

THE ONTARIO PROFESSIONAL ENGINEERS FOUNDATION FOR EDUCATION

ANNUAL REPORT FOR 2001 - 2002

BOARD OF DIRECTORS

At the Annual General Meeting held on March 26th, 2001 the members of the Foundation for Education elected the following Directors:

Colin Cantlie, P.Eng.
Brenda Caplan
George Comrie, P.Eng.
Stephen Jack, P.Eng.
Ken Lopez, P.Eng.
Nick Monsour, P.Eng.
Linda Prince, C.A.

At its August 1st, 2001 meeting, the Board of Directors elected the following Officers of the Foundation:

President	George Comrie
Vice President	Ken Lopez
Secretary	Brenda Caplan
Treasurer	Linda Prince

(Note: The Directors are retired at each annual meeting of the members of the Foundation, but are eligible to be re-elected if otherwise qualified. The Officers are elected / appointed by the Board at its first meeting after the annual general meeting. The Secretary and Treasurer of the Foundation need not be members of the Board of Directors.)

Your Board of Directors has met a total of eight times since the last AGM. We agreed that the Foundation is at a critical juncture in its history and evolution, and that it was therefore appropriate to take the time now to review carefully its mandate, future direction, and governance. To “kick-start” this activity, we held a special strategic planning workshop on September 5th, 2001 facilitated by Colin Cantlie.

The workshop identified the strengths and weaknesses of the Foundation. Board members believe that the Foundation serves an important purpose and that it is respected and appreciated within the engineering academic community for its work. (We have received numerous expressions of this from the Deans of Ontario’s Engineering schools.) Identified areas of weakness included:

- Lack of awareness of the Foundation and its work among members of the profession;
- Insufficient revenue (donations) to fund our current scholarship levels;
- Insufficient administrative resources, and dependence for administrative support on PEO-paid staff for whom these tasks take second priority to their main duties;
- Lack of sophistication in governance and operations as compared to other charitable foundations.

The following elements of a vision for the Foundation were discussed:

- To become a major charitable foundation (or at least a more significant one in keeping with the state-of-the art for charitable foundations);
- To be widely recognized and valued by all its stakeholders;
- To make a significant positive impact on the lives and careers of its beneficiaries;
- To have sound governance.

The Board decided to focus its attention this year on achieving positive change in the following areas:

- Recognition, within both the donor and the recipient communities;
- Revenue from donations;
- Governance and management.

It has been my pleasure to work with this Board of committed and enthusiastic volunteers. Although much of the work we have started remains to be completed, I am pleased to report to you significant progress in the following areas.

GOVERNANCE

When the Foundation was created, [A]PEO was the only official organization representing the engineering profession in Ontario. As a result, the Foundation has to date operated essentially as an extension of the Association. This is reflected in its current membership, which consists of members of PEO Council and senior staff. It is also reflected in the fact that PEO staff provide the Foundation's administrative support.

With the creation of OSPE, it seemed appropriate to review the criteria for membership in the Foundation. The Board has considered proposals to expand the membership of the Foundation to include representatives of other engineering organizations and individuals with a demonstrated interest in its work. A motion to enable such a change is included in the agenda of the March, 2002 Annual Meeting.

In December of 2001 we surveyed the members of the Foundation on this subject. A copy of the questionnaire with a summary of the 19 responses received showing support for this initiative is appended to this report.

COMMUNICATIONS

It has been widely recognized as a general concern that our stakeholders – who include PEO Councillors and senior staff, PEO members at large, Ontario engineering faculties, and [prospective] engineering students - are not adequately aware of the mandate and work of the Foundation. To address this concern, the Board approved a Communications Plan developed by PEO's Communications Department with an associated budget of \$30,000. This plan includes:

- the creation of a new corporate identity for the Foundation, separate and distinct from that of PEO;
- articles on the Foundation in *Engineering Dimensions* magazine;
- recurring advertisements in *Engineering Dimensions* promoting the Foundation's scholarship program and soliciting member donations;
- advertisements in *Engineering Dimensions* designed to make PEO members aware of the existence and purpose of the Foundation's Benevolent Fund.

Articles by Stephanie Wei of PEO's Communications Department featuring the work of the Foundation have already appeared in the November /December 2001 and January / February 2002 issues of *Engineering Dimensions*.

The Foundation's new logo, which was designed by Luciano Filauro of PEO's Graphics Department, appears for the first time on this report.

We are now in the process of updating our stationery and promotional materials to reflect the Foundation's new corporate identity.

SCHOLARSHIPS AND AWARDS

A total of 61 scholarships and awards with a total value of \$93,900. were distributed in 2001 to the 13 accredited engineering schools in Ontario. Scholarships are provided at both the entrance and undergraduate levels. This year's scholarships were at the new levels you approved last year:

- entrance scholarships increased from \$1,200. to \$1,500.;
- undergraduate scholarships increased from \$600. to \$1,000.;
- \$100. payment associated with the Gold Medal for Academic Achievement eliminated.

During the past year Board Member Nick Monsour has participated wherever possible in ceremonies at which our awards were presented to their recipients. These ceremonies, which are usually held on the university campus, provide an excellent opportunity to promote the engineering profession to its future members. Nick has reported positively on the impact our scholarship program is having within Ontario's engineering schools. He deserves our appreciation for his efforts on this front.

Under the leadership of Foundation Vice President Ken Lopez, the Board has approved a policy related to the awarding of the scholarships at suitable ceremonies, in an effort to ensure that we receive maximum positive exposure for the profession from the scholarship program.

BENEVOLENT FUND

A complete report on the Benevolent Fund, prepared by Stephen Jack, is appended separately.

The policies and operating procedures related to the Benevolent Fund are in the process of being documented for approval by the Board at a later date.

ENGINEER-IN-RESIDENCE FUND

The Board agreed to the establishment of a separate fund for donations to the Engineer-In-Residence (EIR) program from individuals and organizations who may require a charitable donation receipt for income tax purposes. This decision was taken on the basis that the EIR program is consistent with the objects of the Foundation, and after obtaining the advice of our auditors that there were no tax implications. No amounts were received or disbursed through this fund in 2001; however, they are anticipated in 2002 and future years as additional sponsors for the EIR program are recruited.

ADDITIONAL NOTES TO FINANCIAL STATEMENTS

In response to a suggestion at last year's AGM, our financial statements now segregate the Foundation's unrestricted funds associated with the scholarship and awards program from the restricted funds associated with the benevolent program.

The Foundation accounts for its operations on a cash basis, without accruals of revenues and expenses at year-end. In order to minimize the effects of normal year-to-year variances and to enable trends to be visible, we have included comparative figures from 1999 as well as 2000 in the Statement of Revenue and Expenses.

Donations to the Foundation by PEO members during 2001 continued at approximately the same level as the preceding year. Total income was down slightly because interest rates were much lower this year than in the previous year.

The total value of scholarships awarded increased by 45% from \$64,800. the previous year to \$93,900. in 2001 as a result of the increases in the scholarship amounts approved a year ago.

Operating expenses increased significantly in 2001 as a result of the Board of Directors being much more active and meeting more frequently than in previous years. These can be expected to increase further as the Foundation becomes operationally independent of PEO.

Note that donations-in-kind representing the contributions of PEO-paid staff time to the administration of the Foundation are not accounted for. Significant among these are the contributions of:

- Brenda Caplan, who serves as Secretary of the Board and administers the Scholarships and Awards program;
- Stephen Jack, who administers the Benevolent Fund; and
- Linda Prince and her Accounting staff, who handle the finances of the Foundation.

Your Directors have resolved that, starting in 2002, the Foundation Board will adopt a budget which includes estimated values for donated staff time and services. This will allow prudent planning for the time (potentially 2003) when such in-kind donations from PEO cease. In 2001, PEO Council adopted a Negotiating Committee recommendation that there should not be in-kind donations of services or staff time from PEO to the Foundation, with the stipulation that current arrangements would be continued for an unspecified interim period to allow the Foundation time to adjust.

Grants from the Benevolent Fund have declined steadily over the past two years, mitigating the effect on total expenditures.

Net assets of the Foundation remain consistent with those stated a year ago. The increase in short-term investments and corresponding decrease in long-term investments is a function of the term of the investments, several of which expired in 2001.

In summary it is clear that, while the Foundation has adequate financial reserves, it will be necessary to increase donations in order to offset the increased expenditures and return to a balanced budget.

Respectfully submitted on behalf of the Board of Directors,

George R. Comrie, M.Eng., P.Eng.
Chair