



Newfoundland and Labrador
Environmental Industry Association

Annual Report *2013*



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2013

Board of Directors



Frank Ricketts
Chair
Nalcor Energy



Perry Trimper
Vice-Chair
Stantec Consulting Ltd.



Stephanie Curran
Treasurer
WorleyParsons



Steve Bonnell
Director
AMEC Environment &
Infrastructure



David Fay
Director
Fay Environmental



Kaylen Janes
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Altius Minerals



Michelle Marley
Director
Newfoundland Power



Elisabeth Luthor Poirer
Director
Alderon Iron Ore Corp



Deidre Puddister
Director
Pennecon Limited

Message from the Chair of NEIA

With NEIA's continued focus on consultation, collaboration, and membership activity this past year, 2013 was an important year for the environmental sector in Newfoundland and Labrador.



Frank Ricketts
Chair
Nalcor Energy

The year began with the completion of NEIA's Strategic Plan. This plan, which was developed after a period of consultation with experts and our membership, lays out clearly the organization's objectives and strategies to achieve those objectives. Our Executive Director, Ted Lomond, will speak directly to our Strategic Plan and the activities which have stemmed from it.

Membership engagement was a theme which prevailed throughout 2013, as NEIA improved on how and how often it solicits the input and participation of its members in its initiatives. We instituted an annual membership meeting to discuss ideas and issues in the environmental sector. During this year's Newleaf, NEIA's annual green economy conference which continues to grow in size and scope since its inception in 2012, a session was added inviting members to raise and address sector issues and ideas. For the technology-inclined, NEIA greatly increased the opportunity for interaction through a brand new website and social media tools such as Facebook, Twitter, and LinkedIn. NEIA regularly seeks input from its membership for its weekly electronic newsletter.

This increased member engagement helped NEIA to offer a much wider range of services and activities for businesses,

organizations, and professionals in Newfoundland and Labrador's green economy. Increasing its support for business growth, NEIA partnered with the Department of Innovation, Business, and Rural Development on the Environmental Sector Business Growth Project, has expanded training opportunities for its members, and has provided learning and networking opportunities through its new Speaker Series program. NEIA developed a strong international business focus with the creation of its Export and International Business Network, and Export Support Initiative partnership with IBRD.

As an advocate for the environmental sector's interests, NEIA continues to develop stronger relationships with its public partners. Building on the close rapport between staff and federal, provincial, and municipal officials, the Board of Directors has reinstated regular meetings with the Ministers of Environment and Conservation, and Innovation, Business, and Rural Development. NEIA has also met with other decision makers in an official capacity, and has reached out to the federal departments of Environment and Fisheries & Oceans to work collaboratively.

The Board has also been engaged in establishing policy statements through

an active Policy Committee, as well as developing internal governance guidelines through our Governance Committee, and membership recruitment strategies through a Membership and Succession Planning Committee.

With many plans in place for 2014 and beyond, NEIA's membership – which should grow in the coming years through an aggressive membership campaign – can expect even more in terms of activities and initiatives to help build on their successes and grow the sector.

I would like to thank the Atlantic Canada Opportunities Agency (ACOA) and the Department of Innovation, Business, and Rural Development for their continued support of NEIA and the environmental sector in Newfoundland & Labrador.

As always, we welcome new ideas and encourage interested members to work with NEIA to pursue projects of interest.

Message from the Executive Director

2013 was a very positive year for your association. NEIA experienced a significant growth in its membership and has seen its members become more engaged in our activities and initiatives.



Ted Lomond
Executive Director

NEIA has launched a robust program of industry development activities with a focus on enhanced productivity, innovation, and international trade. NEIA's relationship with its funding partners has been strengthened, and the association is demonstrating exceptional value for money invested by both our funders and our members.

Much of this direction came from the implementation of NEIA's strategic plan, which was finalized in early 2013. The plan specifies three areas of focus: communications and advocacy; sector development; and capacity building.

Communications and Advocacy

The Chair outlined NEIA's renewed focus in internal communications amongst its membership; NEIA's external profile was raised through an aggressive expansion of events and programming for its members throughout the year, appealing to a variety of sector segments. This included NEIA's annual Newleaf conference, which grew into a multi-faceted two day event that featured wide-ranging programming, an exhibition, and a networking social.

As an advocate for the environmental sector, NEIA has increased the frequency with which it makes public statements and its capacity to spread awareness of those messages through its new online

assets. The association now collaborates regularly with relevant government departments, and worked to increase official representation at its events.

Sector Development

NEIA worked diligently in 2013 to create opportunities for professional development for its members; NEIA held a variety of events aimed at different segments of the sector which are outlined throughout this report.

NEIA increased its focus on supporting international business development. It formed an Export and International Business Development Network, facilitated export diagnostics for its members, and held an International Business Development Symposium – a full day of supports for businesses.

NEIA's promotion of innovation and productivity in the environmental sector in 2013 ranged from organizing sessions with both provincial and federal officials on procurement opportunities to implementing innovation panels and productivity sessions at events throughout the year, including Newleaf.

Capacity Building

NEIA continues to strengthen its financial position and long-term viability. In 2014 it decreased its dependence on ACOA funding, and secured provincial funding

for the first time by being recognized as a "Tier One" industry association status.

NEIA increased revenues in every category in 2013: government sponsorship, non-government sponsorship, membership, and event revenue were all improved on from 2012. To continue growing membership, plans and assets are in place to aggressively attract new members in 2014.

Looking Forward

The momentum NEIA built in 2013 through the execution of its strategic plan continues into the coming year.

NEIA will be leading an Atlantic Canadian mission to the GLOBE 2014 conference in Vancouver in March, and will be welcoming a delegation from the Caribbean to St. John's in April to discuss environmental sector business opportunities. Planning is already underway for our Newleaf conference which is taking place on October 9-10.

2014 will be another exciting year for your association; keep informed on upcoming activities through our website and weekly newsletter. Please do not hesitate to contact us if you would like to talk about future programming relevant to your business.

2013 The Year in Review

Newleaf 2013



The *Green Showcase* allowed NEIA members the opportunity to showcase their products and services.



The research matching session featured local researchers explaining their environmental projects to a business audience.



The *Newleaf Social* took place at the historic Newman Wine Vaults and featured live entertainment and catering with fresh local foods.



ADAPTING TO A CHANGING ENVIRONMENT



On October 10-11, NEIA held its annual **Newleaf** environmental sector conference. The conference's theme was "*Adapting to a Changing Environment*" and featured presentations exploring new regulations, expectations, opportunities, and the changing climate that are affecting businesses in Newfoundland & Labrador.

The **Newleaf** conference continues to grow greater in size and scope each year. This year the conference was a two-day event which was comprised of:

- speaker presentations;
- industry panels;
- an evening networking social;
- a trade show / exhibition; and
- an innovation focused business/researcher matching session

The conference's keynote speaker was the Hon. Joe Clark, former Prime Minister of Canada.

Newleaf 2013 was a tremendous success, and plans are already underway for 2014's event.

2013 The Year in Review

International Business Development Symposium



“Let’s Talk Exports”, presented in cooperation with Export Development Canada, drew a capacity crowd.



Experts from every angle of international business presented - from exporting to trade shows to legal considerations.



On May 24, NEIA held its inaugural *International Business Development Symposium*. The event’s purpose was to introduce the opportunities that international business can provide to environmental sector firms, and to provide the knowledge and tools to move forward.

Participating firms learned how they can use international markets and tools to drive business - from the basics of exporting, to learning the do’s and don’ts of Trade Shows, to understanding International trade law, the event had something for businesses at various stages in the process.

Participants also had the opportunity to avail of one-on-one expert advice on tailoring market research and business network, international financial institutions, strategic matchmaking, and export diagnostics.

The event was headlined by Export Development Canada’s “Let’s Talk Exports”, a luncheon that delivered the latest international economic data and analysis from EDC’s Vice President and Chief Economist, Peter Hall.



The event featured panel discussions where attendees could interact and learn directly from experienced and qualified professionals.

2013 The Year in Review

Oil Spill Response Technology Seminar



Product demonstrations took place at the Marine Institute's Holyrood Marine Base.



On May 27-28, in partnership with Innovation Norway and the Norwegian Oil Spill Control Association (NOSCA), NEIA held the *Oil Spill Response Technology Seminar*.

The seminar was organized to showcase the products and services of local firms working in oil spill response; expose the local industry to the work of Norwegian firms; and to facilitate the development of international relationships.

There were four distinct components to the Oil Spill Response Technology Seminar - the speaker presentations; the trade exhibition; the site visits; and the product demonstrations. Attendees were treated to site visits at the Canadian Coast Guard and ECRC facilities, while live demonstrations of oil spill response technologies and procedures took place in Holyrood.

NEIA is in the early stages of planning another event around the environmental sector in the oil and gas industry in 2015.



The trade show featured firms in the oil industry operating as close as Conception Bay South and as far away as Norway.



The seminar attracted significant media attention and highlighted firms operating in Newfoundland & Labrador.

2013 The Year in Review

Information Sessions



SPEAKER SERIES

The NEIA Speaker Series

In 2013, NEIA introduced to its members the opportunity to meet and learn from sector experts in a small casual board room setting. Named the *NEIA Speaker Series*, eight events took place through the year, and NEIA is looking forward to many more in 2014.

Co-Op Students and How they Can Add Value to Your Business

April 11 with MUN Co-Operative Education

Running a "Sustainable" Business – How it Can Impact your Bottom Line and Brand Positioning

May 9 w/ Michelle Marley
(Terra Sustainability Consulting)

How Swire Pacific Offshore's Commitment to the Environment Enhances Economic Performance

July 31 w/ Captain Simon Bennett
(Swire Pacific Offshore)

The Co-Operative Business Model and the Environmental Sector

November 19
(NL Federation of Co-Ops)

New Ways to takeCHARGE with the Business Efficiency Program

November 13 w/ takeCHARGE!
(Newfoundland Power, NL Hydro)

Responsible Canadian Energy – Continuous Improvement in Environmental Performance

December 3 w/ Paul Barnes (Canadian Association of Petroleum Producers)

Amending the Environmental Emergency Regulations & Recent Changes to Environment Canada's Environmental Emergencies Program

January 14 w/ Gerard Chisholm
(Environment Canada)

The Region's Multi-Billion Dollar Energy Projects: How Cooperation and Collaboration Grows our Business

February 11 w/ Barbara B. Pike
(Maritimes Energy Association)



Federal Procurement Session for the Environmental and Defence Industries

September 20, 2013

In partnership with The Office of Small and Medium Enterprises (OSME).



Earth Bound

September 26-27, 2013

NEIA supported the Multi-Materials Stewardship Board with the execution of Newfoundland & Labrador's first organic waste management conference.

Other Partnered Events

Leverage Your IP Assets for Business Success

Cecile Klein, Canadian Intellectual Property Office (CIPO)

May 30 w/ Canada Business

Using LinkedIN Effectively for Business

Sheldon Payne, Newfound Marketing

June 11 w/ CME, Canada Business

Scientific Research and Experimental Development Tax Credits for Businesses

Gordon Freeman, Carol Ann Thomas, Freedman

January 29 w/ CME, Canada Business

2013 The Year in Review

New Sector Growth Initiatives



Export and International Business Network

Created in 2013, the *Export and International Business Network* is a group of firms in the environmental sector conducting business, or looking to explore opportunities, abroad. The network meets regularly and NEIA staff work in support of its objectives.



Environmental Sector Business Growth Project

NEIA and the Department of Innovation, Business and Rural Development (IBRD) partnered to offer businesses in the environmental sector development resources and support through a business retention and expansion diagnostic process.



Co-Operative Education Partnership

NEIA partnered in 2013 with both Memorial University and the College of the North Atlantic to promote and facilitate co-operative work placements for students with environmental sector businesses in Newfoundland and Labrador.



Export Support Initiative

Delivered in partnership with IBRD, this is a free self-assessment tool designed to assist NEIA members who are exporting or who may be interested in exporting. From individual consultants to large firms, all businesses in the environmental sector can avail and benefit.



New Online Communications Assets

In the Summer of 2013, NEIA launched a series of new assets which significantly improved its effectiveness and efficiency in external and internal communications. Foremost was the redeveloped NEIA website, which now has a wealth of information and resources specifically designed for its members. NEIA also created a new weekly newsletter, and strengthened its social media presence on Facebook, Twitter, and LinkedIn.

2013 The Year in Review

Professional Development



Hazardous Waste Operations & Emergency Response Training

November 22-29, 2013

NEIA offered both the full 40-hour and the 8-hour refresher “Hazwoper” courses.



On-Shore / Near Shore Oil Spill Response Training

June 4, 2013

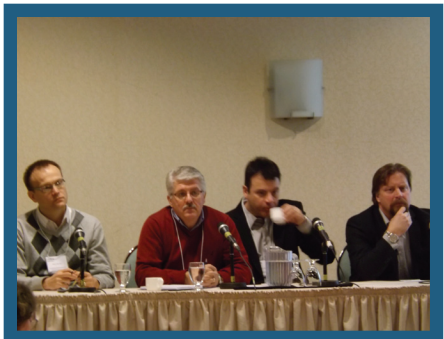
A training course for front line workers designed to provide preparedness in dealing with small oil spills that can occur on a worksite (e.g. on a construction site; during mining explorations; etc.).



Aboriginal Consultation Roundtable

September 18, 2013

A discussion of aboriginal consultation requirements, processes, and recent practice for proposed development projects in from the perspective of firms and practitioners with recent and on-going experience in this field.



Environmental Assessment Practitioner’s Forum

February 6, 2013

A discussion of EA processes and practice. Speakers included EA participants and practitioners from industry and government, who shared experiences and insights on EA in Newfoundland and Labrador.

Networking



3rd Annual Charlie Riggs Memorial Golf Tournament

July 24, 2013



Newleef Social

October 10, 2013



NEIA Christmas Social

December 5, 2013



Screening of “So Right, So Smart” Documentary

February 5, 2013

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION
Statement of Financial Position
October 31, 2013

	<i>October 31</i> 2013	<i>October 31</i> 2012	<i>November 1</i> 2011
ASSETS			
CURRENT			
Cash	\$ 65,809	\$ 5,419	\$ 77,027
Guaranteed investment certificates	83,207	81,115	80,000
Accounts receivable	100,555	108,398	41,703
Harmonized sales tax recoverable	401	4,186	-
Prepaid expenses	3,117	3,107	3,007
	253,089	202,225	201,737
CAPITAL ASSETS (Note 3)	1,950	6,976	10,667
	\$ 255,039	\$ 209,201	\$ 212,404
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$ 11,922	\$ 11,148	\$ 9,175
Harmonized sales tax payable	-	-	2,404
	11,922	11,148	11,579
NET ASSETS			
Unrestricted net assets	243,117	198,053	200,825
	\$ 255,039	\$ 209,201	\$ 212,404

Draft for discussion purposes only

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION
Statement of Revenues and Expenditures
Year Ended October 31, 2013

	2013	2012
REVENUES		
Atlantic Canada Opportunities Agency - BDP	\$ 230,908	\$ 202,703
Conferences, workshops and seminars (Note 4)	114,018	52,072
Labour Market Development Agreements funding	14,760	34,613
Labour Market Partnerships funding	100,000	-
Memberships	43,714	35,855
Rental revenue	27,924	513
	<u>531,324</u>	<u>325,756</u>
EXPENSES		
Advertising and promotion	7,566	10,590
Amortization	7,875	5,956
Bad debts	295	799
Bank charges	506	668
Conferences, workshops and seminars	73,249	43,433
Fees and dues	835	1,173
Office and administration	82,708	32,818
Professional fees	37,678	35,096
Salaries and wages	257,941	185,031
Travel	10,285	11,221
	<u>478,938</u>	<u>326,785</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>52,386</u>	<u>(1,029)</u>
OTHER INCOME (EXPENSES)		
Interest income	2,092	1,115
Non-recoverable harmonized sales tax	(9,414)	(2,858)
	<u>(7,322)</u>	<u>(1,743)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 45,064</u>	<u>\$ (2,772)</u>

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION
Statement of Changes in Net Assets
Year Ended October 31, 2013

	Unrestricted Net Assets	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 198,053	\$ 198,053	\$ 200,825
Excess (deficiency) of revenues over expenses	45,064	45,064	(2,772)
NET ASSETS - END OF YEAR	\$ 243,117	\$ 243,117	\$ 198,053

Draft for discussion purposes only

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION

**Statement of Cash Flow
Year Ended October 31, 2013**

	2013	2012
OPERATING ACTIVITIES		
Cash receipts from members, tenants and funding agencies	\$ 535,215	\$ 251,672
Cash paid to suppliers and employees	(471,470)	(320,347)
Interest income received	2,092	1,115
Bank charges paid	(506)	(668)
	<u>65,331</u>	<u>(68,228)</u>
Cash flow from (used by) operating activities		
INVESTING ACTIVITY		
Purchase of capital assets	(2,849)	(2,266)
	<u>(2,849)</u>	<u>(2,266)</u>
Cash flow used by investing activity		
INCREASE (DECREASE) IN CASH FLOW	62,482	(70,494)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>86,534</u>	<u>157,028</u>
CASH AND EQUIVALENTS - END OF YEAR	\$ 149,016	\$ 86,534
CASH AND EQUIVALENTS CONSIST OF:		
Cash	\$ 65,809	\$ 5,419
Marketable securities	83,207	81,115
	<u>\$ 149,016</u>	<u>\$ 86,534</u>

Draft for discussion purposes only

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION

Notes to Financial Statements

Year Ended October 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

The Newfoundland and Labrador Environmental Industry Association is a provincial organization offering programs to promote the growth and development of the environmental industry in Newfoundland and Labrador. It is incorporated under the laws of the Province of Newfoundland and Labrador and is exempt from income taxes as a not-for-profit organization pursuant to paragraph 149 (1)(l) of the Income Tax Act (Canada).

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Newfoundland and Labrador Environmental Industry Association follows the restricted fund method of accounting for contributions.

The General Fund accounts for all of the company's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Marketable securities

Marketable securities are accounted for at market value. Changes in fair value are recorded through the statement of operations.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	55 %/100%	declining balance method
Computer equipment	55%	declining balance method
Website development		straight-line method

The company regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Revenue recognition

Government funding is recognized as revenue when funding is approved by the respective government agency.

Funds received from sponsorship and event funding and luncheon and seminar registration are recorded as revenue immediately upon receipt.

Funds received from rental agreements is recognized in the period covered by the rental payment which is on a monthly basis.

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION

Notes to Financial Statements

Year Ended October 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates included in these financial statements relate to the determination of the useful lives of capital assets.

2. FIRST-TIME ADOPTION

Effective November 1, 2012, the organization adopted the requirements of the new accounting framework, Canadian accounting standards for not-for-profit organizations (ASNPO) or Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting. These are the organization's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 1 - Summary of Significant Accounting Policies have been applied in preparing the financial statements for the year ended October 31, 2013, the comparative information presented in these financial statements for the year ended October 31, 2012 and in the preparation of an opening ASNPO statement of financial position at the date of transition of November 1, 2011.

The organization issued financial statements for the year ended October 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook – Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, fund balances, excess of revenue over expenses and cash flows for the organization.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Computer equipment	\$ 7,539	\$ 5,589	\$ 1,950	\$ 1,643
Website development	16,000	16,000	-	5,333
	\$ 23,539	\$ 21,589	\$ 1,950	\$ 6,976

NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL INDUSTRY ASSOCIATION

Notes to Financial Statements

Year Ended October 31, 2013

4. CONFERENCES, WORKSHOPS AND SEMINARS

	2013	2012
Luncheon and seminar registration	\$ 82,074	\$ 20,232
Funding	31,944	31,349
Rebates	-	491
	<u>\$ 114,018</u>	<u>\$ 52,072</u>

5. ECONOMIC DEPENDENCE

Approximately 43% (2012 - 62%) of the Association's revenue is received from the Atlantic Canada Opportunities Agency. The loss of funding from this Agency could have a material adverse effect on operations. As at October 31, 2013, approximately 66% of the company's accounts receivable were owing from the Agency, thereby increasing the level of credit risk due to the concentration of the accounts receivable.

6. FINANCIAL INSTRUMENTS RISKS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of October 31, 2013.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. The organization's credit risk is increased because 66% of its accounts receivable are concentrated with one funding agency. The organization attempts to mitigate its credit risk by regularly reviewing its accounts receivable and formulating an allowance for doubtful accounts, when necessary. The amount of change is limited to the amount of change in the accounts receivable balance from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable. Liquidity risk has not changed significantly from the previous year.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its floating interest rate guaranteed investment certificates. Interest rate risk has not changed from the previous year.

The Newfoundland and Labrador Environmental Industry Association would like to thank the Atlantic Canada Opportunities Agency (ACOA) and the Department of Innovation, Business, and Rural Development (IBRD) for their financial support of NEIA and the growth of the business of the environment in our province.



Innovation, Business and Rural Development