,990	21,275
Interest on obligations under capital lease	-	1,018	1,635
Leased equipment (see note below)	5,000	1,406	1,875
Miscellaneous (see note below)	10,000	6,456	7,300
Office accommodations (Note 15)	135,000	124,529	113,262
Office supplies	25,000	16,522	25,344
Payroll	45,000	38,751	35,808
Postage	15,750	9,744	11,411
Printing/copying	3,000	2,683	2,455
Telephone and telecommunications	15,000	10,787	8,777
	<u>323,250</u>	<u>316,933</u>	<u>302,796</u>
<u>Other expenses</u>			
Activity fee expense - bank	-	4,350	4,103
Examinations	80,000	114,530	107,648
Credit card discount fees	22,500	21,990	21,275
Miscellaneous (see note below)	10,000	6,457	7,300
Professional seal	14,000	21,631	22,088
	<u>126,500</u>	<u>168,958</u>	<u>162,414</u>

Amortization expense includes \$3,137 of amortization of assets under capital lease.

The budget for leased equipment includes interest on obligations under capital lease.

The budget for miscellaneous expense includes bank fees.

14. MEMBER SERVICES

Member services expense relates to secondary professional liability premiums.

15. LEASE COMMITMENTS

The organization has a long term lease with respect to its office space and parking that expires on October 1, 2015. Under the lease, the organization is required to pay a base rent of \$146,129 and its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises. Included in the Administration expense are payments of \$124,529 (2012 - \$113,262) pertaining to this lease. Future minimum lease payments as at December 31, 2013, are as follows:

2014	\$ 146,129
2015	<u>109,597</u>
	<u>\$ 255,726</u>

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2013

16. UNREALIZED GAIN ON INVESTMENTS

	2013	2012
Market value of long-term investments	\$ 1,198,438	\$ 797,618
Adjusted cost base of long-term investments	(1,124,467)	(777,974)
Market value of short-term investments	62,440	48,828
Adjusted cost base of short-term investments	(64,117)	(49,092)
Subtotal	72,294	19,380
Reversal of prior year adjustment to market value	(19,380)	6,564
Unrealized gain on investments	\$ 52,914	\$ 25,944

17. FINANCIAL INSTRUMENTS RISKS

The organization is exposed through its operations to the following financial risks:

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 organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its receipt of funds from its members, accounts payable and obligations under capital lease. Liquidity risk did not change materially through the year.

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. The organization is exposed to fluctuations in equity markets on its short-term and long-term investments. Market risk did not change materially through the year.