



AGENDA

2019 Annual General Meeting of Members Saturday, June 8, 2019 – 10:00 am - 11:30 am The Westin Trillium House, Blue Mountain

Please note that all meeting proceedings are being recorded for the purpose of accuracy of minutes

- | | | |
|-----|--|---|
| 1. | Chair's Opening Remarks <ul style="list-style-type: none">• Agenda & List of Motions (Tab 1)• Introduction of Council• Acknowledgement of Past-Presidents in Attendance | Kim Pickett, C.E.T. |
| 2. | Adoption of Minutes – June 2, 2018 (Tab 2) | Barry Hudson |
| 3. | Greetings from Other Associations and Guests | |
| 4. | OACETT Update – A Year in Review | Greg Miller, C.E.T. |
| 5. | Nominating Committee Update | Bob van den Berg, C.E.T. |
| 6. | Acceptance of 2018 Audited Financial Statements (Tab 3) <ul style="list-style-type: none">• Appointment of Auditors for 2019 | Rosanna Baggs, C.E.T. /
Barry Hudson |
| 7. | Carole and George Fletcher Foundation (Tab 4) <ul style="list-style-type: none">• Acceptance of 2018 Financial Statements• Appointment of Accountants for 2019• Appointment of Trustees | David Tsang, A.Sc.T. /
Barry Hudson |
| 8. | New Business / Open Discussion <ul style="list-style-type: none">• Motion from Member | |
| 9. | Closing Remarks | Kim Pickett, C.E.T. |
| 10. | Adjournment | |

DRAFT

Minutes of the Annual General Meeting of the Members of the Ontario Association of Certified Engineering Technicians and Technologists held at The Hilton Mississauga/Meadowvale on Saturday June 2, 2018.

Present: Members of Council
 Members of the Association
 Guests

Chair's Opening Remarks

Mr. Miller welcomed everyone to the 2018 Annual General Meeting of OACETT and noted that the meeting was being video-recorded so that it can be shared with the membership afterwards. Mr. Miller then introduced Council, OACETT's Senior Management Team and Past-Presidents in attendance.

Adoption of Minutes (Appendix Tab 2)

- 1. Moved by Vince La Faive, Seconded by Dale Phippen and Carried.
Resolved that the Minutes of the Annual General Meeting of the Ontario Association of Certified Engineering Technicians and Technologists of June 3, 2017, be accepted as presented / amended.**

Greetings from Other Associations and Guests

Devi Richards introduced Mr. Bob Delaney, MPP for the western Mississauga neighborhoods of Lisgar, Meadowvale and Streetsville. Mr. Delaney greeted the participants of the Annual General Meeting and stressed the importance of the technology profession in the modern economy. Mr. Miller announced that a donation in the name of Mr. Delaney will be made to the Fletcher Foundation.

Mr. Miller welcomed and invited greetings from guests stating that to thank each of these individuals OACETT will make donations in their names to the Carole and George Fletcher Foundation, a Foundation that provides scholarships to assist young people across the province to pursue careers in engineering and applied science technology.

The following guests brought greetings:

- Richard Stamper, Executive Director - Technology Accreditation Canada who presented a small gift of appreciation to Ms. Devi Richards, C.E.T. for serving as OACETT's representative on the TAC board.
- Mr. Trent Reid, President - Applied Science Technologists and Technicians of British Columbia. ASTTBC made a \$1,000 donation to the Fletcher Foundation.
- Mr. Adam Campbell, President - Association of Science and Engineering Technology Professionals of Alberta. ASET made a \$1,000 to the Fletcher Foundation
- Mr. Jonathan Hack, President - Ontario Society of Professional Engineers
- Mr. David Fulford, Vice-President, Research and Policy - Colleges Ontario
- Mr. Sam Loggia, Manager Strategic Initiatives Electrical Sector - CSA Group Canadian Standards Association
- Ms. Tess O'Mara, Project Manager representing the OSPE-led Women in Stem project
- Mr. Matt Farrell, President - Ontario Building Officials Association
- Jodi Turner and Santosh Kumar Veerbadra - students from the winning team of 2018 NEM College Challenge.

Mr. Miller thanked all guests for their greetings and updates.

OACETT Update – A Year in Review

- Mr. Miller commented that it has been a distinct pleasure serving as President the past year and highlighted some of the successes that have been made since the 2017 OACETT AGM.
- Revamping OACETT strategic plan with a concerted effort to engage the membership and on future directions, and an assessment of what we are doing right, and what we can do to improve upon.

- As membership growth begins to flat line, and younger professionals are soon to be the largest part of the workforce, the Young Professionals Task Force is most timely as we seek to attract and maintain the “millennials”, and soon thereafter Generation “Z”.
- As TAC and CTAB explore a single national standard, the Presidents of all ten provincial associations met in Toronto early in May and agreed to commitment to explore national reconciliation.
- The growing list of accredited college programs is rewarding to see.
- Introducing a carbon offset program for meetings, including the AGM.
- Commitment to CPD remains resolute with audits beginning in 2019. The recently offered Artificial Intelligence Supported online communications course for technologists was very well received with good results.
- OACETT partnerships with Skills Ontario, PEO, OSPE, and the colleges are strong with a variety of initiatives such as the recently launched Mass Open On-Line Course (MOOC) to offer high school students, parents and teachers an on-line opportunity to explore careers in engineering technology.
- OACETT partnership to remove Barriers for Women in STEM is another example, as is the ongoing commitment with Skills Ontario and the collective effort toward National Engineering Month with a growing list of OACETT chapters getting involved working with young people, including the very successful OACETT sponsored student challenge.

2017 Audited Financial Statements (Appendix Tab 3)

Mr. Hudson summarized the 2017 Audited Financial Statements noting that overall OACETT had an exceptionally good year.

- OACETT's 2017 surplus includes \$152,734 from operations; and a gain on investments during the year of \$603,875.
- Revenue in 2017 had a slight decrease of \$46,000 ending with annual revenue being \$5.67 million compared to \$5.72 million in 2016. Even with the slight dip in revenue, sound management by the OACETT Directors allowed us to maintain a year-end surplus position as earlier stated.
- The investment portfolio continues to see gains in 2017 with a market value in May of approximately \$5.7 million dollars.
- The Association ended the year with a contingency reserve (which excludes the IT System Reserve) of \$4.2 million dollars that would cover approximately 10 months of operating expenses -- this is slightly higher than the CRA accepted benchmark of 7 to 9 months in operating reserves. This is in place to protect OACETT should there be any unforeseen risks to the Association.

- 2. Moved by Pasha Mohammed, Seconded by Albert Paschkowiak and Carried.
Resolved that the Ontario Association of Certified Technicians and Technologists Audited Financial Statements for the year ended December 31, 2017 be accepted as presented.**
- 3. Moved by Steve Cauduro Seconded by David Saunders, Carried with three members opposing
Resolved that BDO Canada LLP be re-appointed auditors for the Ontario Association of Certified Engineering Technicians and Technologists until the Annual General Meeting in 2019.**

Public Representative Remarks

Ms. Lori Cornwall, appointed public representative to OACETT, reported on the Young Professionals Task Force activities as well as other issues of social responsibility such as Fletcher Foundation, chapter and other association's activities and the importance of such activities to the public interest. Ms. Cornwall also talked about the importance of membership in OACETT as a personal brand of professionals and was delighted at the energy and commitment of volunteers participating in this year's AGM. She stressed that many young members of OACETT approached her to express their desire to participate in the YPTF.

Carole and George Fletcher Foundation (Appendix Tab 4)

Mr. David Tsang, Chair of the Board of Trustees of the Carole and George Fletcher Foundation, reported to the membership on the activities and results of the Foundation in 2017.

- Mr. Tsang summarized the highlights of 2017 noting that it was a good year. 25-for-25 campaign reached its \$1 million funding target; many chapters sent representatives to their local college awards ceremonies and assisted in handing out the \$1,000 bursary to a student. For some colleges, they can now hand out more than one, \$1,000 awards owing to sound investment policies.
- A rebranding effort was launched resulting in a development of a new logo and a redesigned website – offering improved features, more functionality and an updated look while at the same time undertaking new measures to increase funds and new program development.
- 24 colleges in Ontario were offered two features. A top-up grant for the three smaller colleges who had yet to achieve the \$40,000 bursary target under the 25-for-25 campaign. Second, all colleges are eligible to apply for a total grant of \$20,000 for programming that “enhances student educational experiences”.
- These new initiatives are possible as a result of a significant increase in member contributions matched with a generous 2 for 1 matching fund provided by OACETT. Last year we raised over \$40,000.
- Three trustees, Daryl Keys, Bob Jameson and David Saunders have offered to donate a total of \$11,000 if matching funds can be provided by members or businesses

Acceptance of the Carole & George Fletcher Foundation 2017 Unaudited Financial Statements

Mr. Hudson summarized the statements noting the Foundation received just over \$48,000 dollars in member, OACETT, and corporate donations in 2017. The OACETT donation matching program, approved for 2017, saw OACETT donate close to \$25,000.

Similar to the OACETT investments, the Foundation's investment portfolio had a significant gain in 2017 of just under \$5,000. The market value of the portfolio in May was approximately \$95,000.

- 4. Moved by Devi Breda, Seconded by Tara Welbourn and Carried.**
Resolved that the Financial Statements for the Carole and George Fletcher Foundation for the year ended December 31, 2017, be accepted as presented.

Appointment of Accountants for 2018

- 5. Moved by Sean Wilson, seconded by Reginald Grieco and Carried with two members opposed.**
Resolved that BDO Canada LLP be re-appointed as accountants for the Carole and George Fletcher Foundation until the Annual General Meeting in 2019.

Appointment of the Foundation Trustees

- 6. Moved by Sal Ingraldi, Seconded by Albert Paschkowiak and Carried.**
Resolved that David Tsang, Chair, David Saunders, Bob Jameson, Daryl Keys, and Steve Barnes be appointed as Trustees of the Carole and George Fletcher Foundation until the Annual General Meeting in 2019.

New Business / Open Discussion

Mr. Miller noted that no registered resolutions had been received from the members and advised that as per By-Law 19, any resolutions that may result from discussions at the current AGM will not be binding but will be taken under advisement.

Based on the open mic session yesterday and its success, Mr. Miller opened the floor to questions. A period of questions and answers followed. There was a spirited discussion of how to increase the relevance and recognition of the OACETT certification. Mr. Miller then stated that, given the challenges noted by many members during the AGM, the Association will provide at the next AGM a report card on what has been accomplished.

Closing Remarks

Mr. Miller thanked the members of Council, chapter executives and the volunteers serving in so many capacities for their dedication and hard work.

Adjournment

7. Moved by Pasha Mohammed and Carried.

Resolved that the 2018 Annual General Meeting of the Ontario Association of Certified Engineering Technicians and Technologists be adjourned.

The Annual General Meeting of the Ontario Association of Certified Engineering Technicians and Technologists adjourned at 12:30 p.m.

.....
Chair

.....
Secretary

**Ontario Association of Certified
Engineering Technicians and
Technologists
Financial Statements
For the year ended December 31, 2018**

	Contents
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
Schedule 1 - Operating Expenditures	16
Schedule 2 - Program and Other Expenditures	17

Independent Auditor's Report

**To the Members of
Ontario Association of Certified Engineering Technicians and Technologists**

Opinion

We have audited the financial statements of Ontario Association of Certified Engineering Technicians and Technologists (the "Association"), which comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Mississauga, Ontario
March 8, 2019

**Ontario Association of Certified Engineering Technicians
and Technologists
Statement of Financial Position**

December 31 **2018** **2017**

Assets

Current

Cash and cash equivalents	\$ 1,117,511	\$ 1,039,486
Accounts receivable	178,759	167,222
Inventory	11,570	15,239
Prepaid expenses	70,250	79,927

	1,378,090	1,301,874
Capital assets (Note 2)	156,120	197,481
Intangible assets (Note 3)	723,078	285,891
Investments (Note 4)	5,855,359	5,692,051
Pension asset (Note 5)	748,200	1,043,100

\$ 8,860,847 **\$ 8,520,397**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 554,832	\$ 378,588
Fees received in advance	2,090,415	2,063,583
Leasehold inducement - current portion (Note 6)	16,459	16,459

	2,661,706	2,458,630
Leasehold inducement (Note 6)	43,888	60,347

2,705,594 **2,518,977**

Net assets

Net assets represented by:

Internally restricted for specific purposes:		
AMS database fund	384,540	852,003
Legal fund	75,000	75,000
Contingency fund	2,147,277	2,147,277
Unrestricted - operating fund	2,419,238	2,443,768
Invested in capital assets	156,120	197,481
Invested in AMS database	723,078	285,891
Invested in new initiatives fund	250,000	-

6,155,253 **6,001,420**

\$ 8,860,847 **\$ 8,520,397**

On behalf of the Board:

Greg Miller, C.E.T., CBCO, President

Kim Pickett, C.E.T., LET, President-Elect

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

**Ontario Association of Certified Engineering Technicians
and Technologists
Statement of Operations**

For the year ended December 31

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
Revenue			
Annual membership dues	\$ 4,260,000	\$ 4,264,421	\$ 4,208,969
Sponsorship	575,000	649,075	621,637
Examination fees	266,000	291,510	248,254
Application and registration fees	253,600	261,390	240,391
CTEN	100,000	109,445	107,742
Advertising	50,000	52,401	63,517
Other	93,800	102,022	97,881
Seminar	34,000	52,404	36,518
Rent	53,000	52,680	50,528
	5,685,400	5,835,348	5,675,437
Operating expenditures (Schedule 1)	724,030	687,090	655,616
Program and other expenditures (Schedule 2)			
Program	1,378,200	1,197,002	1,327,436
Staff	2,604,000	2,535,025	2,709,609
Office	437,070	389,282	317,378
Services purchased	398,600	266,500	342,078
	4,817,870	4,387,809	4,696,501
	5,541,900	5,074,899	5,352,117
Excess of revenue over expenditures before amortization and contributions	143,500	760,449	323,320
Amortization	(144,000)	(84,402)	(145,692)
Contribution to Carole and George Fletcher Foundation	-	(25,000)	(24,894)
Excess (deficiency) of revenue over expenditures before undernoted item	(500)	651,047	152,734
Investment income	500	(202,314)	603,875
Excess of revenue over expenditures for the year	\$ -	\$ 448,733	\$ 756,609

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

Ontario Association of Certified Engineering Technicians and Technologists
Statement of Changes in Net Assets

For the year ended December 31

2018

2017

	Invested in Capital Assets	Invested in AMS database	Legal Fund	Contingency Fund	New Initiatives Fund	AMS Database Fund	Operating Fund	Total	Total
Fund balances, beginning of year	\$ 197,481	\$ 285,891	\$ 75,000	\$ 2,147,277	\$ -	\$ 852,003	\$ 2,443,768	\$ 6,001,420	\$ 5,106,711
Capital assets purchased	43,041	437,187	-	-	-	(437,187)	(43,041)	-	-
Fund transfer	-	-	-	-	250,000	-	(250,000)	-	-
Pension remeasurements and other items	-	-	-	-	-	-	(294,900)	(294,900)	138,100
Excess (deficiency) of revenue over expenditures	(84,402)	-	-	-	-	(30,276)	563,411	448,733	756,609
Fund balances, end of year	\$ 156,120	\$ 723,078	\$ 75,000	\$ 2,147,277	\$ 250,000	\$ 384,540	\$ 2,419,238	\$ 6,155,253	\$ 6,001,420

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

**Ontario Association of Certified Engineering Technicians
and Technologists**
Statement of Cash Flows

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 448,733	\$ 756,609
Adjustments to reconcile excess of revenue over expenses for the year to net cash provided by operating activities		
Amortization	84,402	145,692
Leasehold inducement	(16,459)	(16,459)
Unrealized loss/(gain) on investments	450,087	(367,138)
Changes in non-cash working capital balances		
Accounts receivable	(11,537)	(52,425)
Inventory	3,669	(1,082)
Prepaid expenses	9,677	(21,931)
Accounts payable and accrued liabilities	176,244	58,583
Fees received in advance	26,832	61,050
	1,171,648	562,899
Investing activities		
Purchase of investments	(4,022,255)	(2,101,372)
Proceeds on sale of investments	3,408,860	2,181,403
Purchase of capital assets	(480,228)	(187,440)
	(1,093,623)	(107,409)
Increase in cash and cash equivalents during the year	78,025	455,490
Cash and cash equivalents, beginning of year	1,039,486	583,996
Cash and cash equivalents, end of year	\$ 1,117,511	\$ 1,039,486

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

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies

Nature of Organization

The Association is constituted by the Ontario Association of Certified Engineering Technicians and Technologists Act, 1998, of the Province of Ontario. As the professional association for engineering technicians and technologists, it establishes standards for its members and provides training, professional development and various member services. The Association is a not-for-profit organization and is exempt from income tax.

Cash and cash equivalents

Cash and cash equivalents consist of cash and money market investments with a maturity of less than three months at time of purchase. These are reported at fair value.

Inventory

Inventory consists of jewellery and novelties and is stated at the lower of cost and replacement cost which is not in excess of net realizable value. Cost is generally determined on the first-in, first-out basis.

Capital Assets

Capital assets which include the intangible assets computer software and membership database are stated at cost less accumulated amortization. Amortization is provided on the straight-line basis over the expected useful lives of the assets as follows:

Computer equipment and software	- 3 years
Furniture and equipment	- 10 years
Leasehold improvements	- over the term of the lease
Membership database	- 5 years

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the assets is calculated as follows:

AMS database	- 10 years
--------------	------------

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities and mutual funds traded in an active market are reported at fair value, with any unrealized gains and losses reported in the statement of operations. In addition all bonds have been designated to be in the fair value category, with gains and losses reported in the statement of operations. All other financial instruments are reported at cost or amortized costs less impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Leasehold Inducements

Leasehold inducements are amortized over the term of the lease.

Dues/Fees Received in Advance

Dues/Fees received in advance consist of membership dues, examination fees, and miscellaneous deposits which relate to the subsequent fiscal year.

Revenue Recognition

Membership Dues

Membership dues are recognized as revenue proportionately over the membership period to which they relate. Membership dues are recognized when the amount can be reasonably estimated and collection is reasonably assured.

Examination, Application, and Registration Fees

Fees are recognized in the year in which the services are provided.

Investment Income

Investment income includes dividends, interest income and realized and unrealized investment gains and losses.

Inventory

Revenue earned from sale of inventory is recognized in the period in which the goods are shipped.

Sponsorship Revenue

Sponsorship revenue is recognized in the period in which the amounts are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Revenue Recognition
(continued)

All other revenue items are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Donated Capital Assets,
Materials and Services**

Donated capital assets are recorded at fair value when fair value can be reasonably estimated. Due to the difficulty in determining their fair value, donated materials and services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Internally Restricted Funds

As noted below, part of the Association's fund balances have been internally restricted as approved by the Association's Council. Transfers among funds are recorded as approved by the Council.

Funds Invested in Capital Assets

The Funds Invested in Capital Assets represents capital assets owned by the Association.

Funds Invested - AMS Database

The Funds Invested - AMS Database represents capital assets owned by the Association relating to the new AMS Database.

AMS Database Fund

The AMS Database Fund was established to be utilized to fund IT expenses to upgrade or replace the Association's existing IT systems.

Legal Fund

The Legal Fund was established to be utilized to fund unexpected legal expenses of the Association.

Contingency Fund

The Contingency Fund was established to be utilized to fund unexpected operating expenses of the Association.

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Internally Restricted Funds
(continued)

New Initiatives Fund

The New Initiatives Fund was established to be utilized to fund approved new projects or activities that are aligned with the strategic plan.

Employee Future Benefits

The Association has a defined benefit pension plan. The accrued benefit obligation is determined using the actuarial valuation for funding purposes which determines the obligation based on management's best estimate of salary escalation, terminations, and retirement ages of plan members. Also, adjustments for plan amendments, changes in assumptions and experience gains and losses are charged to the statement of changes in net assets as they occur. Pension fund assets are valued at fair value at the balance sheet date. The total cost of the defined benefit plan for the period is comprised of the current service cost, finance cost, and remeasurements and other items. The current service cost and finance cost are charged to operations for the period, while remeasurements and other items are charged directly to the net assets as they occur.

2. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 500,793	\$ 477,984	\$ 482,473	\$ 460,916
Computer software	371,540	366,433	369,745	353,295
Furniture and equipment	620,051	556,910	615,930	541,705
Leasehold improvements	152,927	90,582	152,927	73,577
Membership database	884,150	881,432	865,345	859,446
	2,529,461	2,373,341	2,486,420	2,288,939
Cost less accumulated amortization		\$ 156,120		\$ 197,481

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

3. Intangible Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
AMS database	\$ 723,078	\$ -	\$ 285,891	\$ -
Cost less accumulated amortization		\$ 723,078		\$ 285,891

Included in Association Management System ("AMS") database is \$723,078 (2017 - \$285,891) of assets not in use. The AMS database will begin amortizing once it is put in use.

4. Investments

	2018		2017	
Cash and short-term money market	\$ 12,036		\$ 347,704	
Mutual funds	322,707		417,840	
Portfolio shares	3,492,211		4,339,235	
Fixed income	2,028,405		587,272	
	\$ 5,855,359		\$ 5,692,051	

Fixed income investments have an interest rate of 4.95% (2017 - 4.95%) and mature June 2021 to March 2025 (2017 - December 2020 to March 2025).

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

5. Pension Plan

The Association has funded a defined benefit plan providing pension benefits which covers substantially all its employees hired before December 31, 2007. The pension plan provides pension benefits based on length of service and final average earnings.

The Association uses the funding valuation approach to measure its accrued benefit obligations. The most recent actuarial valuation was as of January 1, 2016.

The funded status of the defined benefit plan is as follows:

	<u>2018</u>	<u>2017</u>
Accrued benefit obligation	\$ (4,816,200)	\$ (4,837,600)
Fair value of plan assets	5,564,400	5,880,700
Funded status - plan surplus	748,200	1,043,100
Valuation allowance	-	-
Accrued benefit asset	\$ 748,200	\$ 1,043,100

The following details significant components and assumptions of the Association's pension plan:

	<u>2018</u>	<u>2017</u>
Cash Flows		
Employer contributions	\$ 25,000	\$ 25,000
Benefit payments	(245,400)	(257,600)
Actuarial Assumptions		
Discount rate	4.75 %	4.75 %
Interest rate of return on assets	4.75 %	4.75 %
Inflation rate	2.50 %	2.50 %
Salary projection rate	3.75 %	3.75 %

The Association maintains a defined contribution pension plan for employees, matching the employee contributions up to a maximum of 5% of gross earnings with an additional automatic 3% annual employer contribution not subject to matching. The pension expense for the year relating to this was \$117,859 (2017 - \$134,490).

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

6. Leasehold Inducement

	2018	2017
Original inducement	\$ 148,127	\$ 148,127
Accumulated amortization	(87,780)	(71,321)
	60,347	76,806
Less: Current portion	(16,459)	(16,459)
	\$ 43,888	\$ 60,347

7. Commitments

The Association leases its premises and certain office equipment under long-term operating leases with annual base commitments over the next four years are as follows:

	Premises	Office Equipment	Total
2019	173,893	10,401	184,294
2020	175,539	4,801	180,340
2021	175,539	-	175,539
2022	58,513	-	58,513

8. Contingencies

The Association is party to legal proceedings arising out of the normal course of business. Where the results of these litigations cannot be predicted with certainty, and management is of the opinion that the outcome of these proceedings is not determinable, no provision is made in the financial statements. Any loss resulting from these proceedings will be charged to operations in the period the loss is determined. During the year, management made a provision of \$170,000 (2017 - \$nil) related to legal proceedings ongoing at year end.

**Ontario Association of Certified Engineering Technicians
and Technologists**
Notes to Financial Statements

December 31, 2018

9. Financial Instrument Risk

The Association manages its risk by forecasting cash flows from operations and anticipating any investing and financing activities. A summary of the various risks which the Association is exposed to as a result of their operations is summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligation; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to the accounts receivable. Management believes this risk is minimized by the credit worthiness of its customers.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at year end, investments of \$nil (2017 - \$nil) are in US dollars and converted into Canadian dollars.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Association is exposed to this risk through its fixed income investments. This risk has not changed from prior year.

Market value risk

Market value risk is the risk of potential loss caused by the fluctuations in fair value or future cash flows of financial instruments by changes in their underlying market value. The Association is exposed to this risk through its equity and mutual fund investments. This risk has not changed from prior year.

10. Budgeted Figures

The budgeted figures presented for comparison purposes are unaudited and are those approved by Council, reclassified to conform with the financial statement presentation. The approval of the balanced budget took place November 24, 2017.

11. Comparative Figures

Comparative figures have been reclassified to conform with the current year's financial statement presentation.

**Ontario Association of Certified Engineering Technicians
and Technologists
Schedule 1 - Operating Expenditures**

For the year ended December 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
Accommodation	\$ 322,000	\$ 317,784	\$ 319,997
Equipment leases and rentals	14,000	12,177	13,019
Insurance	8,700	8,721	8,632
Telephone and communications	97,000	72,795	69,724
Office	57,330	51,483	22,156
Technology Professionals Canada	225,000	224,130	222,088
	\$ 724,030	\$ 687,090	\$ 655,616

Ontario Association of Certified Engineering Technicians and Technologists
Schedule 2 - Program and Other Expenditures

For the year ended December 31, 2018

	Budget (Unaudited)	IETO	PASB	Admini- stration	2018 Total	2017 Total
Communications	\$ 275,700	\$ 1,648	\$ 276,473	\$ -	\$ 278,121	\$ 266,436
Council and committees	668,300	66,278	198,148	305,345	569,771	640,347
Operating priorities	434,200	161,463	139,191	48,456	349,110	420,653
Total program expenses	1,378,200	229,389	613,812	353,801	1,197,002	1,327,436
Staff	2,604,000	805,503	784,685	944,837	2,535,025	2,709,609
Office	437,070	8,346	11,327	369,609	389,282	317,378
Services purchased	398,600	123,595	16,420	126,485	266,500	342,078
	\$ 4,817,870	\$ 1,166,833	\$ 1,426,244	\$ 1,794,732	\$ 4,387,809	\$ 4,696,501

**Carole and George Fletcher
Foundation
Financial Statements
For the year ended December 31, 2018
(Unaudited - See Notice to Reader)**

	Contents
Notice to Reader	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Fund Balances	4



Tel: 905 270-7700
Fax: 905 270 7915
Toll free: 866 248 6660
www.bdo.ca

BDO Canada LLP
1 City Centre Drive, Suite 1700
Mississauga ON L5B 1M2 Canada

Notice to Reader

On the basis of information provided by management, we have compiled the statement of financial position of Carole and George Fletcher Foundation as at December 31, 2018 and statement of operations and fund balances for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Mississauga, Ontario
April 1, 2019

Carole and George Fletcher Foundation
Statement of Financial Position
(Unaudited - See Notice to Reader)

As at December 31 2018 2017

Assets

Current

Cash	\$	1,206	\$	51,910
Donations receivable		25,000		24,894
		26,206		76,804

Investments

		141,144		95,834
--	--	---------	--	--------

	\$	167,350	\$	172,638
--	----	---------	----	---------

Liabilities

Current

Due to OACETT	\$	18,054	\$	19,573
---------------	----	--------	----	--------

Net assets

Net assets represented by:

Restricted

The Kiani Foundation Engineering Technology Endowment Fund		36,226		37,643
Dr. Felix and Barbara Degan Award Fund		597		1,652
Lahde Award Fund		2,505		2,591
Endowment Fund		35,042		36,247

Unrestricted


		74,926		74,932
--	--	--------	--	--------

		149,296		153,065
--	--	---------	--	---------

	\$	167,350	\$	172,638
--	----	---------	----	---------

On behalf of the Board:

 _____ Trustee

 _____ Trustee

Carole and George Fletcher Foundation
Statement of Operations and Fund Balances
(Unaudited - See Notice to Reader)

For the year ended December 31 2018

	Restricted							
	The Kiani Foundation Engineering Technology Endowment Fund	Dr. Felix and Barbara Degan Award Fund	Lahde Fund	Endowment Fund	Unrestricted	2018	2017	
Revenue								
Donations	\$ -	\$ -	\$ -	\$ -	\$ 47,020	\$ 47,020	\$ 48,688	
Investment (loss) income	(417)	(55)	(86)	(1,205)	(2,928)	(4,690)	4,999	
Other income	-	-	-	-	-	-	-	
	(417)	(55)	(86)	(1,205)	44,092	42,330	53,687	
Expenses								
Bank charges	-	-	-	-	99	99	81	
Bursary	-	-	-	-	42,500	42,500	40,394	
Office expense	-	-	-	-	500	500	1,969	
Scholarships and awards	-	1,000	-	-	1,000	2,000	2,200	
Charitable contributions	1,000	-	-	-	-	1,000	-	
	1,000	1,000	-	-	44,099	46,099	44,644	
Excess of revenue (deficiency) over expenses for the year	(1,417)	(1,055)	(86)	(1,205)	(6)	(3,769)	9,043	
Fund balance, beginning of year	37,643	1,652	2,591	36,247	74,932	153,065	144,022	
Fund balance, end of year	\$ 36,226	\$ 597	\$ 2,505	\$ 35,042	\$ 74,926	\$ 149,296	\$ 153,065	