



2017 Annual Report

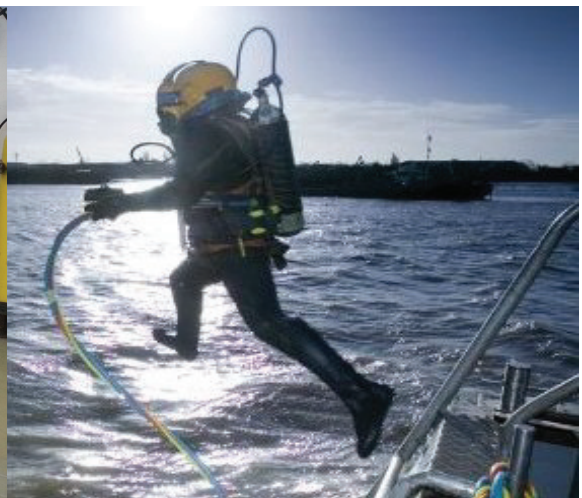


Table of Contents

| | |
|--|----|
| Who We Are | 3 |
| International Recognition | 3 |
| Our Vision | 3 |
| Our Mission | 3 |
| Our Board of Directors | 3 |
| What We Do | 4 |
| Message from the Chairman | 5 |
| Message from the CEO | 6 |
| Auditor's Report | 7 |
| Financial Statements | 8 |
| Notes to Financial Statements | 11 |
| 2017 Canadian Underwater Conference and Exhibition | 15 |



Who We Are

The Diver Certification Board of Canada (DCBC) is an independent federally incorporated not-for-profit body which operates under the authority of agreements with the Canada - Newfoundland and Labrador Offshore Petroleum Board and the Canada - Nova Scotia Offshore Petroleum Board.

The DCBC was founded in 2002 by the diving industry to replace the offshore diver certification regime of the National Energy Board and the offshore petroleum boards. The DCBC is the only national body which certifies offshore and inshore occupational diving and ROV personnel in Canada.

International Recognition

DCBC is a founding member of the International Diving Regulators and Certifiers Forum (IDRCF) and has observer status in the European Diving Technology Committee (EDTC). Certificates issued by the DCBC are recognized by Australia (ADAS), France, Norway, South Africa, the United Kingdom (HSE) and the International Marine Contractors Association (IMCA).

Our Vision

Our vision is of an internationally recognized national certification scheme for the occupational diving and ROV industry, guided by various stakeholders who are dedicated to the development and enhancement of the Canadian underwater industry without personal gain or profit.

Our Mission

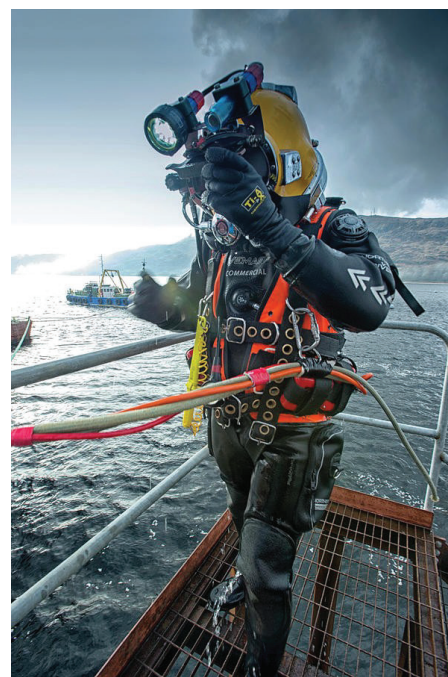
Our mission is to provide a national Canadian certification scheme for occupational diving and ROV personnel, based on a single national standard of competencies, in order to enhance industry safety by demonstrating personal competency.

Our Board of Directors

| | |
|-------------------|--------------------------------|
| Garth Hiebert* | Dominion Divers Ltd. |
| Bruce Banks | Divers Institute of Technology |
| Dennis Barrington | Wet Work Marine |
| Cory Beaudry | BC College of Diving |
| Jonathan Chapple | Aqua-Lung Canada |
| Marc-André Désy | Expertech Marine |
| Shawn MacPhail | Dominion Diving Ltd. |
| John Mitchell | Retired MOL Diving Inspector |
| Ian White | Closed Bell Diver/ Air DSS |
| * Chairman | |

Past Directors

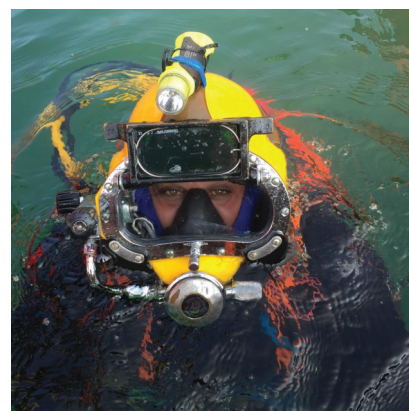
| | |
|-----------------|--------------------------------|
| Steven Hart | 2001 to 2009 (First Chairman) |
| David Squires | 2001 to 2011 (Second Chairman) |
| James H Wilson | 2001 to 2010 |
| John Scott | 2002 to 2011 |
| David W. Geddes | 2002 to 2011 |
| Ian Rodd | 2004 to 2013 |
| Steve Duffy | 2007 to 2016 |



What We Do

The DCBC offers certification to professional diving and ROV personnel who can demonstrate that they have sufficient training and experience to enable them to meet the competency requirements of the appropriate section of the Canadian Standards Association (CSA) *Competency Standard for Diving, Hyperbaric Chamber, and Remotely Operated Vehicle Operations* (CSA Standard Z275.4).

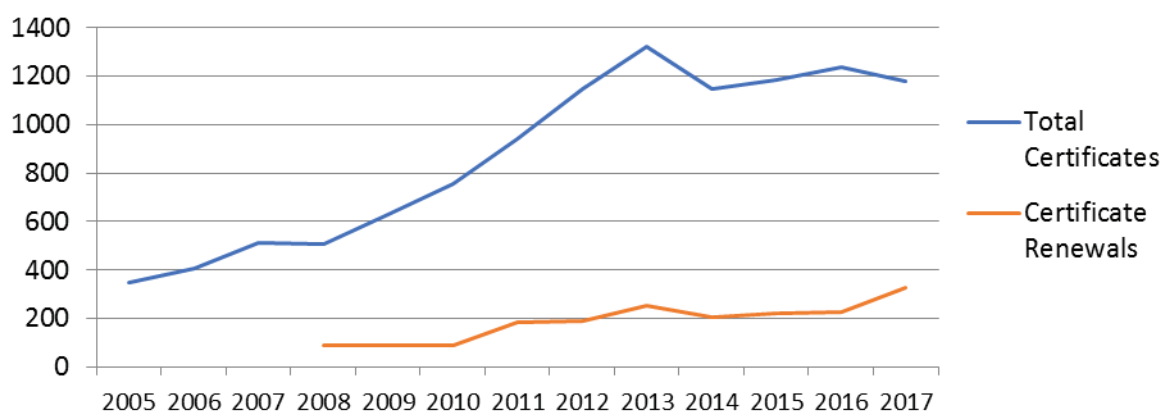
The DCBC has accredited seventeen commercial diver training establishments (DTE) whose training meets the requirements of the CSA standard for *Occupational Diver Training* (CSA Standard Z275.5), ten in Canada, six in the United States and one in the West Indies. DTE's also assess the competency of experienced commercial and other professional divers, provide training where necessary, and recommend the diver for certification.



Certificates Issued in the Past Ten Years

| Certificate Type | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| SCUBA | 2 | 4 | 15 | 12 | 14 | 28 | 26 | 66 | 123 | 54 | 70 | 71 | 76 |
| SCUBA Supervisor | 0 | 0 | 2 | 1 | 1 | 3 | 3 | 5 | 7 | 6 | 6 | 0 | 2 |
| RSS Diver | 307 | 345 | 448 | 424 | 504 | 655 | 779 | 114 | 110 | 78 | 72 | 83 | 107 |
| USS Diver | | | | | | | | 793 | 932 | 878 | 974 | 972 | 860 |
| SS Supervisor | 19 | 13 | 17 | 10 | 23 | 28 | 46 | 55 | 48 | 57 | 40 | 69 | 57 |
| Closed Bell Diver | 12 | 28 | 20 | 39 | 58 | 26 | 45 | 67 | 52 | 50 | 11 | 23 | 47 |
| Offshore Air Supervisor | 0 | 0 | 4 | 5 | 5 | 1 | 3 | 2 | 6 | 4 | 0 | 4 | 1 |
| Bell Diving Supervisor | 3 | 6 | 2 | 9 | 8 | 8 | 15 | 19 | 10 | 8 | 4 | 6 | 7 |
| Diving Safety Specialist | 0 | 3 | 3 | 5 | 10 | 2 | 8 | 6 | 15 | 9 | 4 | 7 | 13 |
| LST/LSS/HCO/Tender/ROV | 4 | 6 | 0 | 3 | 8 | 5 | 16 | 20 | 20 | 6 | 2 | 4 | 10 |
| Total | 347 | 405 | 511 | 508 | 631 | 756 | 941 | 1147 | 1323 | 1150 | 1183 | 1239 | 1180 |

Growth in Total Certificates Issued vs. Certificates Renewed



Message from the Chairman



"The CUCE is a unique event in Canada and is presented by the DCBC to bring together the various elements of the underwater industry in which we all participate."

As I begin my first year as Chairman, I am pleased to report that 2017 was another successful year for the Diver Certification Board of Canada.

The DCBC Board of Directors continued to focus on the revision and renewal of our policies and procedures, completing the revision of the diver training establishment accreditation policy and the certificate renewal policy.

We continue to work with all parts of the occupational diving community in Canada to achieve our mission; i.e. to provide a national Canadian certification scheme for occupational diving and ROV personnel based on a single national standard of competencies, in order to enhance industry safety by demonstrating personal competency. We worked with the Ontario Ministry of Labour on issues relating to the certification of older, experienced divers, and with the Nova Scotia Department of Labour and Advanced Education on the updating of diving regulations. We also worked with a private contractor on Lake Erie to certify their divers as mixed gas divers using a Prior Learning Assessment and Recognition (PLAR) process.

In October our CEO and two of our directors attended the Offshore Diving Stakeholder Engagement meeting in St. John's, NL. The meeting related to the Atlantic Occupational Health and Safety Regulations Initiative, part of the Frontier and Offshore Regulatory Renewal Initiative (FORRI). Our principal concern was to ensure that DCBC certification remained the only certification acceptable in our offshore waters.

The 2017 Canadian Underwater Conference & Exhibition (CUCE) was held in Ottawa in March. This was our first bilingual conference, demonstrating once again our commitment to providing services in both of Canada's official languages, including the provision of simultaneous translation in one of the two breakout rooms. The volunteer organizing committee, representing DCBC, CADC and industry, worked hard to ensure that the conference lived up to its well-earned reputation for excellent technical presentations and networking opportunities. The CUCE is a unique event in Canada and is presented by the DCBC to bring together the various elements of the underwater industry in which we all participate.

2018 will bring challenges to Canadian diver training establishments as they move to ensure the continued international acceptance of DCBC certificates by including SCUBA diver training and wet bell usage in all unrestricted surface supplied diver training courses. It will also bring challenges to DCBC as a new American diver certification scheme begins to take hold. I look forward to the support of my fellow Directors and our Executive staff as we turn to face this interesting future.

Garth Hiebert
Co-owner and President
Dominion Divers Ltd
Chairman, DCBC

Message from the CEO



"One of our responsibilities as a founding member of the International Diving Regulators and Certifiers Forum (IDRCF) is to ensure that CSA committees are kept up to date with their discussions."

In 2017 DCBC issued 1181 certificates, compared to 1239 in 2016.

We completed audits of five existing accredited diver training establishments (DTE), following our regular schedule which requires all accredited schools to be audited every two and a half years. We also completed the initial accreditation of the International Diving Institute in Charleston, South Carolina and of the ROV pilot/technician training program at the Marine Institute of Memorial University of Newfoundland in St. John's, NL. Entering a field we have not been involved in before, we began the assessment of a training program for Clinical Hyperbaric Chamber Operators at the Centre for Diving Medicine of Quebec at the Hôtel-Dieu Hospital in Lévis.

We continue to participate fully in the work of the Canadian Standards Association's committees for the CSA Z275 family of diving-related standards. In recognition of the value of the CSA standards to the work of the DCBC we have again contributed to the costs of the production of diving standards.

We also continue to work with members of the International Diving Regulators & Certifiers Forum (IDRCF), most recently on the harmonization of unrestricted surface supplied diver competencies. This is a topic which may cause difficulties for some of our accredited diver training establishments in terms of the use of wet bells and the inclusion of SCUBA diver training.

One of our responsibilities in relation to the

IDRCF, of which DCBC is a founding member, is to ensure that CSA committees are kept up to date with discussions being held in Europe. For example, the inclusion of SCUBA in unrestricted surface supplied diver training, driven by the IDRCF, may require changes to the Z275.4 competency standard.

The total overhaul of our website, using the content management software, WordPress, is ongoing. Issues with the translation of the website material have caused delays, however DCBC is committed to ensure that the site is fully bilingual from the moment it is launched. The new website will allow candidates to apply online and will be optimized for use on tablets and smart phones.

Our annual ISO audit by our independent registrar was completed successfully in September. It was slightly complicated this year by the looming requirement to transition to the new ISO 9001-15 standard, a transition which must be completed by September 2018.

As this report goes to print we are celebrating the success of the 10th Canadian Underwater Conference & Exhibition (CUCE) which was held in Vancouver, BC. There has been no decision made at this time as to the date and location of the next conference.

David G. Parkes, M.Ed.
Chief Executive Officer



INDEPENDENT AUDITORS' REPORT

To the Board of: **DIVER CERTIFICATION BOARD OF CANADA**

Report on the Financial Statements

We have audited the accompanying financial statements of **DIVER CERTIFICATION BOARD OF CANADA**, which comprise the statement of financial position as at December 31, 2017, the statement of changes in net assets, the statements of operations, and cash flows 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-profit-organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

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

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives part of its revenue from delegate fees from the annual conference, the completeness of which is not susceptible to satisfactory audit verification in the current and prior year.. Accordingly, in the current and prior year our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the effects (or the possible effects) of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **DIVER CERTIFICATION BOARD OF CANADA** as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Bluenose Accounting Chartered Accountants
Halifax, Nova Scotia
March 20, 2018

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DIVER CERTIFICATION BOARD OF CANADA

STATEMENT OF FINANCIAL POSITION

| DECEMBER 31 | 2017 | 2016 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 279,833 | \$ 320,506 |
| Accounts receivable | 66,664 | 41,949 |
| HST receivable | 12,398 | 6,963 |
| Prepaid expenses | 11,320 | 28,460 |
| Inventory | <u>20,780</u> | <u>7,875</u> |
| | <u>\$ 390,995</u> | <u>\$ 405,753</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 10,058 | \$ 10,488 |
| Deferred revenue | 25,714 | 19,896 |
| Payroll source deductions | <u>5,409</u> | <u>4,624</u> |
| | 41,181 | 35,008 |
| COMMITMENTS (Note 6) | | |
| NET ASSETS | | |
| UNRESTRICTED | <u>349,814</u> | <u>370,745</u> |
| | <u>\$ 390,995</u> | <u>\$ 405,753</u> |

Approved by the Directors:

Chairman

Director



DIVER CERTIFICATION BOARD OF CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

| YEAR ENDED DECEMBER 31 | 2017 | 2016 |
|--|--------------------|-------------------|
| REVENUE | | |
| Certificate fees | \$ 275,309 | \$ 257,470 |
| Conference | 104,319 | 107,399 |
| Operating grants (Note 5) | 36,000 | 36,000 |
| Accreditation cost recovery | 17,662 | 28,546 |
| Other | 16,145 | 17,801 |
| Accreditation fees | <u>3,000</u> | <u>3,802</u> |
| | 452,435 | 451,018 |
| EXPENDITURES | | |
| Advertisements | 14,486 | 3,487 |
| Board meetings | 44,052 | 39,651 |
| Conference | 120,930 | 85,436 |
| Furniture and equipment | 1,303 | 1,110 |
| Insurance | 2,462 | 2,534 |
| Interest and bank charges | 6,435 | 4,195 |
| Office | 32,557 | 31,103 |
| Professional fees | 16,631 | 19,374 |
| Rent | 16,344 | 16,195 |
| Salaries and benefits | 197,043 | 189,041 |
| Travel | <u>21,123</u> | <u>25,357</u> |
| | <u>473,366</u> | <u>417,483</u> |
| EXCESS OF (EXPENSES OVER REVENUE) / REVENUE OVER EXPENSES | <u>\$ (20,931)</u> | <u>\$ 33,535</u> |
| CHANGE IN NET ASSETS | | |
| Unrestricted net assets at beginning of year | \$ 370,745 | \$ 337,210 |
| Excess of (expenses over revenue) / revenue over expenses | <u>(20,931)</u> | <u>33,535</u> |
| Unrestricted net assets at end of the year | <u>\$ 349,814</u> | <u>\$ 370,745</u> |



DIVER CERTIFICATION BOARD OF CANADA

STATEMENT OF CASH FLOWS

| YEAR ENDED DECEMBER 31 | 2017 | 2016 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from fees, grants and other | \$ 323,401 | \$ 347,252 |
| Net receipts from conference | 110,137 | 99,915 |
| Payment for salaries | (196,258) | (189,865) |
| Payment for other expenses | (172,925) | (135,255) |
| Payment for conference | <u>(103,725)</u> | <u>(100,037)</u> |
| | (39,370) | 22,010 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of furniture and equipment | <u>(1,303)</u> | <u>(1,110)</u> |
| CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR | (40,673) | 20,900 |
| CASH AND EQUIVALENTS AT BEGINNING OF YEAR | <u>320,506</u> | <u>299,606</u> |
| CASH AND EQUIVALENTS AT END OF YEAR | <u>\$ 279,833</u> | <u>\$ 320,506</u> |
| REPRESENTED BY: | | |
| Cash | <u>\$ 279,833</u> | <u>\$ 320,506</u> |



DIVER CERTIFICATION BOARD OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. MISSION AND VISION OF ORGANIZATION

The Board is a not-for-profit organization under section 149 (1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

a) Vision

The Diver Certification Board of Canada's vision is of an internationally recognized national certification scheme for the occupational diving and ROV industry, guided by various stakeholders who are dedicated to the development and enhancement of the Canadian underwater industry without personal gain or profit

b) Mission statement

The mission of the Diver Certification Board of Canada is to provide a national Canadian certification scheme for occupational diving and ROV personnel, based on a single national standard of competencies, in order to enhance industry safety by demonstrating personal competency.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-profit-organizations (ASNPO). The financial statements include the following significant accounting policies:

a) Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund. This is the only fund in use for the period covered by these statements.

b) Cash and cash equivalents

The entity's policy is to disclose bank balances under cash and cash equivalents, including bank balances and term deposits with a maturity period of three months or less.

c) Capital assets

Capital assets additions are expensed in the year of acquisition. Expensed during the year

d) Revenue recognition

The Board recognizes grants and conference income in the period to which they relate and when collection is reasonably assured. Certificate and accreditation fees are recognized when the certificate is issued or accreditation granted and when collection is reasonably assured. Other revenue is recognized when the risk and rewards have transferred and when collection is reasonably assured.



DIVER CERTIFICATION BOARD OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

e) Donated services

The organization benefits greatly from donated materials and services in the form of volunteer time. The value of donated materials and services is not recognized in these financial statements.

f) Use of estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

g) Inventory

Inventories consists of log book are stated at the lower of cost or net realizable value on a on a first in first out basis

3. GOING CONCERN

The financial statements have been prepared in accordance with Canadian ASNPO on a going concern basis. Under the going concern assumption, a organization is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations.



DIVER CERTIFICATION BOARD OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

4. FINANCIAL INSTRUMENTS

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, accounts receivable, HST receivable and inventory. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and payroll source deductions

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the company to concentrations of credit risk consist of cash and accounts receivable. The organization deposits its cash in reputable financial institutions and therefore believes the risk of loss to be remote. The organization is exposed to credit risk from accounts receivable. The organization believes this credit risk is minimized as the organization has a large and diverse customer base. A provision for impairment of accounts receivable is established when there is objective evidence that the organization will not be able to collect all amounts due.

5. OPERATING GRANTS

| | 2017 | 2016 |
|--|------------------|------------------|
| Canada-Nova Scotia Offshore Petroleum Board | \$ 10,000 | \$ 10,000 |
| Canada-Newfoundland and Labrador Offshore Petroleum Board | 10,000 | 10,000 |
| Members of the Canadian Association of Petroleum Producers | | |
| Exxon Mobil Canada Ltd. | 4,000 | 4,000 |
| Suncor Energy Inc. | 4,000 | 4,000 |
| Encana Corporation | 4,000 | 4,000 |
| Husky Energy Inc. | 4,000 | 4,000 |
| Hibernia Management and Development Company Ltd. | <u>4,000</u> | <u>4,000</u> |
| | 40,000 | 40,000 |
| Prior year grant collected and (uncollected) | | |
| Encana Corporation | <u>(4,000)</u> | <u>(4,000)</u> |
| | <u>\$ 36,000</u> | <u>\$ 36,000</u> |





DIVER CERTIFICATION BOARD OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

6. COMMITMENTS

The Board has entered into a contract for the lease of its premises until 2018 at an annual lease rate of \$14,568.

7. CAPITAL RISK MANAGEMENT

The Board's objective when managing capital is to ensure sufficient liquidity to support its financial obligations and to conduct operations and execute strategic plans in the best interest and support of its members and causes.

The Boards objectives are met by maintaining adequate funds to guard against the possibility that cash flows from its fees revenues and grants will not be sufficient to meet future cash flow requirements. In addition, the Board actively monitors its capital structure and to make necessary adjustments as a result to changes in economic conditions.

The Board's capital structure consists of unrestricted net assets. As at December 31, 2017, the Board's unrestricted net assets were \$349,814 (2016 \$370,745).





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