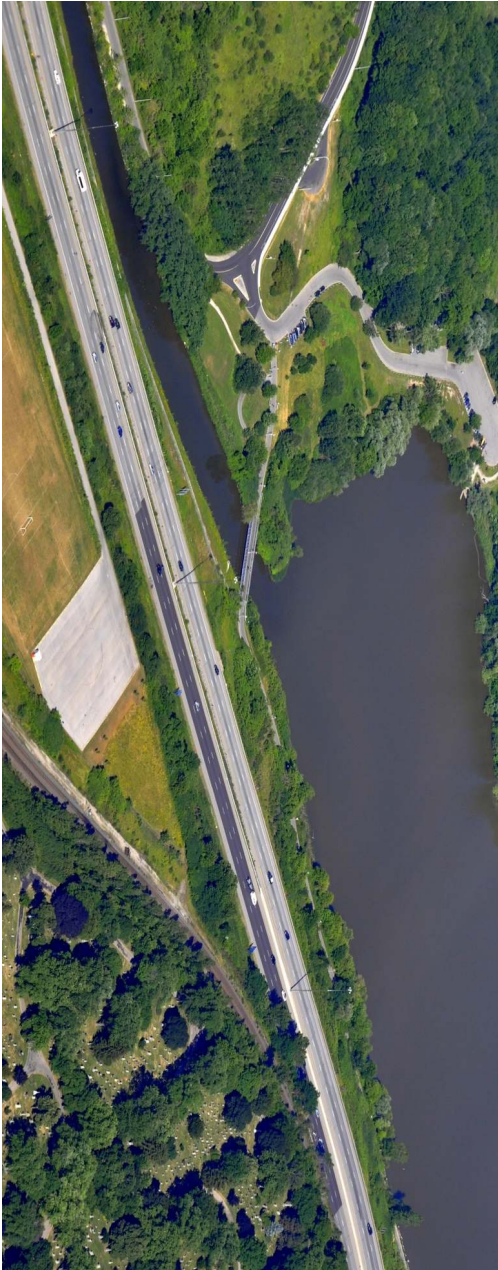


2015 —  
2016

# ANNUAL REPORT





## ENGINEERING POSITIVE CHANGE SINCE 1975

Consulting Engineers of Ontario (CEO) is a non-profit organization representing the business interests of 200 engineering firms employing more than 20,000 Ontarians.

Since it was founded in 1975, CEO has been making positive changes for everyone living in Ontario.

Our member firms represent more than 30 engineering specializations and 260 sub-specializations. CEO is a member organization of the Association of Consulting Engineering Companies-Canada and International Federation of Consulting Engineers.

Learn more about the value and benefits of your CEO membership at [www.ceo.on.ca](http://www.ceo.on.ca).

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## MESSAGE FROM THE CHAIR



**Bruce Potter, P. Eng.**  
Chair, Board of Directors

Last year, Chairman David Bannister's remark spoke about perpetuating the life cycle of Consulting Engineers of Ontario. He said that continuous efforts to pursue the value that CEO provides to our members and to the consumers of engineering services is critical for the association's sustainability. This year, I hope to touch on some of the activities CEO has achieved for our members and our industry partners.

We continued to advocate vocally for our members. Last fall, CEO held the inaugural Queen's Park Day, an event where board members and staff met with the key provincial ministers and their staff, and opposition critics to communicate our messages and build on those vital relationships with government. This day at Queen's Park was a crucial opportunity to discuss issues relevant to our members, including proper planning of infrastructure investment, contract language and undertakings of public infrastructure projects.

In addition, through our liaison committees, CEO worked closely with senior bureaucrats regularly throughout the year. We have been active in shaping the provincial legislation, Bill 6 Infrastructure for Jobs and Prosperity Act last year, and the current work on the Construction Lien Act. Needless to say, CEO is becoming the primary contact for government for consulting engineering issues.

Our Business Risk Committee has what seems to be a never-ending task of dealing with procurement issues. Procurement practices and increasing indemnification demands continued to challenge CEO. We need to have the flexibility to respond to individual concerns. We will continue to work hard to address the often harsh terms demanded by the province's largest public clients.

The success of CEO's future heavily depends on the engagement of our members. It is CEO's intent to direct more resources towards ensuring that our members recognize the importance of providing not just their financial resources but equally important their talented staff and their time to our association.

We have about 20 committees, subcommittees, liaison committees, task forces and chapters that advance our message and do the work of the association. CEO will be initiating a more aggressive communications plan with our members to ensure that the key decision makers in the CEO member firms recognize the importance of their firms' contributions. We are always looking for volunteers!

Earlier this year the Board of Directors adopted a new Strategic Plan. This new plan emphasizes three primary goals: Advocacy, Business Practices, and Member Engagement. Our mission "To promote a sustainable business environment for our members" remains unchanged. It is what CEO works hard for every day.

Our vision to be the authoritative voice for consulting engineering companies in Ontario continues to challenge our organization. While we feel that we are attaining that vision of being the authoritative voice with the provincial government, we need to develop a better understanding of our role as the authoritative voice of our member, firms which often have disparate views on the issues we must address. We, together with our member firms are stronger if we present a unified voice.

At times the workload appears immense. It is important work that CEO does to advance the health of our industry.

Lastly as the outgoing chair of CEO I would like to thank the support given me by an excellent Board of Directors and an amazing team of six dedicated CEO staff.

Thank you,



**Bruce Potter, P. Eng.**  
Chair, Board of Directors  
B.M. Ross and Associates Ltd.

### CEO Board of Directors

#### Executive Committee

Bruce Potter, Chair, B.M. Ross and Associates Ltd.  
Peter Mallory, Chair-Elect, CH2M Hill Canada Ltd.  
Dave Bannister, Past Chair, R.J. Burnside and Associates Ltd.  
Mike Tulloch, Treasurer, TULLOCH Engineering  
Rex Meadley, Secretary C.C. Tatham and Associates Ltd.

#### Directors

Bill Allison, Dillon Consulting Ltd.  
Jeremy Carkner, Morrison Hershfield Ltd.  
Christine Hill, XCG Consulting Ltd.  
Angela Iannuzziello, AECOM  
John Krug, Stantec Consulting Ltd.  
John McGill, Parsons Corporation

#### CEO Staff

Barry Steinberg, Chief Executive Officer  
Cindy Gonsalves, Director, Finance and Operations  
David Zurawel, Director, Government and Stakeholder Relations  
Diane Lee, Communications Specialist  
Lauryn Weinberger, Member Services & Events Planner  
Paula Ferreira, Senior Administrative Assistant

#### New CEO Members

Atkins & Van Groll Consulting Engineers  
C.F. Crozier & Associates Inc.  
Electrical Engineering Group  
Greenview Environmental Management Limited  
Pedelta Canada Inc.  
Ramboll Inc.  
Soil-Mat Engineers & Consultants Ltd.

## MESSAGE FROM THE CEO



**Barry Steinberg, M.A.Sc., C.E.T., P.Eng.**  
Chief Executive Officer

I'm proud to say CEO continued to raise our voice for positive change. We kept on promoting a sustainable business environment for our member firms, working with government, clients and other stakeholders.

Our partners and clients value CEO's knowledge and expertise. We're perceived as a reliable solution provider. Such a strong and respected industry presence is instrumental for making positive changes that require hard work, and mutual trust and respect. As a result, CEO was able to build momentum as we concluded the final year of our strategic planning cycle. Here are a few highlights from the last year.

The depth and breadth of our client relation work grew substantially this past year. We published the Conflict of Interest Guidelines for Consulting Engineering Services in Ontario to help the CEO member firms and public clients make informed decisions when confronted with potential conflict of interest or unfair advantage (COI/UA) situations. The COI guidelines have been distributed to not only our members but also to Members of Provincial Parliament, ministries, Infrastructure Ontario, municipalities and industry associations. The guideline will help both clients and engineers resolve COI/UA in a timely manner and reduce significant costs burdening public sector clients.

After completing the revision of the MEA-CEO Standard Agreement for Engineering Services, the MEA Liaison Committee Task Force, supported by CEO's Business Risk Committee, is now working towards establishing a joint copyright of the document. At the same time, CEO will continue to promote this agreement so that Ontario's 444 municipalities can use the standard agreement for any infrastructure project. The execution of the marketing plan is well underway and our efforts will continue over the next strategic plan cycle.

2015 was a year of a tremendous progress in moving forward with our government relations activities. On October 5th, CEO held the inaugural Queen's Park Day. Fifteen volunteer and senior staff representatives met with Members of Provincial Parliament, senior

government officials and political staff from all three parties to elevate the association's profile with the Provincial Government. It was an important opportunity to raise awareness of the issues crucial to the consulting engineering industry. The second Queen's Park Day will take place on October 17, 2016.

Likewise in Ottawa, CEO's 19 Ottawa Chapter volunteer and senior staff representatives met with City Councillors, political staff and senior City officials in November. We discussed the need for the City of Ottawa to review and update its current policies and by-laws related to the procurement of consulting engineering services. At both events, CEO successfully captured the issues that are important to our member firms.

As a result of our advocacy effort on Bill 6, Infrastructure for Jobs and Prosperity Act, the law now specifies the role professional engineers play in the planning, designing, constructing and maintaining the province's public infrastructure. This is a big triumph for us. Bill 6 makes the role engineering firms play in society visible to everyone.

There has been a remarkable increase in CEO's exposure to the media. The federal election, budget announcements and 2015 Pan Am/Parapan AM Games presented us with ample media opportunities. CEO's messages on strategic infrastructure investments, inter-governmental collaboration, municipal asset management plans and qualifications-based selection were communicated in three feature articles, 10 radio interviews and 19 op-eds. When CEO engages media, the primary focus is placed on whether we are speaking for our members. Nothing is more vital to us. As your association, we will continue to effectively use media to communicate what matters most to our members.

The past 12 months clearly demonstrate that we are an organization that embraces and promotes positive change. With the new Strategic Plan in place, CEO will continue to insist on our philosophy – solve

problems through achieving positive changes. Because it is what we have always done.

I would like to personally thank Board of Directors Chair Bruce Potter for endlessly contributing his time, expertise and guidance over the course of the year to fulfill the leadership role.

Last but not least, our solid growth and accomplishments would not have been possible without the dedication and hard work of the committee chairs, members and staff. I would like to express my sincerest thanks to all those who have contributed their time and effort and look forward to advancing our goals in the years to come.

Thank you,

A handwritten signature in black ink that reads "Barry Steinberg". The signature is fluid and cursive, with the first name being more prominent.

**Barry Steinberg, M.A.Sc., C.E.T., P.Eng.**  
Chief Executive Officer

## CHANGING THE WAY YOU DO BUSINESS

*CEO is the voice that advocates for your firm's unique business interests. Throughout the last year, CEO worked closely with our public sector clients and partners to raise awareness of the industry's most pressing issues and create solutions. Here are some highlights from CEO activities in 2015.*

### Strategic Infrastructure Investment

With the provincial government committing about \$160 billion for infrastructure over the next 12 years, CEO has been a strong advocate for strategic, long-term planning of and investments in infrastructure. Through our meetings with key policy makers, politicians and clients, CEO has reaffirmed the need for full partnership between three levels of government which is essential for understanding the infrastructure priorities of the Canadian communities. CEO has also actively pursued media opportunities to discuss why dedicated sources of revenue are an essential attribute of a successful infrastructure plan. Our message has been published in *The Globe and Mail*, *Renew Canada*, *The Hamilton Spectator*, *The Huffington Post*, *The Canadian Business Journal* and more.

### Conflict of Interest Guidelines

In response to the growing number of large and complex infrastructure projects involving multiple parties, CEO developed the Conflict of Interest Guidelines to help member firms and public sector clients better address and make informed decisions when confronted with conflict of interest or unfair advantages (COI/UA) situations. The guidelines provide an overview of the principles governing the management of COI/UA, the process for identifying COI/UA, appeal and resolution processes, mitigation measures and specific COI/UA situations and remedies to ensure all parties involved benefit from the minimization of COI/UA. The document is available for download on the CEO website.

**Bill 6, Infrastructure for Jobs and Prosperity Act**  
CEO worked closely with Ontario Minister of Economic Development, Employment and

Infrastructure, Brad Duguid, and ministry officials to shape legislation that best represents the interests of CEO's member firms. As a result of CEO's advocacy efforts, the law now specifies that the role professional engineers will play in the planning, designing, constructing and maintaining the province's public infrastructure shall be of equal standing to that of Ontario's architects. This responsibility was not included in the draft legislation despite prescribing such a role for architects.

### Queen's Park Day

CEO's inaugural Queen's Park Day took place on October 5, 2015. CEO's 15 volunteers and senior staff representatives met with Members of Provincial Parliament, senior government leadership officials and political staff from all three parties to elevate the association's profile with the Provincial Government and raise awareness of the issues crucial to the consulting engineering industry, including:

- challenges imposed by current contract language on the construction sector in carrying out public infrastructure projects;
- need for refining the current guidelines for municipal asset management plans to facilitate proper planning for strategic infrastructure investment;
- calling for full partnership between three levels of government for infrastructure planning and investment; and
- necessity of investment in core infrastructure for Ontario's prosperity.

### MEA-CEO Standard Agreement

Working together with the Municipal Engineers Association (MEA), CEO completed its review of the MEA-CEO Standard Agreement for Engineering Services, which was established to address the professional engineering procurement needs of

municipalities. Built on the principles of partnership and fairness, the agreement symbolizes a collaborative approach to creating a favourable business environment for both clients and consulting engineers. The document is available for download on the CEO website.

### Promotion of Qualifications-Based Selection

CEO actively participated in meetings and industry roundtables with the government agencies and municipalities to promote the Qualifications-Based Selection (QBS) as the best industry practice for procuring engineering services for public infrastructure projects. CEO also landed radio interviews on *AM740*, *Newstalk1010*, *AM900 CHML* and more to discuss what QBS is and its main advantages.

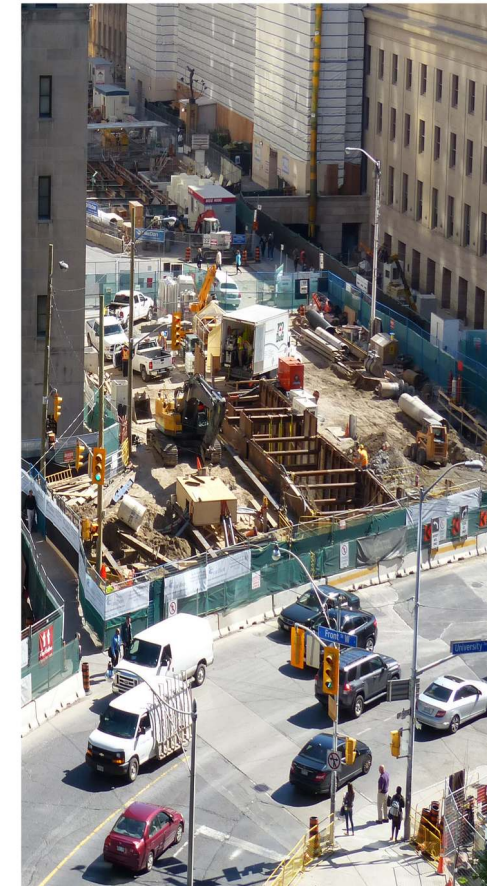
### Ottawa City Hall Day

CEO hosted its first City Hall Day on November 24, 2015. Nineteen CEO Ottawa Chapter volunteers and senior staff representatives met with City Councillors, political staff and senior City officials to build the association's profile with the City government and raise awareness on issues of critical importance to Ottawa area member firms, including:

- the need for the City of Ottawa to review and update its current policies and by-laws related to the procurement of consulting engineering services;
- emphasizing that the best value for any project can be realized when focus is on finding and developing the most efficient and cost-effective long-term solutions to a problem;
- the City's current consultant selection process encourages lower effort, often resulting in higher construction & operational costs for taxpayers; and
- CEO's philosophy of solving problems through achieving positive change.

### Construction Lien Act

CEO is a recognized stakeholder, participating in the Ontario Government's Independent Review of the Construction Lien Act. CEO has been taking a leadership role in representing member firms' business interests through a submission to Review Counsel detailing its position on the application of the Act, the taking of holdback funds, the treatment of those funds and lien rights.



## CEO MEMBERSHIP BENEFITS

*CEO's greatest strength is our member firms. There are 200 member firms across Ontario enjoying unparalleled opportunities for professional growth and networking. As well, all employees of our member firms are entitled to take advantage of the affinity programs provided by CEO's partners.*

### The benefits of CEO membership include:

- Exclusive subscription to the latest industry and regulatory affairs updates
- Full access to relevant industry resources and publications
- Volunteer opportunities in elected leadership roles, committees and chapters
- Discounted registration fees to professional development courses and seminars
- Full access to online Membership Directory
- Automatic membership in the Association of Consulting Engineering Companies-Canada
- Networking opportunities through our special and social events
- Special CEO affinity programs from:



Benefit Partners offers the BIG COMPANY advantage™ to all CEO member firms. You can save a significant amount of money on your benefits plan by getting insurance companies to treat you like a BIG COMPANY!

Membership in CEO entitles your company to a "no obligation" financial assessment of your current program. This Preliminary Assessment will show you the financial difference with the CEO Big Company Advantage™ program and your existing benefits program.

The biggest issue today in the Benefits world is Sustainability of Benefits. Costs are expected to escalate due to the introduction of over 450 new specialty drugs to the market place. Some in excess of \$100,000. We have solutions for the members who need assistance in preparing for this storm. We have been CEO's trusted advisor for over 20 years.

For more information, please watch the Big Company Advantage™ video on [www.bigcompanyadvantage.com](http://www.bigcompanyadvantage.com). Contact Benefit Partners to book your no obligation starter session.

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AEROridge Insurance Brokers Ltd. offers group rates and additional discounts on auto and home insurance.

Request a quote by completing the online form or contact the AEROridge team to see how much we can save you on your home and auto insurance. Then you'll be entered in our Select Sweepstakes and eligible for a chance to win a \$100 Gift Card or one of six new vehicles.

If you are an existing client, simply call AEROridge or email to be entered to win. For full contest details, please visit [www.selectsweepstakes.com](http://www.selectsweepstakes.com).

Contact Conrad Dion, AEROridge's president, for personal service and advice at 1-888-685-2376 or [conrad@aeroridgeinsurance.com](mailto:conrad@aeroridgeinsurance.com). For more information, please visit [www.aeroridgeinsurance.com](http://www.aeroridgeinsurance.com).



TwoGreySuits provides free access for all CEO members to their HR website at [www.twogreysuits.com](http://www.twogreysuits.com). The HR Power Centre on the website contains pertinent information (500 downloadable documents) to enable members to build or maintain a robust HR function in their company.

The most recent TwoGreySuits product update includes state of the art on-line Employee Engagement certification training for Managers, which essentially ties together the website materials and implementation of various people management/employee engagement initiatives. The 24/7 HR hotline is also included.

Make sure to check out TwoGreySuits' blogs on the website where you can find information on office romance employment implications, 1:1 feedback meetings with employees and more.

## AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee is responsible for the preparation and recommendation of the annual budget to the Board of Directors and for receiving/reviewing the audited and interim Financial Statements. The Committee oversees pertinent financial communications, disclosures and related audit controls on behalf of the association.

This year was a particularly active year for the Audit and Finance Committee, with the financial implications of the Fall 2015 Strategic Planning conference being incorporated into the 2016/17 budget. In addition, a new three year budget horizon was developed (beyond 2017 year-end) to predict the long range financial impacts of the new Strategic Plan.

The Audit and Finance Committee was fully engaged and thorough, producing solid results. In addition budget forecasting, the Audit and Finance Committee met in advance of most Board Meetings to:

- review monthly statements and report the financial status to the CEO Board;
- evaluate annual membership fees and make recommendations to the Board related to the annual budget;
- recommend the appointment of an external Auditor; and
- recommend specific actions to fulfill CEO's Strategic Plan, Mission and Vision.

The Audit and Finance Committee continued to monitor membership enrollment numbers in order to predict member-related revenue trends over next five years.

Reserve funds were reviewed, and project allotments were assigned to align with specific projects and goals. Chapter budgets were received and discussed with the Chapter Executive Committees, and incorporated into the association annual budget.

I would like to thank both the member volunteers and CEO staff for their commitment, knowledge and expertise.

**Michael F. Tulloch, Committee Chair**  
TULLOCH Engineering

**Committee Members**  
**John Krug**  
Stantec Consulting Ltd.

**Steve Titus**  
Aercoustics Engineering Ltd.

**Martin Tourangeau**  
Hatch Mott MacDonald



## BUSINESS RISK COMMITTEE

The prime mandate of the Business Risk Committee is to provide assistance to CEO and its members by working to improve business practices in Ontario's design and construction market. Focusing on procurement processes, client contracts and agreements, the committee is tasked with addressing often commercially onerous and uninsurable terms.

Working with CEO staff, the committee completed its review of a number of Standard Services Agreements for large municipalities/regions. Having created a priority list of the most problematic contract clauses to resolve, along with a longer list of secondary suggestions for contract language improvements, CEO is in discussions with these three large municipalities/regions. The committee will also continue to compile a list of other large clients who are utilizing contract terms that are of concern to member firms. These will be prioritized for contact once current discussions are concluded.

The committee is continuing to support the CEO/Municipal Engineers Association (MEA) Liaison Committee. The revised agreement has been completed and endorsed by both CEO and MEA. After discussion and consideration, the committee has tasked staff to copyright the document, creating joint ownership of the agreement for CEO and MEA and thereby preserving the original intent of its contents. In addition, the committee is looking forward to continue its work with Infrastructure Ontario to develop a standard agreement for engineering services for its real estate division, a first for the agency.

Marking another important milestone this past year, CEO published and distributed the Conflict of Interest Guidelines for Consulting Engineering Services in Ontario to the member firms and provincial and municipal clients. Recognizing the need for a consistent definition and set of fundamental principles in a business environment of ever more complex projects, CEO's new document clearly communicates what constitutes conflict of interest and how it can be best managed.

The committee will continue to communicate and engage with CEO Chapters and liaison committees. Through CEO staff, the committee will continue to distribute bulletins dealing with broad risk management issues, distribute advisories for specific issues and clients, and communicate with individual clients about specific procurement and/or contract issues.

This past year the committee has continued to address a substantial range of work on issues important to CEO's members and the broader engineering profession. I would like to thank the volunteers for making the time and commitment to share their experience and expertise to work to develop solutions that maintain the strength and integrity of the consulting engineering market in Ontario. I would also like to thank CEO staff for their support.

**Rex Meadley, Committee Chair**  
C.C. Tatham & Associates Ltd.

### Committee Members

**Dave Bannister**  
R.J. Burnside and Associates Ltd.

**Steve Panciuk**  
Marsh Canada Ltd.

**André Proulx**  
Parsons Corporation

**Garry Warren**  
SNC-Lavalin Inc.

**Andrew Wilson**  
Dillon Consulting Ltd.

**Robert (Bob) Wilson**  
HUB International Ltd.

## 2015 HIGHLIGHT AGM & CEO 40<sup>TH</sup> ANNIVERSARY RECEPTION



Consulting Engineers of Ontario's Annual General Meeting was held on a beautiful day in June at Hilton Niagara Falls Hotel.

Prior to the AGM, CEO's Director of Government and Stakeholder Relations David Zurawel led a special presentation on the Construction Lien Act, followed by an interactive discussion where the attendees expressed their thoughts and concerns on the issue.

Special to the last year's AGM was the celebration of CEO's 40th anniversary. As part of the celebration, a number of CEO's former chair, including William Goodings (1987-1988), Al Steedman (1995-1996), Robert Martin (2000-2001), Terry Hardy (2003-2004), Anne Poschmann (2005-2006), David Amm (2009-2010), Bill De Angelis (2011-2012), Michael Snow (2012-2013) and Rob Kivi (2013-2014) were recognized for their contributions during the AGM. In addition, a special anniversary video recounting the moments that shaped and defined CEO was showcased.

Shortly after the AGM, CEO's member firms, partners and special guests from the Association of Consulting Engineering Companies - Canada attended the special reception to cherish the positive changes CEO has made since 1975.

## GOVERNMENT RELATIONS COMMITTEE

CEO's Government Relations Committee provides governance and guidance to CEO's government relations goal to "shape public policy, legislation and regulations of interest to members".

The objectives of CEO's provincial government relations plan include:

- determine industry positions to provide direction to committee volunteers and CEO staff;
- ensure policy toward fair procurement and business practices;
- ensure government policies, funding, procurement and delivery of infrastructure are consistent with a sustainable business environment for our industry; and
- establish and document the industry position of the long-term impact of alternative delivery methods on the consulting engineering industry.

CEO's municipal government relations plan objectives have been defined to include:

- work with municipalities to conform with the "Building Together" mandate as a high level catalyst;
- ensure policy toward fair procurement and business practices;
- build relationships with other associations to advance CEO's objectives; and
- advance policies and plans that support sustainable communities at the municipal level.

The committee is continuing to actively advocate for our members' interests. This past year CEO advocated for and secured a well-prescribed role for Professional Engineers in the government's Bill 6, Infrastructure for Jobs and Prosperity Act, 2015. The new statute specifies the requirements for the province's future long-term infrastructure plan.

CEO also played an active and formative role in the province's Independent Review of the Construction Lien Act, in an attempt to address payment issues impacting Professional Engineers in the province infrastructure sector.

This past year the committee also supported CEO staff in delivering two firsts for the association; CEO's inaugural Queen's Park Day lobby day at the Provincial Legislature and it's first ever City Hall Day lobby day in Ottawa. Both events were well-received by officials, successfully raised the profile of the association, and bolstered awareness of member firm issues.

Other committee efforts include working to reform the Municipal Class Environmental Assessment System, develop fair contract language and promote Qualifications-Based Selection to both the province and municipal governments.

**Peter Mallory, Committee Chair**  
CH2M Hill Canada Ltd.

**Committee Members**  
**Bill Allison**  
Dillon Consulting Ltd.

**Jeremy Carkner**  
Morrison Hershfield Ltd.

**Steve Dyck**  
SNC-Lavalin Inc.

**Angela Iannuzziello**  
AECOM

**Rob Kivi**  
WSP | MMM Group Ltd.

## COMMUNICATION COMMITTEE

It has been a productive year for the Communication Committee. We continued to develop and seek ways to widen our communication with the CEO member firms and external stakeholders.

One significant achievement we accomplished with CEO's Communications Specialist, Diane Lee, was the launching of the association's new website. The committee members participated in reviewing the functionality and readability of the new website prior to launch to make sure CEO's members can use the website to find useful information. The revised website now has additional features, including daily industry news feeds and more robust information on the advocacy issues.

Delivering CEO's message across various media outlets was another priority for the Communications Committee. The committee actively discussed pressing issues within our industry to suggest viable interview and op-ed topics. As a result, CEO's messages on strategic infrastructure investment, municipal asset management planning and Qualifications-Based Selection process were featured in the mainstream media. Barry Steinberg's op-ed calling on the Province of Ontario to review the existing municipal asset management plan guidelines, in particular, was published in 10 different publications.

Early this year, CEO launched a brand new e-newsletter. In addition to the improved layout design, the new e-newsletter now can be instantly shared on Twitter, Facebook and LinkedIn. CEO has been receiving more subscription requests and this proves that CEO's e-newsletter is an important source of information for our members.

CEO's presence on social media grew significantly last year. The number of CEO Twitter followers increased by 35 per cent over the last year as we continued to make informative and engaging tweets. CEO's LinkedIn and Facebook pages also continued to serve as effective outlets for sharing information and communicating with members and industry stakeholders.

Under the new Strategic Plan, the Communication Committee will turn into an advisory board. The board will provide strategic advice to CEO staff on new communications initiatives whenever necessary.

It has been a great pleasure working with the committee members and CEO staff. I would like to express my sincerest thanks to all those who have contributed their time and effort to this committee.

**Christine Hill, Committee Chair**  
XCG Consulting Ltd.

**Committee Members**  
**Steve Dyck**  
SNC-Lavalin Inc.

**Paul Hudspith**  
AECOM

**Norm Huggins**  
CH2M Hill Canada Ltd.

**Mark Hunter**  
Dillon Consulting Ltd.

**Stefan Kohnen**  
KGS Group

**Stephen Panciuk**  
Marsh Canada Ltd.

**Ian Robertson**  
Meritech Engineering

**Pete Samson**  
Eramosa Engineering



## 2015 HIGHLIGHT QUEEN'S PARK DAY

On October 5, 2015, Consulting Engineers of Ontario hosted its inaugural Queen's Park Day at the provincial legislature.

The Queen's Park Day agenda was packed with meetings with Members of Provincial Parliament, senior leadership and staff from all three political parties. CEO's representatives from nine member firms met with officials and staff representing the Premier's Office, Opposition leadership, economic development, employment and infrastructure, transportation, finance and Treasury Board, Attorney General and environment and climate change portfolios to raise awareness of the issues crucial to the consulting engineering industry.

Delegate's afternoon meetings with senior Queen's Park officials discussed issues of particular importance to CEO's members including:

- Investment in core infrastructure being essential to Ontario's prosperity;
- CEO supporting infrastructure investment that is the product of proper planning; and,
- Public infrastructure projects becoming more difficult to undertake and complete.

The day concluded with an evening reception in the legislative dining room sponsored by Etobicoke Centre MPP Yvan Baker. The reception was a great success drawing support from more than 100 attendees, 36 of whom were MPPs representing all political parties.

CEO's inaugural Queen's Park Day demonstrated that the our issues and advocacy efforts are strongly recognized and supported by government. The day strengthened existing and established new relationships with MPPs while advocating for a sustainable business environment for CEO's members.

CEO remains committed to promoting a sustainable business environment for our member firms, and looks forward to continuing the tradition of Queen's Park Day.



From left to right: Etobicoke Centre MPP Yvan Baker, Bruce Potter, Chair of CEO Board of Directors and Leeds-Grenville MPP Steve Clark showing off their CEO Positive Change socks.

## MTO LIAISON COMMITTEE

The CEO/Ministry of Transportation of Ontario (MTO) Liaison Committee worked very closely with the MTO counterparts to identify and develop several improved business practices to assist MTO with delivering a record breaking capital program

In 2015-2016, the committee, which includes the executive committee and the engineering and contract administration subcommittees, regularly met with senior management of the MTO to address issues of mutual interest to the ministry and CEO's member firms. We achieved a substantial progress in improving several key business processes which will assist in getting the work done more quickly and effectively without sacrificing quality. Discussions have been open, frank, professional, and ultimately beneficial to both MTO and CEO.

Key issues that were addressed included:

- continuous efforts on streamlining the MTO's RFP process – RFP V.8 now in use;
- ongoing work with the MTO on the implementation of recommendations from the Engineering Delivery Enhancement Initiative (EDEI) and Operations Delivery Enhancement Initiative (ODEI);
- the use of large value retainer assignments of up to \$10 million;
- MTO providing pipeline information to CEO members allowing for better business planning decisions;
- review of the Consultant Performance Rating System within the Registry, Appraisal, and Qualification System (RAQS);
- discussions concerning succession planning, particularly related to Consultant Project Managers;
- ongoing discussions on MTO/CEO training programs; and
- working with the MTO to resolve inconsistencies between regional ministry offices

I would like to thank the committee members and their contributions, in particular Duane Girard, Chair of the Contract Administration Subcommittee, and Gord Firth, Chair of the Engineering Subcommittee.

**Brian Ruck, Executive Committee Chair**  
GHD

**Duane Girard**  
**Contract Administration Subcommittee Chair**  
AECOM

**Gord Firth, Engineering Subcommittee Chair**  
WSP | MMM Group Ltd.

**Committee Members**  
**Joseph Arcaro**  
HDR Inc.

**Andrew Balasundaram**  
Golder Associates Ltd.

**Noris Bot**  
Cole Engineering Group Ltd.

**Khaled El Dalati**  
Parsons Corporation

**Dave Emery**  
Stantec Consulting Ltd.

**Matt Gleben**  
Highway Construction Inspection Ontario Inc.

**Gord Krieger**  
WSP Canada Inc.

**Ron Louttit**  
Stantec Consulting Ltd.

**Brian Malone**  
CIMA+

**Carlos Nascimento**  
PetoMacCallum Ltd.

**Tom Pepper**  
TULLOCH Engineering Ltd.

**Patrick Puccini**  
AECOM

**John Riggs**  
Parsons Corporation

**Otto Steekamp**  
LEA Consulting Ltd.

**John Taylor**  
McIntosh Perry Consulting Engineers Ltd.

**John Weir**  
Morrison Hershfield Ltd.

## METROLINX JOINT TRANSIT ENGINEERING COUNCIL

April 2015 marks the two-year anniversary of the signing of the Memorandum of Understanding between Consulting Engineers Ontario and Metrolinx, leading to the establishment of the CEO/Metrolinx Joint Transit Engineering Council (JTEC).

Over the past two years, Metrolinx has undergone significant organizational restructuring, along with changes to its policies and procedures relating to planning, procurement and overall business processes. At the same time, Metrolinx is the throes of a massive transformation of the GO rail network – the backbone of regional rapid transit in the Greater Toronto and Hamilton Area. Acknowledging that it needs the support and involvement of the CEO members to successfully implement the \$12B Regional Express Rail program, and the many other planning projects and capital improvements planned for the next few years, Metrolinx continues to engage proactively and positive with the consulting industry, through JTEC.

The business process changes that Metrolinx continues to implement are expected to benefit a large number of CEO members – particularly those who provide transit planning, engineering and construction support services. As such, the focus of JTEC's efforts this past year has been on advancing the consulting industry's interests in several key areas, including the following:

- Metrolinx procurement policy and practices;
- consultant prequalification;
- professional liability;
- annual project procurement plan;
- contract documentation and language; and
- alternative delivery models

As a result of these discussions and building on efforts, Metrolinx has issued an RFP to prequalify consultant firms in four major categories of engineering services, which is expected to result in a more streamlined and equitable procurement process. We are also looking forward to the public release of Metrolinx Annual Capital Projects List.

While Metrolinx continues with its internal restructuring and its unprecedented transformation

of the regional GO rail network, we are pleased that Metrolinx is continuing to engage with the industry, through JTEC, in order to benefit from industry-wide best practices and lessons learned.

**Ansar Ahmed, Committee Chair**  
Parsons Corporation

**Committee Members**  
**Dave Bannister**  
R.J. Burnside and Associates Ltd.

**Ralph Ehlers**  
Stantec Consulting Ltd.

**Chris Escott**  
Parsons Corporation

**Karen Freund**  
CH2M Hill Canada Ltd.

**Kevin George**  
WSP Canada Inc.

**Angela Iannuzziello**  
AECOM

**Bob Maksymec**  
Planmac Engineering Inc.

**Fouad Mustafa**  
IBI Group Inc.

**Anne Porshmann**  
Golder Associates Ltd.

**Scott Thompson**  
AECOM

**Doug Willoughby**  
CH2M Hill Canada Ltd.

**Tony Wing**  
WSP Canada Inc.

## MUNICIPAL ENGINEERS ASSOCIATION LIAISON COMMITTEE

The Municipal Engineers Association (MEA) represents the interests of public sector engineers who work for municipalities. This long standing CEO-MEA Liaison Committee addresses issues of common interest. One of the committee's most important accomplishments, the CEO-MEA Standard Agreement for Engineering Services, was established to address the professional engineering procurement needs of municipalities, and is used extensively by municipalities throughout Ontario.

This year, the CEO-MEA Liaison Committee Task Force, supported by CEO's Business Risk Committee, finalized its revision of the CEO-MEA Standard Agreement for Engineering Services for municipalities, culminating in its endorsement by both organizations. CEO staff are presently working to establish a joint copyright of the document. Work on the agreement's marketing plan is well underway.

Working together through the joint involvement with the Ontario Provincial Standards for Roads and Public Works (OPS), CEO and MEA have continued to provide guidance and insight into the future of the organization. Future objectives and activities for OPS are being discussed with provincial officials.

I would like to express my thanks to CEO's volunteers for their commitment to this committee over the past year and for the support of CEO's staff.

**Geoff Pound, Committee Chair**  
Morrison Hershfield Ltd.

**Committee Members**  
**Geoff Burn**  
Associated Engineering Ltd.

**Leigh McDermott**  
Stantec Consulting Ltd.

**Paul McLennan**  
GM Blue Plan Engineering

**Laurel Murphy**  
CH2M Hill Canada Ltd.

**Mark Swan**  
AECOM

**Sabina Taylor**  
Hugh Wood Canada Ltd.

## YOUNG PROFESSIONALS GROUP

The CEO Young Professionals Group (YPG) is a group of motivated member-firm employees who have less than 10 years of experience in the consulting engineering sector. The YPG's mission is to engage young professionals by empowering and supporting them to overcome challenges, provide venues for networking, and cultivating a sense of community in the consulting engineering profession.

Over the past year, the YPG has worked closely with industry stakeholders and CEO staff to fulfill the committee's mandates and goals. This has been achieved through numerous highly successful events and initiatives.

For professional development and networking opportunities, the YPG organized MBA 101: Management Fundamentals for Engineers and Engineering Innovation to Drive towards a Low-Carbon Transportation Sector. The second, in particular, was held in collaboration with the Ontario Society for Professional Engineers (OSPE) with the opportunity for CEO YP's to attend at the OSPE member's rate.

The YPG also focused on the growth of the LinkedIn Group. It focused on increasing interaction with other professional societies and YP groups to cross advertise events and further engage young professionals.

The structure of the YPG will transform into a chapter-focused model in the next year. In this structure, the YPG will support the chapter YPs with a greater emphasis on local execution.

Lastly, I would like to thank the group members and CEO staff for their support over the past year.

**Ajay Kochhar, Group Chair**  
Hatch

**Group Members**  
**Bilal Sherazi, Chair Elect**  
R.J. Burnside and Associates Ltd.

**Nishit Patel, CEO Liaison Director**  
Hatch Ltd.



## OTTAWA CHAPTER

CEO's Ottawa Chapter represents 26 member firms with over 1,600 employees in the Ottawa area. We had another active year with member meetings scheduled every two months, and separate subcommittee meetings being well attended.

The Chapter has continued to raise the profile of the profession by attending industry events such as the AGM of the National Capital Heavy Construction Association (NCHCA), and working with the City of Ottawa and NCHCA to provide seminars to our members such as Heavy Construction Outlook, Health and Safety, Accessibility, Vendor Performance Management and Contract Law.

Subcommittees are the basis of our Chapter's ability to address issues. Our Building Engineering Subcommittee is promoting participation by asking member firms specializing in building science disciplines (electrical, mechanical and structural) to address common issues related to working relations with private building owners and architects. The subcommittee has been proactively addressing member issues on procurement practices with Public Works and Government Services Canada (PWGSC). The subcommittee has made progress and adjustments are being made to the procurement documents.

Our CEO/City of Ottawa Liaison Subcommittee is the most active one with regular meetings that present CEO members' concerns on topics, such as errors and omissions claims, milestone billings, vendor performance evaluation process, and construction inspection responsibility, Accessibility for Ontarians with Disabilities Act compliance and revised general conditions of contract.

This subcommittee has been successful in contributing to the City's policies and guidelines to ensure that our member firms business interests are considered. The subcommittee developed a communication strategy with Mayor Jim Watson and city council on a number of procurement practices that are eroding our ability to provide

high quality and high value engineering and design services to the City of Ottawa. CEO's Barry Steinberg and David Zurawel met with City Councillors and senior staff last year to discuss the most pressing issues of the industry.

Subsequent to the meetings with the Councillors, the subcommittee sent a letter to the Mayor indicating our concerns with the City procurement process. In addition, CEO and the Chapter worked together to issue an advisory on the auditor general's recommendation that requires a mandatory 10% discount for assignments valued at greater than \$150,000.

Our Young Professionals have been active in engaging young professionals from our member firms to join in various activities. The group recently held an event titled "MBA 101 – Management Fundamentals for Engineers".

In conclusion, I want to thank the Chapter members and CEO staff, especially Barry Steinberg and David Zurawel, for their commitment in raising the prominence of CEO in Ottawa area and working with government agencies to develop more sustainable procurement and business practices for the industry.

**Derek Potvin, Chapter Chair**  
Robinson Consultants Inc.

**Chapter Members**  
**Ryan Matthews, Vice-Chair**  
CH2M Hill Canada Ltd.

**Phil Whelan, Past-Chair**  
McIntosh Perry Consulting Ltd.

**Angelo Renon, Treasurer**  
WSP Canada Inc.

**John Krug, Secretary**  
Stantec Consulting Ltd.

**Edson Donnelly, Director**  
Novatech Engineering Consultants Ltd.

**Andrew Lawton, Director**  
McKee Engineering

## NIAGARA CHAPTER

The Niagara Chapter's 4th Annual CEO/PWO Niagara Chapter Engineering Awards of Merit were postponed due to the low number of submissions. We will announce calls for submission in late 2016 for project completed in 2015 and 2016.

The Niagara Chapter continued to support local engineering education with a donation given to the Niagara Regional Science and Engineering Fair. The donation will go toward prizes for "Innovation in Engineering or Applied Science".

**Tom Agnew, Chapter Chair**  
Hatch

**Chapter Members**  
**Andrew Van Dyke, Vice Chair**  
Golder Associates Ltd.

**Gord Shields, Treasurer**  
WSP Canada Inc.

**Vince Jansen, Secretary**  
WSP Canada Inc.

The Niagara Chapter currently represents 16 member firms. The Chapter met regularly during the last fiscal year and was active in both the engineering and education communities.

We continued to promote the Qualifications-Based Selection (QBS) to the senior management at the Regional Municipality of Niagara and support local engineering education community. In late 2015, the Regional Municipality of Niagara confirmed that the roster system will continue and that a second RFPQ would be issued in early 2016. We anticipate the roster will continue to be based on three parameters – qualifications, corporate experience and personnel. This is a significant milestone for Niagara engineering firms and a result of what Niagara Chapter and CEO have been working for many years.

The Chapter has also been promoting and expanding the use of performance-based selection of engineers for municipal assignments and to promote the local firms. We continued to meet with the Public Works Officials (PWO) and provided feedback and suggestions with respect to procurement and contracting practices.



## GRAND RIVER CHAPTER

The CEO Grand River Chapter currently represents 30 member firms in the region. The Grand River Chapter remains very active, holding regular committee meetings to discuss items of common interest with our members' client base, comprised most notably of municipal clients, and the delivery of consulting engineering services throughout the Grand River region.

At our AGM in November 2015, a new executive committee was elected, representing multiple engineering disciplines from 10 local consulting firms. To close out the year in 2015, Bruce Potter, Chair of the CEO Board of Directors attended our AGM to update our members on current CEO activities and "Hot Button" issues. Guest speakers from the Conestoga Heavy Construction Association (CHCA) presented an update on industry initiatives at the AGM as well.

In a short amount of time, our new executive committee has made some significant accomplishments:

- We have identified roles that fit members' particular talents, both as individuals and as team members, to maximize organizational efficiency and provide a platform for effective communication and outreach.
- We held industry liaison meetings early in 2016 with the Region of Waterloo, local municipalities and various industry-related associations to increase the profile of our profession by fostering local relations and representing concerns of CEO member firms. We'll continue to address areas of concern with industry stakeholders in a manner that promotes mutual benefit and partnership.
- We've established a Young Professionals Group (YPG). Several events were recently coordinated including a networking social in February 2016 and Understanding Contract Basics Seminar in March 2016. The YPG's mission is to engage and empower the young professionals to foster a sustainable and resilient business environment for CEO members. Awareness of this initiative will be promoted amongst members and industry stakeholders as a means of highlighting the value

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CEO places on mentoring tomorrow's leaders.

- Our spring newsletter has been published. This is our frontline communication with our membership. A fall newsletter is planned for September 2016.
- We launched the Grand River "Consulting Engineering Award of Merit" program to acknowledge local projects undertaken by CEO local member firms that exhibit engineering excellence and ingenuity, improve the quality of community life and support sustainable growth. The program will raise awareness of the value consulting engineers bring to the private and public realm. The winning projects will be presented at the 2016 AGM in Waterloo.

Our chapter will continue to stay committed to fostering improved municipal relations with local municipal clients through issue-specific consultation and regularly scheduled liaison meetings.

**Tom Montgomery, Chapter Chair**  
CIMA+

**Chapter Members**  
**David Chamberlain, Secretary-Treasurer**  
Eramosa Engineering Inc.

**Kelly Cobbe, Past Chair**  
IBI Group Inc.

**Tim Barichello, Awards Program Director**  
Stantec Consulting Ltd.

**Jim Flanigan, Business Practice Director**  
AECOM

**Shelley Forwell, Awards Program Director**  
Walter Fedy

**Dave Hallman, Industry Liaison Director**  
MTE Consultants Inc.

**Angela Kroetsch, Communications Director**  
GM BluePlan Ltd.

**Montana Wilson, YPG Director**  
Englobe Corp.

**Denis Viens, Business Practices Director**  
Dillon Consulting Ltd.

## LONDON CHAPTER

The London Chapter consists of 17 member firms representing a diverse cross section of engineering expertise. The London Chapter had another active year, meeting quarterly in 2015/2016 to discuss the pertinent issues that affect our industry.

The chapter met to discuss items of common interest, including the City of London's Qualification-Based Selection process, increasing young professional involvement, delays in the processing of Environmental Compliance Approvals, the Ministry of the Environment's Transfer of Review process, Standard Engineering Agreements with the City of London and industry events.

The chapter executives met twice, early in 2016, with the City of London Management to discuss a number of current matters, including the City's consultant selection process, the consultant review process, the performance of sub-consultants, the sealing of as-constructed record drawings, and design locates.

The chapter's yearly social event was held in collaboration with the City of London Management at the London Club on Thursday, March 31st, 2016. The event was well received with approximately 40 people including staff from eight Chapter firms in attendance. Special presentations were given by John Braam, Managing Director & City Engineer of the City of London, and Paul Choma, Construction Engineer of the City of London.

**Hendrik Schuurmans, Chapter Chair**  
AGM

**Chapter Members**  
**Rob Kell, Past Chair**  
Dillon Consulting Ltd.

**Peter McAllister, Vice Chair**  
AECOM

**David Evans, Secretary**  
R.V. Anderson Associates Ltd.

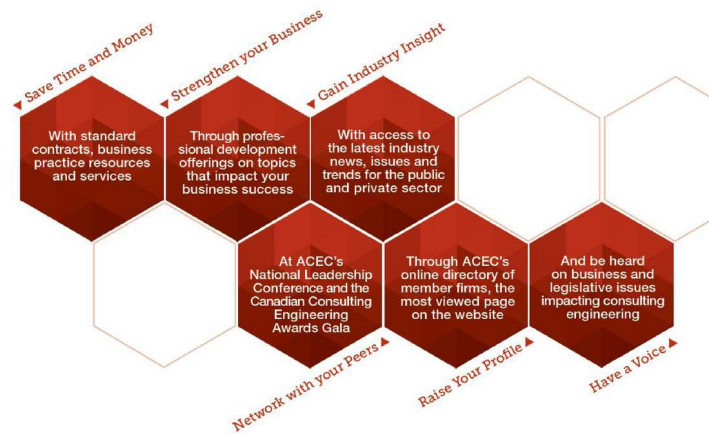
*CEO greatly relies on a group of nearly 100 volunteers serving on the Board of Directors, committees and chapters. Without our highly engaged volunteers, it would not have been possible to achieve what CEO has accomplished this year.*

*Thank you to all of our volunteers for your time, dedication and contribution. Your help and support are truly appreciated and so necessary for CEO to be the authoritative voice of Ontario's consulting engineering industry.*



# ACEC ANNUAL REPORT

Consulting Engineers of Ontario is a member firm of the Association of Consulting Engineering Companies-Canada (ACEC). As a member of CEO, your firm belongs to the ACEC which represents the unique and complex interests of Canadian consulting engineering companies. But have you ever wondered what you get in return for your membership dues?



Here are some highlights from ACEC activities in 2015.

## Infrastructure Investment

With the federal government committing over \$125 billion for infrastructure over the next ten years, ACEC has reaffirmed the need for strategic, predictable, long-term investment in infrastructure, with all levels of government working towards a collective goal of restoring infrastructure investment to 6% of GDP. ACEC championed these goals during the federal election by way of our #VoteInfrastructure campaign and post-election through the launch of the InvestInfrastructure website. ACEC also provided input to the government through meetings with high level officials and written pre-budget submissions to the House of Commons Standing Committee on Finance.

## Qualifications Based Selection (QBS)

ACEC and its provincial and territorial associations continue to promote Qualifications Based Selection (QBS), rather than price-based selection, as the best method for hiring professional services. ACEC is working to promote the adoption of QBS in several ways, such as: raising political awareness of the issue at the federal level; directly engaging government departments that hire engineering firms; educating procurement officials to better understand the effects of their processes; and allying with other organizations that are also affected by current practices.

## Energy Infrastructure

Canadian consulting engineering firms have the experience and expertise to deliver energy projects in a socially, environmentally and economically responsible manner. That's why ACEC has been vocal in supporting the approval of resource projects based on good science and sound engineering, including responsible development of traditional resources alongside continued development of alternative and renewable energy.

## Parliamentary Partners Program

With a view to educating politicians and candidates on national issues important to our industry, ACEC's Parliamentary Partners program was leveraged in the lead up to the federal election. Members across the country connected with MPs and nominated candidates to reiterate key messages: consulting engineering is an important industry in Canada; public infrastructure is an investment in prosperity; and responsible resource development is critical to Canada's economy.

## Saving our Industry \$Millions in Financial Guarantees

As a result of lobbying by ACEC and the Canadian Council of Independent Laboratories (CCIL), the Canadian Nuclear Safety Commission (CNSC) withdrew its proposal to have all licensees post a financial guarantee for nuclear dosimeters that would have tied up over \$14 million across the industry. Instead, CNSC is implementing a more realistic risk-based insurance model with an annual premium of approximately \$13 per dosimeter. The originally proposed financial guarantees would have been nearly 1000x the annual premiums.

Learn more about the value and benefits of your ACEC membership at [www.acec.ca](http://www.acec.ca)



**INDEPENDENT AUDITOR'S REPORT**

**TO THE DIRECTORS OF  
 CONSULTING ENGINEERS OF ONTARIO**

I have audited the accompanying financial statements of Consulting Engineers of Ontario, which comprise the statement of financial position as at March 31, 2016 and statement of operations and changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Consulting Engineers of Ontario as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Denis Paganelli*

Denis Paganelli, CPA, CA  
 Licensed Public Accountant

April 21, 2016  
 Toronto, Canada

**Consulting Engineers of Ontario  
 Statement of Financial Position**

March 31, 2016

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 203,680	\$ 168,294
Short-term investments (note 4)	207,611	205,631
Accounts receivable	78,962	91,388
Prepaid expenses	37,978	50,261
	528,231	515,574
Investments (note 4)	565,299	558,390
Capital assets (note 3)	26,301	35,708
	\$ 1,119,831	\$ 1,109,672

**Liabilities**

Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,364	\$ 28,690
Government remittances payable	19,534	12,166
Deferred revenue	220,696	164,050
	268,594	204,906

**Fund balances**

Invested in capital assets	26,301	35,708
Board restricted	158,000	133,000
Unrestricted Operating	666,936	736,058
	851,237	904,766
	\$ 1,119,831	\$ 1,109,672

See accompanying notes to financial statements.

Approved by the Board:

*Mike Tulloch* Director

*[Signature]* Director

**Consulting Engineers of Ontario**  
Statement of Changes in Net Assets

Year ended March 31, 2016

	2016		2015		
	Board Restricted	Invested in Capital Assets	Unrestricted Operating	Total	Total
Fund balance, beginning of year	\$ 133,000	\$ 35,708	\$ 736,058	\$ 904,766	\$ 880,505
Net revenue (expense) for the year	-	(9,407)	(44,122)	(53,529)	24,261
Investment in capital assets	-	-	-	-	-
Interfund transfers (note 9)	25,000	-	(25,000)	-	-
<b>Fund balance, end of year</b>	<b>\$ 158,000</b>	<b>\$ 26,301</b>	<b>\$ 666,936</b>	<b>\$ 851,237</b>	<b>\$ 904,766</b>

See accompanying notes to financial statements.

**Consulting Engineers of Ontario**  
Statement of Operations

Year ended March 31, 2016

	2016	2015
<b>Revenue</b>		
Membership fees	\$ 1,067,842	\$ 1,021,534
Programs (note 6)	283,996	360,252
Sponsorship revenue	159,000	134,620
Events (note 5)	70,222	60,894
Investment income	8,889	12,673
40 <sup>th</sup> Anniversary	7,000	-
Sundry	5,646	4,714
Chapters	4,095	4,376
	<b>1,606,690</b>	<b>1,599,063</b>
<b>Expenses</b>		
Salaries and benefits	572,036	541,147
Members' dues remittance to The Association of Consulting Engineering Companies - Canada	497,829	490,239
Events (note 5)	139,950	116,582
Administrative - Schedule Programs (note 6)	137,300	143,530
Public relations/government relations (note 7)	132,243	141,963
Volunteer expenses	121,934	88,800
Chapters	37,076	31,838
40 <sup>th</sup> Anniversary	14,493	15,028
	7,358	5,675
	<b>1,660,219</b>	<b>1,574,802</b>
<b>Net revenue (expense) for the year</b>	<b>\$ (53,529)</b>	<b>\$ 24,261</b>

See accompanying notes to financial statements.



## Consulting Engineers of Ontario

### Statement of Cash Flows

Year Ended March 31, 2016

	2016	2015
Cash provided by (used in):		
<b>Operating activities</b>		
Net revenue (expense) for the year	\$ (53,529)	\$ 24,261
Adjustment for item not affecting cash		
Amortization of capital assets	9,407	12,297
Investment income retained in investments	(8,889)	(12,673)
	(53,011)	23,885
Net change in non-cash working capital balances related to operations		
Accounts receivable	12,426	(77,454)
Prepaid expenses	12,283	5,395
Accounts payable and accrued liabilities	(326)	(5,146)
Government remittances payable	7,368	12,166
Deferred revenue	56,646	164,050
	35,386	122,896
<b>Investing activities</b>		
Purchase of investments-net	-	50,000
	-	50,000
<b>Financing activities</b>		
None	-	-
	-	-
Increase (decrease) in cash during the year	35,386	172,896
Cash and cash equivalents, beginning of year	168,294	(4,602)
<b>Cash and cash equivalents, end of year</b>	<b>\$ 203,680</b>	<b>\$ 168,294</b>

See accompanying notes to financial statements.

## Consulting Engineers of Ontario

### Notes to financial statements

March 31, 2016

#### 1. Status and Purpose of the Organization

Consulting Engineers of Ontario ("CEO") is a not-for-profit organization representing the business and professional interests of consulting engineering companies in Ontario. CEO promotes the significant contribution of the consulting engineering sector to social, economic and environmental quality of life in Ontario. CEO is incorporated without share capital under the laws of Ontario and is classified as a not-for-profit organization under the Income Tax Act and, accordingly, is exempt from income tax.

#### 2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

##### (a) Revenue recognition

CEO follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Membership fees are recognized as revenue in the year to which they relate. Membership fees received in advance of the year to which they relate are recorded as deferred revenue.

Investment income is recognized on an accrual basis. Interest on fixed income securities is recognized over the term of the investments based on the market value of the fixed income securities at each year-end.

Program and event revenues are recognized as revenue when the program or event activity occurs.

Sponsorship revenue is recognized as revenue in the year that the sponsorship relates to.

##### (b) Capital assets and amortization

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Leasehold improvements are amortized over the lease term. Other capital assets are amortized using the declining balance method over their estimated useful lives at the following annual rates:

Furniture and fixtures	20%
Computer equipment	30%
Database	30%

##### (c) Financial Instruments measurement

CEO initially measures its financial assets and liabilities at fair value. CEO subsequently measures all its financial assets and liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

CEO's financial assets measured at fair value include short-term investments and investments.

## Consulting Engineers of Ontario

### Notes to financial statements

March 31, 2016

#### 2. Significant accounting policies (continued)

##### (d) Cash and cash equivalents

CEO's policy is to present bank balances, bank indebtedness and cash held within its investment account under cash and cash equivalents.

#### 3. Capital assets

	2016		2015	
	Cost	Accumulated Amortization	Net	Net
Furniture and fixtures	\$ 34,600	\$ 20,515	\$ 14,085	\$ 17,605
Database	24,500	16,097	8,403	12,005
Computer equipment	18,630	16,098	2,532	3,617
Leasehold improvements	4,881	3,600	1,281	2,481
	<u>\$ 82,611</u>	<u>\$ 56,310</u>	<u>\$ 26,301</u>	<u>\$ 35,708</u>

#### 4. Investments

	2016	2015
High interest savings account	\$ 207,611	\$ 205,631
Government bond maturing March 2018	161,867	160,215
Corporate bonds maturing Sept 2017 to December 2019	403,432	398,175
	<u>772,910</u>	<u>764,021</u>
Less: maturing in the next fiscal year	(207,611)	(205,631)
	<u>\$ 565,299</u>	<u>\$ 558,390</u>

#### 5. Events revenue and expenses

Details of events revenues are as follows:

	2016	2015
Awards gala and Accolades revenue	\$ 37,250	\$ 21,251
Annual general meeting	2,050	5,072
Golf tournament	30,922	34,571
	<u>\$ 70,222</u>	<u>\$ 60,894</u>

Details of event expenses are as follows:

	2016	2015
Awards	\$ 97,705	\$ 68,477
Annual general meeting	8,292	11,902
Golf tournament including donation	33,953	36,203
	<u>\$ 139,950</u>	<u>\$ 116,582</u>

## Consulting Engineers of Ontario

### Notes to financial statements

March 31, 2016

#### 6. Program revenue and expenses

Details of program revenues are as follows:

	2016	2015
Education and professional development	\$239,306	\$ 297,725
Affinity programs	32,368	39,571
Other	12,322	22,956
	<u>\$ 283,996</u>	<u>\$ 360,252</u>

Details of program expenses are as follows:

	2016	2015
Education and professional development	\$ 125,164	\$ 130,117
Other	7,079	11,846
	<u>\$ 132,243</u>	<u>\$ 141,963</u>

#### 7. Public relations/government relations expense

Details of public relations/government relations expense is as follows:

	2016	2015
External sponsorships	\$ 13,995	\$ 19,750
Government relations	39,965	30,530
Public and media relations	33,212	24,643
Research	34,762	13,877
	<u>\$ 121,934</u>	<u>\$ 88,800</u>

#### 8. Commitments

CEO has entered into a lease for the rental of its office space to April 30, 2022. Minimum annual payments required under the terms of the lease are as follows:

2017	\$42,654
2018	\$47,610
2019	\$48,060
2020	\$48,060
2021	\$48,060
2022	\$48,060
2023	\$4,005

#### 9. Interfund transfers and Board restricted funds

CEO has two board restricted funds. The Staff Salary Contingency Fund is to fund staff short-term illness and/or disability. The Strategic Initiatives Fund is to deal with the funding requirements needed to have CEO elevate the value of consulting engineers to its members, the general public and the government.

A transfer of \$25,000 (2015 - \$50,000) to the Strategic Initiatives Fund and \$nil (2015-\$83,000) was made to the Staff Salary Contingency Fund and from the Unrestricted Operating Fund.

**Consulting Engineers of Ontario**  
Notes to financial statements

March 31, 2016

**10. Financial instruments**

CEO is exposed to various risks through its financial instruments. The following analysis presents CEO's exposures to significant risk at the reporting date, i.e. March 31, 2016.

Credit risk

CEO is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. CEO is subject to credit risk on its accounts receivable, short-term investments and investments. The risk has not changed from the prior year.

Interest rate risk

CEO is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its fixed interest rate financial instruments. This risk has not changed from the prior year.

**Consulting Engineers of Ontario**  
Schedule of Administrative expenses

March 31, 2016

	2016	2015
Occupancy	\$ 45,909	\$ 45,947
Telephone	10,509	9,055
Computer support	10,038	10,037
Amortization of capital assets	9,407	12,297
Travel	8,552	8,393
Bank/credit card charges	8,042	9,059
Consulting and staff training	7,177	6,171
Photocopy	6,485	4,468
Printing	5,891	1,013
Postage	5,723	2,556
Audit and accounting	5,500	5,800
Office supplies	5,464	5,826
Website/database	3,130	11,930
Insurance	2,245	2,194
Computer software/hardware	1,914	4,807
Courier	686	581
Legal	628	3,396
	<b>\$ 137,300</b>	<b>\$ 143,530</b>

See accompanying notes to financial statements.

**2015 CEO HIGHLIGHTS AT A GLANCE**

INAUGURAL QUEEN'S PARK DAY



## 2015 CEO HIGHLIGHTS AT A GLANCE

CEO AGM & 40<sup>TH</sup> ANNIVERSARY CELEBRATION RECEPTION



## 2015 CEO HIGHLIGHTS AT A GLANCE

2015 ONTARIO CONSULTING ENGINEERING AWARDS GALA

