
Financial statements of
Association of Professional Engineers
and Geoscientists of Saskatchewan

December 31, 2024

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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, 2024, 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, 2024, 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.

The signature "Deloitte LLP" is written in a cursive, handwritten style.

Chartered Professional Accountants
Regina, Saskatchewan
April 10, 2025

Association of Professional Engineers and Geoscientists of Saskatchewan

Statement of financial position

As at December 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	3	5,267,992	5,880,961
Accounts receivable and accrued interest		—	14,964
Government remittances receivable		28,619	—
Prepaid expenses		151,882	197,330
Investments	4	592,575	505,610
		<u>6,041,068</u>	<u>6,598,865</u>
Long-term investments	4	15,055,358	13,200,809
Capital assets	5	444,616	202,187
Intangible assets	6	180,831	328,784
		<u>21,721,873</u>	<u>20,330,645</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		588,845	448,447
Accrued vacation payable		120,731	130,201
Government remittances payable		—	173,898
Fees collected in advance		4,813,535	4,959,520
		<u>5,523,111</u>	<u>5,712,066</u>
Commitments	10		
Net assets			
Internally restricted net assets	7	4,375,902	4,375,902
Net assets invested in capital assets and intangible assets		625,447	530,971
Unrestricted net assets		11,197,413	9,711,706
		<u>16,198,762</u>	<u>14,618,579</u>
		<u>21,721,873</u>	<u>20,330,645</u>

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, 2024

	Notes	2024 \$	2023 \$
Revenue			
Fees			
Membership and license		5,690,401	5,484,338
Certificate of authorization		803,551	762,379
Registration		560,500	594,000
Practice exams		321,240	303,375
Advertising		48,918	58,788
Investment income	8	2,015,208	217,165
Penalties and surcharges		11,595	10,671
Association functions		31,061	37,210
Affinity revenue		20,840	20,649
		9,503,314	7,488,575
Expenses	Schedules		
Operations expenditures	1	3,616,909	4,974,315
Governance expenditures	2	143,303	262,629
Registration expenditures	3	1,494,181	231,463
Professional standards expenditures	4	1,621,814	585,103
Communications expenditures	5	1,046,924	783,043
		7,923,131	6,836,553
Excess of revenues over expenses		1,580,183	652,022

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, 2024

	Invested in capital assets and intangible assets \$	Internally restricted net assets \$	Unrestricted net assets \$	2024 \$	2023 \$
		(Note 7)			
Net assets, beginning of year	530,971	4,375,902	9,711,706	14,618,579	13,966,557
Excess of revenues over expenses	(299,804)	—	1,879,987	1,580,183	652,022
Purchase of capital assets	394,280	—	(394,280)	—	—
Net assets, end of year	625,447	4,375,902	11,197,413	16,198,762	14,618,579

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, 2024

	2024	2023
	\$	\$
Operating activities		
Excess of revenues over expenses	1,580,183	652,022
Items not affecting cash		
Amortization	299,804	221,420
Unrealized (gain) loss on investments	(1,229,257)	79,757
Changes in non-cash working capital		
Accounts receivable and accrued interest	14,964	14,895
Government remittances receivable	(28,619)	—
Prepaid expenses	45,448	(49,217)
Accounts payable and accrued liabilities	140,398	9,972
Accrued vacation payable	(9,470)	3,613
Government remittances payable	(173,898)	13,138
Fees collected in advance	(145,985)	259,350
	493,568	1,204,950
Investing activities		
Purchase of investments	(6,789,192)	(4,432,057)
Redemption of investments	6,076,935	2,317,285
Purchase of capital assets	(394,280)	(175,883)
	(1,106,537)	(2,290,655)
Net decrease in cash and cash equivalents	(612,969)	(1,085,705)
Cash and cash equivalents, beginning of year	5,880,961	6,966,666
Cash and cash equivalents, end of year	5,267,992	5,880,961

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, the allowance for doubtful accounts and the determination of fair value of investments. 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.

Investment income includes interest income, dividend income, other distributions, and unrealized gains and losses on investments measured at fair value. Investment income is recognized as revenue when earned.

The Association recognizes revenue from other income 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.

2. Significant accounting policies (continued)

(e) Impairment of capital assets

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

(f) Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and accrued interest, and investments in bonds.

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

The Associations financial assets measured at fair value include quoted shares and mutual funds.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, as well as funds held in a money market account.

(h) Contributed services

Due to difficulty in determining the fair value, the substantial value of services contributed to the Association are not recognized in the financial statements.

3. Cash and cash equivalents

	2024	2023
	\$	\$
Cash	4,427,628	5,041,919
Canadian Money Market Funds	840,364	839,042
	5,267,992	5,880,961

Association of Professional Engineers and Geoscientists of Saskatchewan
Notes to the financial statements
December 31, 2024

4. Investments

	2024	2023
	\$	\$
Canadian Bonds with interest rates ranging from 1.1% to 4.15% and maturity dates between March 2025 and June 2034		
Amortized cost	5,917,799	5,263,827
Canadian Mutual Funds and Managed Products		
Fair value	1,207,685	1,100,593
Canadian Equities		
Fair value	1,949,790	1,676,983
U.S. Equities		
Fair value	6,572,659	5,665,016
	15,647,933	13,706,419
Current portion	592,575	505,610
Long-term portion	15,055,358	13,200,809

5. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
	\$	\$	\$	\$
Computer equipment	498,075	268,204	229,871	85,917
Leasehold improvement	1,303,936	1,289,931	14,005	—
Office equipment	542,017	341,277	200,740	116,270
	2,344,028	1,899,412	444,616	202,187

6. Intangible assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
	\$	\$	\$	\$
Other intangible assets	144,273	139,822	4,451	8,094
Database management	893,301	716,921	176,380	320,690
	1,037,574	856,743	180,831	328,784

7. Internally restricted net assets

	2024 \$	2023 \$
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 (nil in 2023).

(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 2023).

8. Investment income

	2024 \$	2023 \$
Interest income	170,153	233,659
Dividends	124,881	49,115
Unrealized gain (loss)	1,229,257	(79,757)
Other income	65,523	39,283
Gain (loss) on foreign exchange	425,394	(25,135)
	2,015,208	217,165

9. Financial risks

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 membership fees are generally received in advance. Credit risk associated with its investments is considered limited since all are held with trust companies or Canadian banks.

9. Financial risks (continued)

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. The fair value of these investments having fixed rates of interest could fluctuate because of changes in market interest rates.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Cash and investments in foreign equities in US dollars are exposed to foreign exchange fluctuations.

The amounts held in foreign currency at year end are as follows:

	2024	2023
	\$	\$
U.S. Dollars		
Cash – Investment savings	181,993	126,329
Investments – Equity	6,572,659	5,665,016
	6,754,652	5,791,345

Other price risk

The Association is exposed to other price risk through its investments in quoted shares for which the value fluctuates with the quoted market price.

10. 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, 2024:

	\$
2025	53,329
2026	53,329
2027	43,226
2028	8,477
2029	1,009
	159,370

10. Commitments (continued)

- (b) The Association leases its head office under an operating lease that expires on December 31, 2028. Annual lease payments over the next five years are as follows:

	\$
2025	612,525
2026	612,525
2027	612,525
2028	612,525
	<u>2,450,100</u>

11. Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation. There were no changes to the net assets balance.

Association of Professional Engineers and Geoscientists of Saskatchewan**Unaudited Schedule 1 – Operations expenditures**Year ended December 31, 2024

	2024	2023
	\$	\$
Operations	491,559	—
Engineers Canada	198,450	230,511
Geoscientists Canada	47,121	48,695
Salaries and benefits	2,525,312	4,246,490
Technology	354,026	448,619
Staff Committees	441	—
	3,616,909	4,974,315

Association of Professional Engineers and Geoscientists of Saskatchewan**Unaudited Schedule 2 – Governance expenditures**

Year ended December 31, 2024

	2024	2023
	\$	\$
Council	47,474	85,179
Executive committee	5,259	5,343
Annual meeting	34,973	75,275
Public accountability advisory group	1,236	13,708
Governance committee	549	35
Provincial meetings	153	5,879
Volunteer management	818	13,670
President's reception	1,500	3,160
Provincial Delegates	—	4,056
Finance, audit and risk management committee	25,983	34,864
Nominating committee	10,356	4,576
PNWER	11,794	14,623
Government relations	3,208	2,261
	143,303	262,629

Association of Professional Engineers and Geoscientists of Saskatchewan
Unaudited Schedule 3 – Registration expenditures
Year ended December 31, 2024

	2024	2023
	\$	\$
General registration	1,211,516	—
MIT applicant management	26,181	53,511
Experience assessment	104,022	25,084
Academic assessment	96,145	88,574
PMEM applicant management	56,317	64,294
	1,494,181	231,463

Association of Professional Engineers and Geoscientists of Saskatchewan**Unaudited Schedule 4 – Professional standards expenditures**

Year ended December 31, 2024

	2024	2023
	\$	\$
Professional standards	248,529	—
Investigation committee	65,318	67,776
Discipline committee	14,466	10,572
Discipline hearing	13,055	29,268
Enforcement	5,685	10,851
Corporate registration	59,117	5,663
Compliance committee	3,035	7,839
Professional development committee	17,120	48,631
Professional development events	88,641	141,713
Salary survey	8,300	8,153
Member PD grants	15,000	96,500
Consituent grants	63,828	61,008
Awards committee	—	119
Awards banquet	87,297	65,722
General professional standards	932,363	31,288
New membership luncheon	60	—
	1,621,814	585,103

Association of Professional Engineers and Geoscientists of Saskatchewan**Unaudited Schedule 5 – Communications expenditures**

Year ended December 31, 2024

	2024	2023
	\$	\$
Communications public relations	116,528	—
Membership newsletter/magazine	48,927	106,958
Social media	23,744	—
Website	625	—
Advertising	104,038	480,590
Publications	297	—
Other communication tools	129,265	—
General events	401,877	—
Research	35,356	—
Professional liaisons	2,426	7,050
General public sponsorship	75,006	62,000
Scholarships and bursaries	22,759	54,935
University student grants	78,441	59,650
UofS/UofR activities	7,635	11,860
	1,046,924	783,043