
**Financial statements of the
Association of Professional Engineers
and Geoscientists of Saskatchewan**

December 31, 2022

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Independent Auditor's Report

To the Members of the
Association of Professional Engineers & Geoscientists of Saskatchewan

Opinion

We have audited the financial statements of the Association of Professional Engineers & Geoscientists of Saskatchewan (the "Association"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
March 30, 2023
Regina, Saskatchewan

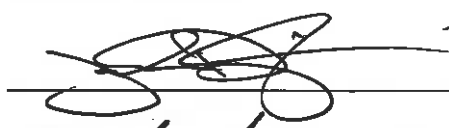
Association of Professional Engineers and Geoscientists of Saskatchewan
Statement of financial position
As at December 31, 2022

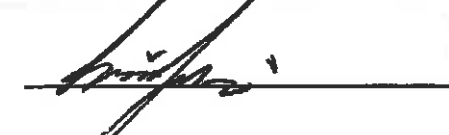
		2022	2021
	Notes	\$	\$
Assets			
Current assets			
Cash		6,966,666	6,109,550
Accounts receivable and accrued interest		29,859	17,417
Prepaid expenses		148,113	174,799
Short term investments	3	2,317,285	2,309,675
		9,461,923	8,611,441
Investments	3	9,354,119	9,242,938
Capital assets	4	212,929	372,147
Intangible assets	5	363,579	400,096
		19,392,550	18,626,622
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		438,475	296,770
Accrued vacation payable		126,588	152,970
Government remittances payable		160,760	153,030
Fees collected in advance		4,700,170	4,474,768
		5,425,993	5,077,538
Net assets			
Internally restricted net assets	6	4,375,902	4,375,902
Net assets invested in capital assets and intangible assets		576,508	772,243
Unrestricted net assets		9,014,147	8,400,939
		13,966,557	13,549,084
		19,392,550	18,626,622

These financial statements do not reflect the substantial value of services contributed by volunteers.

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

On behalf of Council


_____, Councillor


_____, Councillor

Association of Professional Engineers and Geoscientists of Saskatchewan
Statement of operations
Year ended December 31, 2022

		2022	2021
	Schedules	\$	\$
Revenue			
Fees			
Membership and license		5,252,212	5,028,268
Certificate of authorization		752,463	759,701
Registration		527,500	502,900
Practice exams		279,196	247,945
Advertising		76,466	56,033
Investment income		262,072	186,382
Unrealized gain on investments		18,211	6,854
Penalties and surcharges		9,745	16,845
Association functions		8,329	68,995
Other revenue		—	25
		7,186,194	6,873,948
Expenses			
Executive Committee	1	301,758	231,744
Council and Committees	2	313,619	196,339
Operations	3	4,574,558	4,357,957
Communications and Sponsorships	4	577,892	514,868
Governance Board	5	310,698	211,569
Regulatory Board	6	213,852	187,934
Professionalism Board	7	476,344	371,756
		6,768,721	6,072,167
Excess of revenues over expenses		417,473	801,781

These financial statements do not reflect the substantial value of services contributed by volunteers.

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

Association of Professional Engineers and Geoscientists of Saskatchewan

Statement of changes in net assets

Year ended December 31, 2022

	Invested in capital assets and intangible assets	Internally restricted net assets	Unrestricted net assets	2022	2021
	\$	\$	\$	\$	\$
	(Note 6)				
Net assets, beginning of year	772,243	4,375,902	8,400,939	13,549,084	12,747,303
Excess of revenues over expenses	(220,033)	—	637,506	417,473	801,781
Purchase of capital assets and intangible assets	24,298	—	(24,298)	—	—
Net assets, end of year	576,508	4,375,902	9,014,147	13,966,557	13,549,084

These financial statements do not reflect the substantial value of services contributed by volunteers.

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

Association of Professional Engineers and Geoscientists of Saskatchewan
Statement of cash flows
Year ended December 31, 2022

	2022	2021
	\$	\$
Operating activities		
Excess of revenues over expenses	417,473	801,781
Items not affecting cash		
Amortization	220,033	223,272
Unrealized gain on investments	(18,211)	(6,854)
Changes in non-cash working capital		
Accounts receivable and accrued interest	(12,442)	(3,841)
Prepaid expenses	26,686	(7,348)
Accounts payable and accrued liabilities	141,705	(59,680)
Accrued vacation payable	(26,382)	33,916
Government remittances payable	7,730	(3,806)
Fees collected in advance	225,402	276,383
	<u>981,994</u>	<u>1,253,823</u>
Investing activities		
Purchase of investments	(2,400,000)	(3,900,000)
Redemption of investments	2,299,420	1,100,000
Purchase of capital assets	(24,298)	(54,275)
Purchase of intangible assets	—	(1,103)
	<u>(124,878)</u>	<u>(2,855,378)</u>
Net increase (decrease) in cash	857,116	(1,601,555)
Cash, beginning of year	6,109,550	7,711,105
Cash, end of year	<u>6,966,666</u>	<u>6,109,550</u>

These financial statements do not reflect the substantial value of services contributed by volunteers.

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

1. The organization

The Association of Professional Engineers and Geoscientists of Saskatchewan (the "Association") is a non-profit organization that regulates the professions of professional engineering and professional geoscience by promoting and improving the competency of members in their practice of professional engineering or professional geoscience in order to safeguard the public. The Association is exempt from income taxes pursuant to Section 149 of *The Income Tax Act*.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

(a) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the period. The main estimates relate to the useful lives of capital assets and intangible assets subject to amortization and the allowance for doubtful accounts. Actual results could differ from those estimates.

(b) Revenue recognition

Fees are recorded in revenue over the applicable membership period when the fee is fixed or determinable and collection is reasonably assured. Fees collected in advance arise when members pay their annual dues for the next year prior to the current year end.

The Association recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

(c) Capital assets

Capital assets are recorded at cost.

Amortization is provided over the estimated useful life of the asset on a straight-line basis at the following rates:

Computer equipment	3 years
Office equipment	5 years
Leasehold improvements	over the term of the lease plus one renewal period

(d) Intangible assets

Intangible assets consist of software and is accounted for at cost. The software is amortized over its estimated useful life of 3-5 years using the straight-line method.

(e) Impairment of capital assets

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down of tangible capital assets is recognized as an expense in the statement of operations. A write-down should not be reversed.

2. Significant accounting policies (continued)

(f) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value. The Association subsequently measures its financial assets and financial liabilities at amortized cost, except for investments, which the Association measures at fair value. Changes in fair value are recognized in the statements of operations and changes in net assets.

3. Investments

	yield	Fair value 2022 \$	Fair value 2021 \$
Short term investments			
Royal Bank of Canada GIC - Annual Due September 26, 2022	0.40	—	600,645
Canadian Western Trust, GIC Annual due September 5, 2022	2.50	—	100,801
Equitable Bank, GIC Annual Due September 6, 2022	2.53	—	100,811
General Bank of Canada, GIC Annual Due September 6, 2022	2.25	—	100,721
Royal Bank of Canada, GIC Annual Due September 6, 2022	1.80	—	402,308
National Bank of Canada, GIC Annual Due October 3, 2022	1.80	—	200,878
Royal Bank of Canada, GIC Annual Due October 3, 2022	1.80	—	803,511
Bank of Nova Scotia, GIC Annual Due September 5, 2023	2.91	1,009,248	—
Bank of Montreal, GIC Annual Due September 25, 2023	0.81	300,646	—
Bank of Montreal, GIC Annual Due September 27, 2023	2.85	805,872	—
Canadian Tire Bank, GIC Annual Due September 27, 2023	3.05	100,785	—
NatCan Trust Company, GIC Annual Due September 27, 2023	2.85	100,734	—
		2,317,285	2,309,675

Association of Professional Engineers and Geoscientists of Saskatchewan
Notes to the financial statements
December 31, 2022

3. Investments (continued)

	yield	Fair value 2022 \$	Fair value 2021 \$
Long term Investments			
Bank of Nova Scotia, GIC Annual Due September 5, 2023	2.91	—	1,009,328
Bank of Montreal, GIC Annual Due September 25, 2023	0.81	—	300,652
Bank of Montreal, GIC Annual Due September 27, 2023	2.85	—	805,934
Canadian Tire Bank, GIC Annual Due September 27, 2023	3.05	—	100,794
NatCan Trust Company, GIC Annual Due September 27, 2023	2.85	—	100,742
Home Equity Bank, GIC Annual due August 29, 2024	2.35	100,792	100,798
LBC Trust, GIC Annual due August 29, 2024	2.16	100,728	100,734
PC Bank, GIC Annual due August 29, 2024	2.15	100,725	100,730
BMO Mortgage Corp, GIC Annual September 3, 2024	2.02	100,653	100,659
Effort Trust, GIC Annual due September 3, 2024	2.10	100,679	100,685
Royal Bank of Canada, GIC Annual due September 3, 2024	2.03	503,281	503,309
Bank of Montreal, GIC Annual due September 24, 2024	1.08	601,722	601,740
Bank of Montreal, GIC Annual due December 23, 2024	2.37	700,318	700,364
Duo Bank Canada, GIC Annual Due September 2, 2025	1.26	100,414	100,418
Bank of Nova Scotia, GIC Annual due September 3, 2025	1.05	1,204,073	1,204,108
Canadian Western Bank, GIC Annual due September 3, 2025	1.10	100,356	100,359
Laurentian Bank, GIC Annual due September 3, 2025	1.14	100,369	100,372
Manulife Bank CDA, GIC Annual due September 3, 2025	1.00	100,323	100,326
Manulife Trust Co., GIC annual due September 3, 2025	1.00	100,323	100,326
Montreal Trust CDA, GIC Annual Due September 3, 2025	1.05	100,339	100,342
Royal Bank Of Canada, GIC Annual Due September 24, 2025	1.31	100,348	100,352
Bank Of Nova Scotia, GIC Annual Due December 17, 2025	0.95	400,135	400,146
B2B Bank, GIC Annual Due August 31, 2026	1.50	100,501	100,505
ICICI Bank Canada, GIC Annual Due Augst 31, 2026	1.65	100,552	100,556
Keb Hana Bank Canada, GIC Annual Due August 31, 2026	1.60	100,535	100,539
SBI Canada Bank, GIC Annual Due August 31, 2026	1.73	100,578	100,583
Versabank, GIC Annual Due August 31, 2026	1.65	100,552	100,556
Peoples Trust, GIC Annual Due September 8, 2026	1.44	100,450	100,454
RBC Mortgage Corp, GIC Annual Due September 8, 2026	1.33	100,415	100,419
Royal Bank Of Canada, GIC Annual Due September 8, 2026	1.33	200,831	200,838
Royal Trust Corp, GIC Annual Due September 8, 2026	1.33	100,415	100,419
Bank Of Montreal, GIC Annual Due September 8, 2026	1.39	1,304,802	1,304,851
Canadian Western Trust, GIC Annual Due September 16, 2027	4.40	101,266	—
Equitable Bank, GIC Annual Due September 16, 2027	4.55	101,309	—
General Bank Of Canada, GIC Annual Due September 16, 2027	4.60	101,323	—
Royal Bank Of Canada, GIC Annual Due September 16, 2027	4.60	506,616	—
Royal Bank Of Canada, GIC Annual Due September 27, 2027	4.60	607,184	—
National Bank Of Canada, GIC Annual Due October 4, 2027	4.65	202,242	—
Royal Bank Of Canada GIC Annual Due October 4, 2027	4.65	808,970	—
		9,354,119	9,242,938
Total Investments, long and short term		11,671,404	11,552,613

Association of Professional Engineers and Geoscientists of Saskatchewan
Notes to the financial statements
December 31, 2022

4. Capital assets

	Cost	Accumulated amortization	Net book value 2022	Net book value 2021
	\$	\$	\$	\$
Computer Equipment	204,086	190,864	13,222	17,478
Leasehold improvement	1,288,375	1,163,977	124,398	268,084
Office equipment	362,363	287,054	75,309	86,585
	1,854,824	1,641,895	212,929	372,147

5. Intangible assets

	Cost	Accumulated amortization	Net book value 2022	Net book value 2021
	\$	\$	\$	\$
Other intangible assets	144,273	128,035	16,238	24,199
Database management	893,301	545,960	347,341	375,897
	1,037,574	673,995	363,579	400,096

6. Internally restricted net assets

	2022	2021
	\$	\$
Working capital reserve	3,575,902	3,575,902
Discipline and enforcement reserve	800,000	800,000
	4,375,902	4,375,902

(a) Working capital reserve

The working capital reserve was established in 1995 to provide for costs in the event the Association is wound up. During the year, Council made no motions to address the working capital reserve. Therefore, the working capital reserve has remained the same in the current year (\$87,401 increase in 2021).

(b) Discipline and enforcement reserve

The discipline and enforcement reserve was established in 1995 to provide for major discipline and enforcement actions. During the year there were no changes to the discipline and enforcement reserve (nil in 2021).

7. Financial instruments

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Association is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is not exposed to significant credit risk as memberships are generally received in advance. Credit risk associated with its investments is considered limited since all are held with trust companies or Canadian banks.

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. All of the Association investments amounts are invested in fixed interest guaranteed investment certificates. The fair value of these investments having fixed rates of interest could fluctuate because of changes in market interest rates.

8. Commitments

- (a) The following is a summary of future minimum equipment rental payments required under operating leases that have terms in excess of one year as of December 31, 2022:

	\$
2023	66,345
2024	34,046
2025	34,046
2026	34,046
2027	34,046

- (b) The Association leases its head office under an operating lease that expires on December 31, 2023. The Association signed an extension of the operating lease on December 19, 2022 for the same building which begins January 1, 2024 and expires on December 31, 2028. Annual lease payments over the next five years are as follows:

	\$
2023	636,917
2024	575,416
2025	575,416
2026	575,416
2027	575,416

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 1 - Executive Committee expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Executive Committee	7,944	5,806
Liaisons	17,006	7,399
Government Relations	3,874	—
UofS/UofR Activities	7,325	2,500
Provincial Meetings	245	—
PNWER	14,365	—
Engineers Canada	200,311	178,898
Geoscientists Canada	50,688	37,141
	301,758	231,744

These schedules do not reflect the substantial value of services contributed by volunteers.

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 2 - Council and Committees expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Council Meetings	141,377	53,998
Council - Annual Meeting Costs	28,257	—
Governance Change Project	3,300	57,899
Investigation Committee	77,392	68,848
Discipline Committee	53,524	9,852
Enforcement	9,769	5,742
	313,619	196,339

These schedules do not reflect the substantial value of services contributed by volunteers.

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 3 - Operations expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Salaries	2,683,540	2,712,713
Fixed Asset Purchases	1,505	138
Depreciation	220,033	223,272
Occupancy Costs	635,181	636,890
Professional Fees	331,555	203,401
Telephone	—	416
Other Operations Costs	466,285	399,826
IT-IS Operations	236,459	181,301
	4,574,558	4,357,957

These schedules do not reflect the substantial value of services contributed by volunteers.

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 4 - Communications and Sponsorships expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Professional Edge (Newsletter)	149,462	237,208
Awareness	383,430	231,595
Sponsorships - General and K-12	45,000	46,065
	577,892	514,868

These schedules do not reflect the substantial value of services contributed by volunteers.

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 5 - Governance Board expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Governance Board	15	—
Audit & Risk Management Committee	57,637	69,691
Nominating Committee	20,057	16,711
Volunteer Recognition	12,245	9,485
Annual Report	18,412	7,552
Annual Meeting	202,332	108,130
	310,698	211,569

These schedules do not reflect the substantial value of services contributed by volunteers.

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 6 - Regulatory Board expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Regulatory Board	40,959	54,458
CPD Compliance Committee	7,905	5,403
Experience Review Committee	26,854	26,191
Academic Review Committee/Interviews	77,016	49,520
Prof. Practice Exam Com./Seminar & Exam	59,931	51,985
Licensee Admissions Committee	150	149
Admissions Officials Meetings	1,037	228
	213,852	187,934

These schedules do not reflect the substantial value of services contributed by volunteers.

Association of Professional Engineers and Geoscientists of Saskatchewan
Schedule 7 - Professionalism Board expenditures
Year ended December 31, 2022

	2022	2021
	\$	\$
Professionalism Board	1,222	(3,672)
Environment and Environmental Issues Committee	1,530	—
Professional Development Committee	140,713	116,620
Equity and Diversity Committee	54,903	6,300
Awards Committee	428	14
Scholarships and Bursaries	63,100	73,990
Grants (Constituent Societies/Universities)	206,778	171,014
Salary Survey	7,670	7,490
	476,344	371,756

These schedules do not reflect the substantial value of services contributed by volunteers.