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WHO WE ARE

Engineers and Geoscientists British Columbia is the regulatory and licensing body for the engineering and geoscience professions in BC. To protect the public, we maintain robust standards for entry to the professions, and comprehensive regulatory tools to support engineers and geoscientists in meeting professional and ethical obligations.

As our members find solutions to drive the world forward, we’re here to make sure the highest professional and ethical standards are upheld.

Together, we build a better life for everyone—in British Columbia and around the world.
GOVERNANCE

Engineers and Geoscientists BC is governed by a council of elected members and government appointees. Council is accountable to the public through the Ministry of the Attorney General, under the Office of the Superintendent of Professional Governance.

Council is responsible for setting policy and direction for the association under the authority of the Professional Governance Act and the Engineers and Geoscientists Act. The association’s strategic plan provides the vision, mission, values, and goals that help guide Council’s efforts.

President
Katherina Tarnai-Lokhorst, P.Eng., FEC, FGC (Hon.)

Vice President
Harlan Kelly, P.Eng., FEC

Immediate Past President
Caroline Andrewes, P.Eng., FEC, FGC (Hon.), CPA, CMA

Councillors
Doug Barry, P.Eng., FEC
Catherine Hickson, P.Geo., FGC
Susan MacDougall, P.Eng., FEC
Lianna Mah, P.Eng., FEC
Brock Nanson, P.Eng.
Nimal Rajapakse, P.Eng.
Larry Spence, P.Eng.
Kevin Turner, P.Eng., FEC, FGC (Hon.)
Jeremy Vincent, P.Geo.
Tim Watson, P.Eng.

Government Appointees
Suky Cheema, CPA, CA
Alan Andison, BA, LLB
Leslie Hildebrandt, ICD.D, LLB
David Wells, JD
Ken Laloge, CPA, CA, TEP until Nov. 20, 2018
John Turner, P.Ag. (retired) until Dec. 31, 2018

ABOUT US

OUR VISION
Engineering and geoscience professionals creating a better future for all.

OUR MISSION
To serve the public interest as a progressive regulator that supports and promotes the engineering and geoscience professions.

OUR VALUES
In our governance, administration, and delivery of service, we are guided by the following values:

Integrity: We mean and do what we say.
Accountability: We are responsible for our actions.
Innovation: We will explore new ideas to make things better.
This past year presented us with many challenges, but thanks to the hard work and commitment of our volunteers, Council, and staff, we navigated the new changes facing the professions.

I am grateful for the contributions of our professional community and their commitment to protect the people of this province, and I look forward to the many new opportunities that are certain to arise for our professions in the future.

Katherina Tarnai-Lokhorst
P.Eng., FEC, FGC (Hon.)

MESSAGE FROM THE PRESIDENT

With continuous advancements in technology and professional practice, and a changing regulatory landscape, the professions are constantly evolving and progressing. By combining excellence in technical practice with high standards of professional and ethical conduct, we continue to make the lives of British Columbians better every day.

While the Introduction of the Professional Governance Act—new governing legislation for Engineers and Geoscientists BC—represents a major shift in the regulation of our professions, our mission to serve the public interest as a progressive regulator remains steadfast. We are adaptable and flexible, and our quality management program, professional development offerings, and practice guidelines support our members’ performance to ensure they consistently meet the highest practice and ethical standards.

It has been an honour to serve as president and it is a great privilege to present this year’s annual report, which summarizes the selfless dedication of our volunteers, Council, and staff, for the reporting year July 1, 2018 – June 30, 2019.

This report marks the completion of the second year of our strategic plan for 2017–2021. First launched in 2017 and extended to 2021 to manage the transitions associated with implementing the new Professional Governance Act, this plan serves as the framework and guiding light for the association’s activities. Driving towards our vision of engineering and geoscience professionals creating a better future for all, the plan establishes the following goals:

**Goal 1:** Uphold and protect the public interest through the regulation of the professions.

**Goal 2:** Establish, maintain, and enforce qualifications and professional standards.

**Goal 3:** Promote and protect the professions of engineering and geoscience (subject to Goals 1 and 2).

Our strategic plan also provides the means to track and assess the progress of these goals, further supporting our values of transparency and accountability. You will see the status of these reported throughout the pages of this annual report.

During this last year, our efforts to deliver on our strategic plan goals focused on a number of key areas.

• Developing a system for corporate regulation that demonstrates enhanced public protection and meets future legislative requirements.

• Engaging members, industry, and the public to raise awareness of the association and reaffirm our regulatory role and responsibilities.

• Diversifying the professions by supporting initiatives that seek to increase the participation of under-represented communities and ensure the sustainability of the professions for the future.

This past year presented us with many challenges, but thanks to the hard work and commitment of our volunteers, Council, and staff, we navigated the new changes facing the professions. I am grateful for the contributions of our professional community and their commitment to protect the people of this province, and I look forward to the many new opportunities that are certain to arise for our professions in the future.

Katherina Tarnai-Lokhorst
P.Eng., FEC, FGC (Hon.)
The past year introduced some significant changes to British Columbia’s regulatory landscape—most notably, the introduction of the Professional Governance Act. This new governing legislation for Engineers and Geoscientists BC—along with a new oversight structure—represents a major shift in how the professions of engineering and geoscience are regulated. For the first time in almost 100 years, we have a completely new Act; over the course of the next few years, elements of our legacy act will be repealed as regulations and bylaws to support the new Act are released.

The introduction of a new Act can, of course, lead to concerns and uncertainty. However, we have worked tirelessly to anticipate the impact of the changes on the professions. These efforts have positioned us well in responding to this change. As regulations to support the implementation of the new Act are introduced, we will continue to contribute constructively to discussions with Government, ensuring they understand the complexities and risks—and the positive alternatives—of any proposed policy change.

With the impact of new regulations taking place over a number of years, our commitment to reviewing the regulation of corporate entities as a means of enhancing public protection remains unchanged. This year marked the completion of a significant four-year review by the Advisory Task Force on Corporate Practice into corporate practice and regulation. We are now focused on the development of a new Corporate Practice Program that will ensure we will meet our future legislative requirements, and will value public protection and the practices of engineering and geoscience.

While introducing new legislation does require significant attention, time, and resources, the diversification of the engineering and geoscience professions remains one of our top areas of focus. In addition to our ongoing support for Engineers Canada’s 3D by 30 goal to increase the percentage of women working in the professions to 30% by 2030, we are working with industry and academia to drive initiatives that support women entering and remaining within the engineering profession.

In June of this year, we proudly partnered with the Applied Science Technologists and Technicians of BC (ASTTBC) and the Association of Consulting Engineering Companies British Columbia (ACEC-BC) on a $993,000 contract with the BC Government to advance the recruitment and retention of women in engineering and technology in British Columbia. Furthermore, our partnership with a national research consortium, Engendering Success in STEM, will help us better understand the biases girls and women face when considering a career in STEM fields.

Increasing the accessibility of the profession for communities that are currently under-represented across the industry extends beyond gender, and this past year has seen our work in Indigenous engagement grow. Establishing and maintaining respectful relationships with Indigenous communities is vital to ensuring our professions positively contribute to the preservation of Indigenous culture and self-determination. As a regulator, we have continued to lead the way in addressing the Truth and Reconciliation Commission of Canada’s Calls to Action. This year, we introduced a pilot project that includes the creation of an Indigenous Engagement Working Group, career outreach to Indigenous youth, as well as a professional development event on Indigenous engagement in engineering and geoscience projects.

Public perception of and trust in the professions is of paramount importance. So while 2018–2019 presented challenges, and the regulatory climate still remains unsettled, we will continue to work with Government, industry, stakeholders, and the wider professions to ensure we maintain high standards of professional and ethical practice to uphold our primary duty: to protect the public interest.

Thank you to President Tamra Lohhorst, Council, staff, member volunteers, and the wider engineering and geoscience community for your continued efforts. I look forward to continuing our work together for the people of British Columbia.

Ann English, P.Eng., FEC, FCSSE
The Province of British Columbia appoints four members of the public to Engineers and Geoscientists BC’s Council. As independent members of the public, we have a duty to represent the public interest in the regulation of professionals authorized to practice engineering and geoscience in BC.

We work alongside elected members of Council to govern the affairs of Engineers and Geoscientists BC. In its mandate to protect the public interest, this report is our observation on how Engineers and Geoscientists BC has met this mandate in the past year.

Many Council actions demonstrate how the association upholds and protects the public interest, including the following:

• Engagement in the implementation of the Professional Governance Act
• Completion of a task force report on corporate regulation
• Practice regulation and providing support and guidance to members
• Promotion of diversity initiatives
• Review of association fees, expenditures, and other financial assessments
• Implementation of the strategic plan and enhancing member engagement
• Efforts to promote awareness and support reconciliation with Indigenous peoples in BC

In this dynamic operating environment, we support continued consideration of the new Professional Governance Act and the creation of appropriate regulations to support the mandate of regulatory oversight in the public interest.

In prior years, the following four areas were identified as areas that needed improvement, and were prioritized for Council to move towards a resolution:

• Mandatory continuing professional development reporting and verification
• Regulation of engineering and geoscience firms
• Systematic practice reviews
• Risk assessment and development of a register of priorities

There has been significant activity on these areas. Council has taken the initiative to approve additional resources and time to address systematic practice review and risk assessment measures.

The new Professional Governance Act calls for the regulation of engineering and geoscience firms, and mandatory continuing professional development. We support these legislative inclusions and their associated regulations. The Act mandates the size and composition of Council; we will continue to ensure qualified candidates are put forward for election.

Finally, the new Act enables the granting of independent practice rights to a wider range of professions, including technologists and technicians, whose scope of practice overlaps with that of engineers. We believe that any such rights should reside under a regulatory body, sufficiently aligned with a public safety mandate, and which possesses the resources, authority and expertise to remove those rights when deemed necessary to protect public safety. We believe Engineers and Geoscientists BC has demonstrated the necessary competencies and capabilities to grant and rescind independent practice rights.

We are pleased with how the leadership of Engineers and Geoscientists BC is ensuring that the public is protected and the values of the organization are upheld during this rigorous process.

We believe that Council understands its responsibility to uphold the public interest; maintaining this focus, with an eye to future regulatory changes, should enable successful self-regulation of the engineering and geoscience professions to continue.

We look forward to our continued service to this organization and to the public.

Respectfully submitted,

Alan Andison, LLB
Suky Cheema, CPA, CA
Leslie Hildebrandt, ICD.D, LLB
David Wells, JD
MEASURING OUR PROGRESS

Engineers and Geoscientists BC is accountable to the public and our members as we work to deliver the goals and outcomes of our strategic plan. Here, we summarize our efforts and activities to achieve those goals.
GOAL 1
UPHOLD AND PROTECT THE PUBLIC INTEREST THROUGH THE REGULATION OF THE PROFESSIONS

We work to ensure that our role as a robust regulator is broadly understood, our professional standards are embraced by our members, and the laws that guide us reflect our changing professions.

STRENGTHENING OUR REGULATORY FRAMEWORK
We worked with the BC Government to translate the results of the Professional Reliance Review into new legislation that will provide tools for us to strengthen our regulatory framework. The Professional Governance Act was introduced this year; we kept our members informed through news articles and webinars, and we sought feedback on our response to the new legislation through an advisory committee comprising members from diverse industries.

IMPROVING ORGANIZATIONAL GOVERNANCE
New regulations in the Professional Governance Act brought into force new requirements for elections and nominations, specifically a condition that all candidates standing for election must be approved by the Nominating Committee. Engineers and Geoscientists BC was well prepared for this requirement. Having anticipated the change, we proactively established a new merit-based process for candidates that is fully compliant with the new Act and was noted by Government as a model for other regulators to follow.

WORKING TO IMPLEMENT THE PROFESSIONAL GOVERNANCE ACT
In February 2019, Council directed increased organizational focus on implementing the Professional Governance Act. To achieve this, we took a number of steps, including developing positions on key policy items based on member and Council feedback; drafting and filing a response to Government’s Intentions paper; and initiating a departmental reorganization to provide dedicated resources to support the implementation of the new Act.

COMMUNICATING OUR REGULATORY MANDATE
Using a variety of communication platforms, we listened to members and collected input on a number of key topics, including the Professional Governance Act, continuing professional development, and corporate regulation. Through branch presentations, surveys, webinars, articles, and social media, we worked to share information that helped members better understand our role as a regulator and our primary mandate of public protection.

KEY HIGHLIGHTS FROM SURVEYS:
• 90% of members agree with our mandate. They believe we should put the public interest before members’ interests, and they feel we are authentic when we talk about our duty to the public interest
• 8 out of 10 members are satisfied with how we are carrying out our regulatory duties

2,900
participants responded to the CPD survey and provided input on potential changes to the continuing professional development model

498
members registered to take part in the Professional Governance Act webinar

32
engagements (meetings, events, conferences) were held with members of the BC Government and the Official Opposition
GOAL 2

ESTABLISH, MAINTAIN, AND ENFORCE QUALIFICATIONS AND PROFESSIONAL STANDARDS

Our robust regulatory framework supports members in meeting the highest standards of professional and ethical behaviour, and we safeguard these standards through effective discipline and enforcement.

CREATING TOOLS TO SUPPORT PROFESSIONAL EXCELLENCE

We continue to expand opportunities for members to increase their awareness and understanding of the standards expected of them. This year, we published a number of new professional practice guidelines and advisories, often in collaboration with other regulators and industry partners. We worked to strengthen our practice advice and support tools through professional development webinars, courses, and articles with a focus on professional practice matters.

ENHANCING PUBLIC SAFETY THROUGH CORPORATE REGULATION

The Advisory Task Force on Corporate Practice completed the third phase of their review of corporate regulation, and we commenced development of a Corporate Practice Program that will establish a new regulatory framework for engineering and geoscience organizations in BC. Government has recognized the strength of our model, which will improve regulatory oversight, enhance public protection, and provide opportunities to organizations to improve their processes and reduce their risk.

UPHOLDING STANDARDS OF CONDUCT AND PRACTICE

We build public trust by making sure our regulatory standards are met. This year, we closed or resolved a record number of investigation, discipline, and enforcement files. As our membership and the reach of their work grows, we are increasing our capacity to receive and handle complaints and ensure enforcement issues are processed and resolved more efficiently.

IMPROVING NATIONAL HARMONIZATION OF REGULATORY PROCESSES

Our work continues towards harmonizing regulatory processes with other professional associations across the country. Our made-in-BC competency-based method for assessing applicants continues to gain national acceptance, and is now being piloted by Geoscientists Canada—another step towards a truly national registration and assessment system.

REDESIGNING CONTINUING PROFESSIONAL DEVELOPMENT

This year the Continuing Professional Development Committee initiated the first phase of consultation on a revised program for professional development. Over 2,900 members provided input on potential changes to the way professional development requirements are set out. This feedback will be considered when we create a new program that maintains appropriate standards for public protection, applies best practices from across the country, complies with the provisions in the Professional Governance Act, and incorporates member input.

NEW AND REVISED PRACTICE GUIDELINES PUBLISHED:

1. Structural Engineering Services for Part 3 Building Projects (Ver. 4.0)
2. Designing Guards for Building Projects (Ver. 2.0)
3. Whole Building Energy Modelling Services (Ver. 1.0)
4. Onsite Sewerage Systems (Ver. 1.3)
5. Performance-Based Seismic Design of Bridges (Ver. 1.0)
6. Legislated Flood Assessments in a Changing Climate in BC (Ver. 2.1)

10 free webinars with 2,993 participants focused on learnings from regulatory programs

1,901 practice-related queries

8,759 people attended continuing professional development events (42% increase); 143 sessions hosted
GOAL 3

PROMOTE AND PROTECT THE PROFESSIONS OF ENGINEERING AND GEOSCIENCE

We continue to work to develop a membership that is inclusive and diverse, widely trusted by our stakeholders, and prepared to meet the needs of British Columbians.

INCREASING DIVERSITY IN OUR PROFESSIONS

We are putting diversity principles into action because we know that diverse perspectives strengthen our professions and our decision-making processes. We continue to make progress towards the 30 by 30 goal—a national commitment to increase newly registered female engineers to 30 percent by 2030. This year we also signed onto the Sector Labour Market Partnership Project, and are working to support individuals who are under-represented in our professions, which includes women, Indigenous peoples, and newcomers to Canada.

TAKING ACTION ON TRUTH AND RECONCILIATION

We are working to address the Calls To Action of the Truth and Reconciliation Commission of Canada by implementing five key Calls that relate to the primary duty of the association. This year, we became the first engineering and geoscience regulator in Canada to do so, by implementing a pilot program, which includes the creation of a working group, a professional development event on Indigenous engagement in engineering and geoscience projects, and career outreach.

SUPPORTING LABOUR MARKET DEMAND

By improving our application assessment processes with a streamlined risk-based approach, we substantially reduced processing times for all application types and enhanced our registration procedures. We are cultivating a skilled workforce by helping employers match their recruitment requirements with the skills of internationally trained professionals. Through the Sector Labour Market Partnership with the Applied Science Technologists and Technicians of BC and the Association of Consulting Engineers British Columbia, we are exploring how best to attract, retain, and support career advancement of equity-seeking groups in BC’s engineering and technology sector.

INSPIRING THE NEXT GENERATION

We strive to develop an inclusive culture for current and future generations of engineers and geoscientists to reflect Canada’s diverse society. During National Engineering and Geoscience Month, we helped inspire students to consider careers in engineering and geoscience with a special focus on young women. We continued to showcase the pathways to entering the professions through a number of programs and initiatives like our career awareness outreach to elementary and high school students, our strong connections to post-secondary institutions, and our mentoring program.

HIGHLIGHTING OUR ROLE AS A TRUSTED REGULATOR

Building trust and understanding with stakeholders is essential to our public protection mandate. This year, we published information on a number of key public safety issues, including disciplinary hearings related to the Mount Polley tailings storage facility breach, and a consent order concerning the structural design of a high-rise tower in Surrey, BC. We also committed to engaging collaboratively with Government on the Professional Governance Act, sharing our insights, concerns, and expertise on effective Right-Touch Regulation, and making policy recommendations—many of which have been accepted and implemented into the new legislation.

5.7% membership growth (35,269 to 37,280)

21% of newly licensed members are female / 15% of all members are female

7,687 K-12 students engaged

1,701 post-secondary students engaged
By the Numbers
July 1, 2018 to June 30, 2019

Total Membership
at June 30, 2019
37,280

Discipline and Investigation
85 complaints received against professional members
16 files resulting in action by the Discipline Committee
42 investigation files closed

Trends in Nature of Complaints Received:
1. Professional conduct issues (not professional competency)
2. Geotechnical engineering
3. Structural engineering

Practice Reviews
119 practice review files adjudicated
105 practice review files found in compliance
11 practice review files requiring improvement
3 practice review files sent to investigation

Knowledge Gaps
Practice Reviews and OQM Audits identified these top practice issues:
• Checking of projects during implementation or construction
• Records relating to work being appropriately checked
• Use of seal
• Document retention
• Displaying certificates

CPD Compliance
61% of members declared CPD compliance in 2018
More than the previous period.

The Benevolent Fund Society had $26,666 in grants, about $10,000 out of $70,050 in donations this 2018–2019 period. The Society gave Grants received in the 2017–2018 period. The Society may provide one-time grants or access to financial, career, or personal counselling, or other services as necessary.

The Benevolent Fund Society had a slightly higher level of activity in 2018–2019, receiving 14 applications compared with 10 applications in 2018–2019, receiving 14 applications, or 10 applications in the 2017–2018 period. The Society gave out $26,666 in grants, about $10,000 more than the previous period.

The Society's capital is healthy, having received $41,965 in donations this past year. The Directors are thankful for the generosity of members. These contributions mean the Benevolent Fund Society is able to provide more benefits to members in need. Members who make donations are issued tax receipts for contributions over $10 and all donations are greatly appreciated. The Benevolent Fund Society would also like to recognize the association staff. The Society's Board of Directors confidentially reviews applications for assistance. The Society's Board of Directors confidentially reviews applications for assistance. The Board of Directors confidentially reviews applications for assistance.

The Benevolent Fund Society can be found at egbc.ca/benevolent.

Benevolent Fund Society Directors
Robert Martin
P.Eng., FEC, Chair
Susan Hollingshead
P.Eng./P.Geo., Secretary
Karen Ling
P.Eng., Treasurer
Margaret Li
P.Eng., FEC, FGC (Hon.), Director
Paul Blanchard
P.Eng., FEC, FGC (Hon.), Director

In 2018–2019, the Engineers and Geoscientists BC Foundation awarded $70,050 to 50 engineering and geoscience students. The Foundation itself administered 28 scholarships; 15 awards were supported through BC’s post-secondary institutions; and branches of Engineers and Geoscientists BC facilitated 7 awards. Of the scholarships administered through the Foundation, about half were awarded to women—demonstrating the relevance of gender diversity in the professions.

The Foundation had another successful year, receiving over $105,000 from over 1,500 individual donors and companies. In particular, the Foundation would like to thank BC Hydro once again for its generous contribution of $15,000 towards the BC Hydro/Engineers and Geoscientists BC Foundation Scholarship.

As part of Engineers and Geoscientists BC’s volunteer recognition program, volunteers were given the option of either receiving a small gift or having a donation made on their behalf to one of Engineers and Geoscientists BC’s two charities. The Foundation would like to thank the over 500 association volunteers who chose to opt out of receiving a gift and instead request that Engineers and Geoscientists BC make a donation to the Foundation. The $10,000 raised through this initiative will help support the education of up to 10 students.

The Foundation sends its condolences and thanks to the families of Bob Gerath P.Geo., and Ken MacEwan P.Eng., who passed away in the last year. Their families chose to name the Foundation as a charity to honour Mr. Gerath’s and Mr. MacEwan’s memories. Their names join those of the many members who have made significant contributions to the engineering and geoscience professions over their careers.

The Engineers and Geoscientists BC Foundation is a registered charity chartered in 1993 to provide scholarships and bursaries to post-secondary engineering and geoscience students (Registration no.: 821138393 RR0001). To obtain more information about the Foundation, volunteer, or make a donation, visit egbc.ca/Foundation, email foundation@egbc.ca, or call 604.430.8035.
The work of Engineers and Geoscientists BC is supported by the participation of our volunteers. It is through their dedicated efforts that we are able to carry out our regulatory role, making BC a more prosperous, healthier, and safer place to live, work, and play.
Angelina Mak, EIT
Nathanael Leung, EIT
Jordan Larkins, EIT
Peter Krahn, P.Eng.
Karla Herrera Palmeros, EIT
Gabe Hamilton, P.Eng.
Sean Gray, P.Eng.
Bridgette Epp, EIT
Robyn Edgar, P.Eng.
Kirsten Dougans, EIT
Simon Diemert, P.Eng.
Jane Desrochers, EIT
Jillian Cooke, P.Eng.
Candace Cook, EIT
Ellen Chen, EIT
Christopher Chan, EIT
Spencer Behn, EIT
Arindam Bari
Syed Ali, P.Eng.
Kerly Acosta Salgado, P.Eng.
Career Awareness Program
Wen Zhang, Eng.L.
John Roxas, EIT
Kirthi Ravikanti, EIT
Vaishali Rampurkar, EIT
Ethan Liu, EIT
Jillian Cooke, P.Eng.
Burnaby/New Westminster Branch
Michael Wilson, P.Eng.
Terra Shimbashi
Joel Schwartz, P.Eng., FEC
Leslie Peer, P.Eng., FEC
Sophie Mercier, P.Eng.
Mark Porter, P.Eng., Struct.Eng., FEC
Susan MacDougall, P.Eng.
Brent Burton, P.Eng.
Linda Valter
Dave Steer, P.Eng.
Jeffery Mitchell, P.Eng.
Alan Brown
Certified Professionals Committee
Don Williams, P.Eng.
Rosalie Hanlon, P.Eng.
Jeremy Gabel, P.Eng.
Mark Fewer, FEC (Hon.)
Amit Banerjee, P.Eng.
Assessment Canada User Group
Emilia Mazzonna, P.Eng.
Thomas Leung, P.Eng., Struct.Eng., FEC
Albert Leung, Architect AIBC
Houssam Hamze
Matt Zieleman, EIT
Karen Chan, P.Eng.
Thomas Goh, P.Eng.
Heather Goddard, PEng.
Glenn Šilhan, P.Eng.
Jay Armstrong, P.Eng.
Ronald Yaworsky, P.Eng.
Dave Ricketts, P.Eng., FEC
Bruce Nicholas, P.Eng., (Non-Practising), FEC
Johar Al-Tamimi, P.Eng.
Derek Cooper, P.Eng.
Randy Alexander, P.Eng., FEC
Ted Fuller, P.Eng.
Tom Morrison, P.Eng.
Bruce Nicholas, P.Eng., (Non-Practising), FEC
Jack Carr, P.Eng.
Matt Zieleman, EIT
Catherine Hickson, P.Geo., FGC
Suky Cheema, CPA, CA
Doug Barry, P.Eng., FEC
Caroline Andrewes, P.Eng., FEC, FGC (Hon.), CPA, CMA
Dick Butler, P.Eng., FEC
Pierre-Michel Busque, P.Eng.
Chris Buck
John Binns, P.Eng.
Lloyd Bie, P.Eng.
Shaun Bidulka, P.Eng.
Rolly Trenaman, P.Eng., FEC
George Shikaze, P.Eng. (Non-Practising), FEC
David Wells, ID
Randy Alexander, P.Eng., FEC
Randy Alexander, P.Eng.
Richard Arnold, P.Eng.
Mark A., P.Eng.
Randy Alexander, P.Eng.
Michael Alan, P.Eng., FEC
Richard Alan, P.Eng.
Richard Alan, P.Eng.
Renee Surendra, P.Eng.
Claudio Arias, P.Eng., FEC
Victor Armstrong, P.Eng.
Kristian Ball, P.Eng.
Edible Ballarat, P.Eng.
Andy Baranov, P.Eng.
Gary Bater, P.Eng.
Dany Bock, P.Eng.
Kevin Baski, P.Eng.
Rice Beach, P.Eng.
Lloyd Blak, P.Eng.
John Brown, P.Eng.
Christopher Black, P.Eng.
James Bottom, P.Eng.
Tyrel Burch, P.Eng.
Aubin Briscoe-Dowling, P.Eng.
Dana Bromley, P.Eng.
Matt Brown, P.Eng., FEC
Chris Buck
Jordan Buchanan, P.Eng.
Steve Drummond, P.Eng.
Paul McNichol, B.Eng.
Dick Butler, P.Eng.
Good Battery, P.Eng.
Dan Byrne, P.Eng.
Tom Cameron, P.Eng., (Non-Practising), FEC
Peter Boesky, P.Eng.
Olive Barker, P.Eng., FEC
Emily Cheung, P.Eng.
Nash Knibbs, P.Eng.
Kian Shik
James Campbell, P.Eng.
Sara Tanguay, P.Eng.
Sean Good, P.Eng.
Sanjiv Sood, P.Eng.
Matthew Campbell, P.Eng.
Bob Campbell, P.Eng., FEC
Scott Campbell, P.Eng.
David Campbell, P.Eng.
Phil Coates, P.Eng.
Michael Corbin, P.Eng.
Anthony Cumin, P.Eng.
Wendy Cunliffe, P.Eng.
Yong Cui, P.Eng.
Richard Creamer, P.Eng.
Curtis Cheng, P.Eng.
Dan Cloward, P.Eng. (Non-Practising)
Kali Coulter, P.Eng.
James Cosima, P.Eng.
Bobbey Cox, P.Eng. (Non-Practising)
Rebecca Coy.

Michael Hurworth, P.Eng., FEC
Stephen Horsman, P.Eng.
Tony Horlor, P.Eng.
Curt Hepting, P.Eng.
Paul Hatton, P.Eng., FEC
Jeremy Hanson, P.Eng.
Gary Hamer, P.Eng., FEC
Gary Hamata, P.Eng., FEC
Lina Halwani, P.Eng.
Jeff Halpenny, P.Eng.
Allan Greeves, P.Eng.
Bob Gill, P.Eng., FEC
Farmand Ghafari, P.Eng., FEC
Michael Gedig, P.Eng.
Livio Gambone, P.Eng., FEC
Darrel Gagnon, P.Eng.
Mohamed Elesawey, P.Eng.
Colin Doyle, P.Eng.
Nicholas De Ridder, P.Eng.
Kristopher Davis, P.Eng.
Susan Davidson, P.Eng.
Sonia D’Ambra, P.Eng.
Paul Creighton, P.Eng.
Kel Coulson, P.Eng.
Dan Clowater, P.Eng. (Non-Practising)
Rick Cheung, P.Eng., FEC
Philip Castles, P.Eng.
Scott Campbell, P.Eng.
Tom Morrison, P.Eng., FEC
Ed Miska, P.Eng.
Vladimir Mikler, P.Eng.
Bruce McLeod, P.Eng. (Retired), FEC
Kelly McLean, P.Eng.
Brigid McGoran Canil, P.Eng.
Shawn McCann, P.Eng.
Arash Masbough, P.Eng.
Ting Lu, P.Eng.
Nini Long, P.Eng.
Lin Long, P.Eng.
David Lo, P.Eng.
Yi Li, P.Eng.
Ross Lewis, P.Eng., FEC
Jonathan Leung, P.Eng.
David Lee, P.Eng.
Mark Lawton, P.Eng., FEC
Samuel Lam, P.Eng.
Daniel Kunimoto, P.Eng., FEC
Steven Kuan, P.Eng.
Jack Patrick, P.Eng.
Sandro Papile, P.Eng.
Nathan Ozog, P.Eng., FEC
Goran Ostojic, P.Eng.
Gerry O’Hara, P.Eng., FEC
Alan Nicholson, P.Eng.
Wesley Narciso, P.Eng.
Pulak Mukerjee
Hans Muhlert, P.Eng., FEC
Derek Muggeridge, P.Eng.
Renato Camporese, P.Eng., Struct.Eng., FEC
Gerry Buydens, P.Eng., FEC
General Reviewers
Olena Zagoskina, P.Eng.
Raul Valverde Vasquez, P.Eng.
Saeed Mehdipour, P.Eng.
Iraj Manshadi, P.Eng.
Albert Jian, P.Eng.
Jermin Hsieh, P.Eng.
Hardeep Gill, EIT
Saeed Mehdipour, P.Eng.
Iraj Manshadi, P.Eng.
Albert Jian, P.Eng.
Jermin Hsieh, P.Eng.
Hardeep Gill, EIT

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The Association of Professional Engineers and Geoscientists of the Province of British Columbia

NON-CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

INDEPENDENT AUDITOR’S REPORT
September 13, 2019

To the Members of The Association of Professional Engineers and Geoscientists of the Province of British Columbia

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 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.

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.

OUR OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Association of Professional Engineers and Geoscientists of the Province of British Columbia (the Association) as at June 30, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Association’s financial statements comprise:

• The non-consolidated balance sheet as at June 30, 2019;
• the non-consolidated statement of revenue and expenses for the year then ended;
• the non-consolidated statement of changes in net assets for the year then ended;
• the non-consolidated statement of cash flows for the year then ended; and
• the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

INDEPENDENT AUDITOR’S REPORT
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.

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.

Chartered Professional Accountants
Vancouver, British Columbia
September 13, 2019

NON-CONSOLIDATED BALANCE SHEET
As at June 30, 2019

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

ASSETS

Current assets
- Cash and cash equivalents (note 3) 894,554 1,292,447
- Short-term investments (note 4) 13,046,946 10,497,346
- Accounts receivable (note 5) 768,857 605,423
- Prepaid expenses 296,519 384,307
- Inventory 20,093 21,655
Total 15,094,993 12,841,448

Intangible assets (note 6) 248,915 357,171

Property and equipment (note 7) 3,023,134 3,148,485

Investments (note 4) 97,300 650,113
Total 18,464,342 16,997,217

LIABILITIES AND NET ASSETS

Current liabilities
- Accounts payable and accrued liabilities 1,016,550 1,382,052
- Deferred revenue (note 8) 1,578,722 1,092,196
- Deferred fees (note 9) 6,156,858 5,306,144
Total 8,752,130 7,780,392

Net assets (note 2)
- General fund 3,272,049 3,505,655
- Operating 5,150,013 4,706,020
- Property, equipment and systems replacement fund 790,150 445,150
- Legal and insurance fund 500,000 500,000
Total 9,712,212 9,216,825

Commitments (note 10)

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## Non-Consolidated Statement of Revenue and Expenses

For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual membership fees</td>
<td>11,514,859</td>
<td>10,486,007</td>
</tr>
<tr>
<td>Application, registration and certification fees</td>
<td>1,649,358</td>
<td>1,306,513</td>
</tr>
<tr>
<td>Professional and academic examinations</td>
<td>569,484</td>
<td>505,862</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,733,701</td>
<td>12,296,382</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affinity programs</td>
<td>413,959</td>
<td>409,029</td>
</tr>
<tr>
<td>Annual conference</td>
<td>340,935</td>
<td>301,915</td>
</tr>
<tr>
<td>Grant and project administration</td>
<td>1,623,879</td>
<td>1,139,075</td>
</tr>
<tr>
<td>Innovation magazine and other advertising</td>
<td>573,474</td>
<td>530,419</td>
</tr>
<tr>
<td>Investment income</td>
<td>198,432</td>
<td>104,068</td>
</tr>
<tr>
<td>Miscellaneous (note 14)</td>
<td>1,623,879</td>
<td>1,139,075</td>
</tr>
<tr>
<td>Organization quality management</td>
<td>248,470</td>
<td>209,738</td>
</tr>
<tr>
<td>Professional development</td>
<td>1,002,826</td>
<td>1,077,256</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,792,881</td>
<td>4,072,546</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>18,526,582</td>
<td>16,368,928</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>53,191</td>
<td>276,503</td>
</tr>
<tr>
<td>Annual conference – facilities and meals</td>
<td>388,645</td>
<td>166,025</td>
</tr>
<tr>
<td>Contract and consulting services</td>
<td>2,016,463</td>
<td>1,807,615</td>
</tr>
<tr>
<td>Contract and consulting services on grants</td>
<td>1,573,648</td>
<td>872,965</td>
</tr>
<tr>
<td>Engineers Canada assessment</td>
<td>312,411</td>
<td>299,755</td>
</tr>
<tr>
<td>Examinations and examination books</td>
<td>403,133</td>
<td>360,217</td>
</tr>
<tr>
<td>Geoscientists Canada assessment</td>
<td>67,358</td>
<td>67,705</td>
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<tr>
<td>Grants and awards</td>
<td>96,834</td>
<td>100,292</td>
</tr>
<tr>
<td>Innovation magazine printing</td>
<td>106,095</td>
<td>90,651</td>
</tr>
<tr>
<td>Legal</td>
<td>686,425</td>
<td>607,952</td>
</tr>
<tr>
<td>Meetings, seminar room rentals and special events</td>
<td>569,622</td>
<td>462,302</td>
</tr>
<tr>
<td>Office, general and miscellaneous (note 15)</td>
<td>966,246</td>
<td>1,022,257</td>
</tr>
<tr>
<td>Premises and operating costs</td>
<td>374,120</td>
<td>479,407</td>
</tr>
<tr>
<td>Printing, publication and distribution costs</td>
<td>370,918</td>
<td>384,496</td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>9,000,635</td>
<td>7,870,044</td>
</tr>
<tr>
<td>Secondary professional liability insurance premiums</td>
<td>151,245</td>
<td>143,775</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>74,332</td>
<td>67,786</td>
</tr>
<tr>
<td>Travel</td>
<td>432,029</td>
<td>390,070</td>
</tr>
<tr>
<td><strong>Total expenses before amortization</strong></td>
<td>17,443,830</td>
<td>15,469,817</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses before amortization</strong></td>
<td>1,083,152</td>
<td>899,111</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>185,003</td>
<td>219,843</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>402,762</td>
<td>398,011</td>
</tr>
<tr>
<td><strong>Total amortization</strong></td>
<td>587,765</td>
<td>617,854</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses for the year</strong></td>
<td>495,387</td>
<td>281,257</td>
</tr>
</tbody>
</table>

## Non-Consolidated Statement of Changes in Net Assets

For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in property and equipment and intangible assets</td>
<td>(587,765)</td>
<td>(1,083,152)</td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, equipment and systems replacement fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal and insurance fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets – Beginning of year</td>
<td>3,505,655</td>
<td>4,766,020</td>
</tr>
<tr>
<td>Excess of revenue over expenses for the year</td>
<td>(587,765)</td>
<td>1,083,152</td>
</tr>
<tr>
<td>Investment in intangible assets</td>
<td>76,747</td>
<td>(76,747)</td>
</tr>
<tr>
<td>Investment in property and equipment</td>
<td>277,412</td>
<td>(277,412)</td>
</tr>
<tr>
<td>Transfer to property, equipment and systems replacement fund</td>
<td>-</td>
<td>(345,000)</td>
</tr>
<tr>
<td><strong>Net assets – End of year</strong></td>
<td>3,272,849</td>
<td>5,150,013</td>
</tr>
</tbody>
</table>

Note:
1. Amortization for the year
2. Excess of revenue over expenses before amortization, building repairs and maintenance
3. To fund intangible assets and property and equipment purchases

The accompanying notes are an integral part of these non-consolidated financial statements.
**NON-CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**CASH PROVIDED BY (USED IN)**

Operating activities

Excess of revenue over expenses for the year

Items not affecting cash – amortization of property and equipment

1,083,152

Change in working capital accounts

869,900

Investing activities

Investment in intangible assets

(76,747)

Investment in property and equipment

(277,412)

Proceeds on short-term investments and investments

22,290,258

Purchase of short-term investments and investments

22,290,258

Proceeds on short-term investments and investments

894,553

Change in working capital accounts

894,553

Supplementary information

Change in working capital accounts

$894,553

Cash and cash equivalents – Beginning of year

1,292,447

Cash and cash equivalents – End of year

1,292,447

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

1. MANDATE

The Association of Professional Engineers and Geoscientists of the Province of British Columbia (the Association) is incorporated under the provisions of the Engineers and Geoscientists Act. The Association’s mandate is to protect public safety, health and well-being through the application of engineering and geoscience, as well as to ensure the responsible self-governance and vitality of the professions.

The Association is a tax exempt organization as described in the Income Tax Act (Canada) and, as such is exempt from both federal and provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These non-consolidated financial statements include the financial activities of the Association exclusive of the net assets of Engineers and Geoscientists BC Foundation, Engineers and Geoscientists BC Benevolent Fund Society and member-supported branches and divisions (note 12).

**Basis of accounting**

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Net assets**

The "General fund" comprises two components. "Operating" represents funds used in the general operating and business activities, including any extraordinary circumstances that may arise and "Invested in property and equipment and intangible assets" represents the investment in property and equipment and intangible assets used in these activities.

The "Property, equipment and systems replacement fund" represents an appropriation by Council, which serves the long-term objective of setting aside funds to replace and improve property, equipment and systems when required. Any repairs, maintenance and improvement associated with the building are deducted from this fund.

Council reviews the method and the amount appropriated to ensure that the appropriation provides a reasonable basis for property, equipment and systems replacement. All repairs, maintenance and improvement deducted from the fund and property, equipment and systems acquisitions are approved by Council as part of the annual budgeting process.

The "Legal and insurance fund" relates to an appropriation by Council to set up a legal and insurance reserve to allow for extraordinary cases and situations over and above annual expectations. This allows the Association to be prepared to fulfill its mandate as described in note 1.

Managing capital

The Association defines its capital as the amount included in its net asset balances. The Association’s objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to fulfill its mandate as described in note 1. While there are no external restrictions on any of the net assets, Council has appropriated certain of the funds for specific purposes as described in net assets.

**General fund**

As at June 30, 2019, the General fund comprises $3,272,049 (2018 – $3,505,655) that is invested in property and equipment and intangible assets and is not available for other future operating activities and $5,150,013 (2018 – $4,766,020) that is available for future operating activities, including any extraordinary circumstances that may arise. Council has set a target of a minimum of three months operating expenses, or $3,800,000, to be held in the "Operating" net asset fund as a general reserve given the stability of annual membership fee revenues and the Association’s ability to access a pre-approved line of credit.

**Appropriated funds**

As at June 30, 2019, the property, equipment and systems replacement fund balance is $790,150 (2018 – $445,150).

As at June 30, 2019, the legal and insurance fund balance is $500,000 (2018 – $500,000). Council estimates this amount to cover two consecutive years of extraordinary legal and/or insurance costs.

**Revenue recognition and deferred fees**

The Association follows the deferral method of accounting for annual fees and other revenues which are received, but for which services have not yet been performed. Membership and other fees are billed and received in advance on a calendar-year basis. Accordingly, a portion of these fees received prior to June 30, 2019, have been deferred for financial reporting purposes and will be recognized as revenue over the remainder of the current calendar year.

The Association enters into certain contracts for which it subcontract the required services. These contracts are accounted for using the deferral method of accounting.

All other revenues are recognized when earned if the amount to be received can be reasonably estimated and collectability is reasonably assured.

*The accompanying notes are an integral part of these non-consolidated financial statements.*
Amortization
Amortization is recorded by using the following annual rates calculated on a straight-line basis:

- Building: 3.3%
- Intangible assets (software & development): 33.3%
- Computer: 10% – 33.3%
- Electronic equipment: 20%
- Furniture, fixtures and office improvements: 10%

Donated services
The Association and its members benefit from donated services in the form of volunteer time for various committees. Donated services are not recognized in these non-consolidated financial statements.

Cash and cash equivalents
Cash and cash equivalents consist of cash on deposit and high interest savings accounts with banks.

Investments
Investments may consist of federal and provincial government bonds, treasury bills and guaranteed investment certificates consistent with the Association’s investment policy. The investments are designated as held-to-maturity and are recorded at amortized cost. Interest income is recognized over the lives of the instruments using the effective interest rate method. Short-term investments consist of treasury bills and guaranteed investment certificates maturing within one year. Long-term investments consist of guaranteed investment certificates maturing between one to two years.

Inventory
Inventory relates to exam books. Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item, actual cost basis.

Member-supported branches and divisions
The member-supported branches and divisions provide local support to the members of the Association throughout the region of British Columbia. The member-supported branches and divisions are unincorporated entities. The Association controls the operations of the member-supported branches and divisions as it holds a significant economic interest and shares complementary objectives with the member-supported branches and divisions. The Association does not consolidate the financial results of the member-supported branches and divisions. Bank accounts and cash flows for all member-supported branches and divisions are managed and recorded by the Association’s Finance department.

Financial information for the controlled funds is provided in note 12.

Use of estimates
The preparation of non-consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements and revenues and expenses during the year. Significant areas requiring the use of estimates relate to determining the useful lives of property and equipment and the amount of membership fees received in advance to be deferred. Financial results, as determined by actual events, may differ materially from those estimates.

Financial instruments

3 CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>498,411</td>
<td>893,688</td>
</tr>
<tr>
<td>High interest savings accounts</td>
<td>396,343</td>
<td>399,759</td>
</tr>
<tr>
<td></td>
<td>894,754</td>
<td>1,293,447</td>
</tr>
</tbody>
</table>

The Association has access to a pre-approved line of credit, secured by the building and land, with a limit of $500,000 of which $nil was drawn on at year-end (2018 – $nil).

4 INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed investment certificates</td>
<td>1,412,613</td>
<td>1,497,613</td>
</tr>
<tr>
<td>Government of Canada treasury bills</td>
<td>11,731,633</td>
<td>9,649,846</td>
</tr>
<tr>
<td></td>
<td>13,144,246</td>
<td>11,147,459</td>
</tr>
<tr>
<td>Short-term</td>
<td>13,046,946</td>
<td>10,497,346</td>
</tr>
<tr>
<td>Long-term</td>
<td>97,300</td>
<td>650,113</td>
</tr>
<tr>
<td></td>
<td>13,144,246</td>
<td>11,147,459</td>
</tr>
</tbody>
</table>

5 ACCOUNTS RECEIVABLE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government grants</td>
<td>279,935</td>
<td>421,549</td>
</tr>
<tr>
<td>Receivables from members</td>
<td>277,796</td>
<td>6,808</td>
</tr>
<tr>
<td>Project grants (UBC and other associations)</td>
<td>84,135</td>
<td>57,938</td>
</tr>
<tr>
<td>Innovation magazine</td>
<td>26,397</td>
<td>24,887</td>
</tr>
<tr>
<td>Due from Geoscientists Canada</td>
<td>162</td>
<td>55,366</td>
</tr>
<tr>
<td>GST</td>
<td>38,323</td>
<td>28,196</td>
</tr>
<tr>
<td>Other</td>
<td>62,309</td>
<td>10,679</td>
</tr>
<tr>
<td></td>
<td>768,857</td>
<td>665,423</td>
</tr>
</tbody>
</table>

6 INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internally generated software</td>
<td>1,267,664</td>
<td>1,018,749</td>
</tr>
<tr>
<td>Externally acquired software</td>
<td>248,915</td>
<td>357,171</td>
</tr>
<tr>
<td></td>
<td>2,516,579</td>
<td>1,375,920</td>
</tr>
</tbody>
</table>

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7 Property and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2019 Accumulated</th>
<th>2018 Accumulated</th>
<th>Net</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>amortization</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Land</td>
<td>874,011</td>
<td>-</td>
<td>874,011</td>
<td>874,011</td>
</tr>
<tr>
<td>Building</td>
<td>3,251,166</td>
<td>2,601,231</td>
<td>649,935</td>
<td>758,364</td>
</tr>
<tr>
<td>Computer</td>
<td>2,023,191</td>
<td>1,946,075</td>
<td>77,116</td>
<td>65,743</td>
</tr>
<tr>
<td>Electronic equipment</td>
<td>301,855</td>
<td>122,017</td>
<td>179,838</td>
<td>179,260</td>
</tr>
<tr>
<td>Furniture, fixtures and office improvements</td>
<td>2,541,380</td>
<td>1,299,146</td>
<td>1,242,234</td>
<td>1,271,107</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,991,603</strong></td>
<td><strong>5,968,469</strong></td>
<td><strong>3,023,134</strong></td>
<td><strong>3,148,485</strong></td>
</tr>
</tbody>
</table>

8 Deferred Revenue

Deferred revenue represent amounts received that is related to programs and costs expected to occur in the subsequent period.

<table>
<thead>
<tr>
<th></th>
<th>External grants</th>
<th>Deferred revenue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred contributions – Beginning of year</td>
<td>744,124</td>
<td>349,072</td>
<td>1,093,196</td>
</tr>
<tr>
<td>Amounts received</td>
<td>1,747,079</td>
<td>705,408</td>
<td>2,452,487</td>
</tr>
<tr>
<td>Amounts recognized as revenue</td>
<td>(1,527,335)</td>
<td>(438,626)</td>
<td>(1,965,961)</td>
</tr>
<tr>
<td>Deferred contributions – End of year</td>
<td>962,868</td>
<td>615,854</td>
<td>1,578,722</td>
</tr>
</tbody>
</table>

9 Deferred Fees

| Professional Engineers and Geoscientists membership fees | 4,800,115 | 4,193,221 |
| Engineer and Geoscientist-in-training membership fees | 841,033 | 694,667 |
| Non-resident licence and limited licence | 250,535 | 230,867 |
| Member advantage program for student membership fees | 44,337 | 43,044 |
| Other | 220,838 | 146,365 | 6,156,858 | 5,306,149 |

10 Commitments

The Association has operating lease commitments for office equipment for the next two years requiring the following minimum payments:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2020</td>
<td>77,637</td>
<td>77,637</td>
</tr>
<tr>
<td>2021</td>
<td>155,274</td>
<td></td>
</tr>
</tbody>
</table>

11 Defined Contribution Plan

The Association has established a defined contribution plan for its employees, under which employees contribute 5% of their qualifying gross earnings and the Association contributes 7.85% of qualifying employees’ gross earnings. Defined contribution plan expense for the year was $506,945 (2018 – $462,024).

12 Controlled Funds

The Association controls the operations and provides accounting and administration services to the Benevolent Fund Society, the Foundation and member-supported branches and divisions. The results and net assets of these operations are not consolidated in the non-consolidated financial statements of the Association.

Summary financial information on each of the controlled funds is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Benevolent Fund Society</td>
<td>329,935</td>
<td>311,768</td>
</tr>
<tr>
<td>Revenue – contributions and investment income</td>
<td>47,955</td>
<td>38,828</td>
</tr>
<tr>
<td>Expenses and grants</td>
<td>29,247</td>
<td>23,077</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>18,188</td>
<td>19,217</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>10,000</td>
<td>-(13,877)</td>
</tr>
<tr>
<td>Foundation</td>
<td>759,722</td>
<td>697,727</td>
</tr>
<tr>
<td>Total assets</td>
<td>192,107</td>
<td>179,414</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>567,615</td>
<td>518,313</td>
</tr>
<tr>
<td>Net assets</td>
<td>68,539</td>
<td>80,941</td>
</tr>
<tr>
<td>Revenue – contributions and investment income</td>
<td>36,368</td>
<td>30,536</td>
</tr>
<tr>
<td>Expenses and grants</td>
<td>50,571</td>
<td>(59,176)</td>
</tr>
<tr>
<td>Member supported branches and divisions</td>
<td>267,629</td>
<td>253,388</td>
</tr>
<tr>
<td>Total assets</td>
<td>26,553</td>
<td>27,245</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>241,076</td>
<td>226,143</td>
</tr>
<tr>
<td>Net assets</td>
<td>145,778</td>
<td>156,861</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>14,933</td>
<td>13,731</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Branches and divisions</td>
<td>267,629</td>
<td>253,388</td>
</tr>
<tr>
<td>Total assets</td>
<td>26,553</td>
<td>27,245</td>
</tr>
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<td>156,861</td>
</tr>
<tr>
<td>Expenses and grants</td>
<td>14,933</td>
<td>13,731</td>
</tr>
</tbody>
</table>
13 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Association is not exposed to significant currency risk.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk on short-term deposits and investments. Management frequently reviews the interest rates to mitigate risk and uses professional investment management services.

Market risk and other price risk
Market risk and other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Association is not exposed to significant market risk and other price risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Association does not have a significant concentration of credit risk in any single party or group of parties. Accounts receivable are due primarily from government.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Association is not exposed to significant liquidity risk.

There have not been any significant changes in risk exposure from prior years.

14 MISCELLANEOUS REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discipline recoveries</td>
<td>178,539</td>
<td>141,500</td>
</tr>
<tr>
<td>Other</td>
<td>65,647</td>
<td>68,261</td>
</tr>
<tr>
<td>Return to Practice/Reinstatement</td>
<td>29,300</td>
<td>38,550</td>
</tr>
<tr>
<td>Certified Professional Program</td>
<td>117,420</td>
<td>52,735</td>
</tr>
<tr>
<td></td>
<td>390,906</td>
<td>301,046</td>
</tr>
</tbody>
</table>

15 OFFICE, GENERAL AND MISCELLANEOUS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank and credit card processing fees</td>
<td>411,926</td>
<td>437,436</td>
</tr>
<tr>
<td>Office and general (couriers, copier, office supplies, storage, training and regalia)</td>
<td>361,200</td>
<td>362,624</td>
</tr>
<tr>
<td>Information technology licencing</td>
<td>98,072</td>
<td>136,625</td>
</tr>
<tr>
<td>Insurance</td>
<td>49,383</td>
<td>40,967</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>17,899</td>
<td>13,282</td>
</tr>
<tr>
<td>Other</td>
<td>27,766</td>
<td>31,323</td>
</tr>
<tr>
<td></td>
<td>966,246</td>
<td>1,022,257</td>
</tr>
</tbody>
</table>