
Financial statements of
Association of Professional Engineers
and Geoscientists of Saskatchewan

December 31, 2023

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	5
Statement of cash flows	6
Notes to the financial statements	7-11
Schedule 1 – Executive Committee expenditures	12
Schedule 2 – Council and Committees expenditures	13
Schedule 3 – Operations expenditures	14
Schedule 4 – Communications and Sponsorships expenditures	15
Schedule 5 – Governance Board expenditures	16
Schedule 6 – Regulatory Board expenditures	17
Schedule 7 – Professionalism Board expenditures	18

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, 2023, 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, 2023, 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
Regina, Saskatchewan
April 11, 2024

Association of Professional Engineers and Geoscientists of Saskatchewan
Statement of financial position
As at December 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	3	5,880,961	6,966,666
Accounts receivable and accrued interest		14,964	29,859
Prepaid expenses		197,330	148,113
Investments	4	13,706,419	2,317,285
		19,799,674	9,461,923
Long-term Investments	4	—	9,354,119
Capital assets	5	202,187	212,929
Intangible assets	6	328,784	363,579
		20,330,645	19,392,550
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		448,447	438,475
Accrued vacation payable		130,201	126,588
Government remittances payable		173,898	160,760
Fees collected in advance		4,959,520	4,700,170
		5,712,066	5,425,993
Commitments	10		
Net assets			
Internally restricted net assets	7	4,375,902	4,375,902
Net assets invested in capital assets and intangible assets		530,971	576,508
Unrestricted net assets		9,711,706	9,014,147
		14,618,579	13,966,557
		20,330,645	19,392,550

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, 2023

	Notes	2023 \$	2022 \$
Revenue			
Fees			
Membership and license		5,484,338	5,252,212
Certificate of authorization		762,379	752,463
Registration		594,000	527,500
Practice exams		303,375	279,196
Advertising		58,788	76,466
Investment income	8	296,922	262,072
Unrealized (loss) gain on investments		(79,757)	18,211
Penalties and surcharges		10,671	9,745
Association functions		37,210	8,329
Affinity Revenue		20,649	—
		7,488,575	7,186,194
Expenses			
Executive Committee	1	320,905	301,758
Council and Committees	2	210,953	313,619
Operations	3	4,698,324	4,574,558
Communications and Sponsorships	4	658,749	577,892
Governance Board	5	232,066	310,698
Regulatory Board	6	272,781	213,852
Professionalism Board	7	442,775	476,344
		6,836,553	6,768,721
Excess of revenues over expenses		652,022	417,473

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, 2023

	2023	2022
	\$	\$
Operating activities		
Excess of revenues over expenses	652,022	417,473
Items not affecting cash		
Amortization	221,420	220,033
Unrealized loss (gain) on investments	79,757	(18,211)
Changes in non-cash working capital		
Accounts receivable and accrued interest	14,895	(12,442)
Prepaid expenses	(49,217)	26,686
Accounts payable and accrued liabilities	9,972	141,705
Accrued vacation payable	3,613	(26,382)
Government remittances payable	13,138	7,730
Fees collected in advance	259,350	225,402
	1,204,950	981,994
Investing activities		
Purchase of investments	(4,432,057)	(2,400,000)
Redemption of investments	2,317,285	2,299,420
Purchase of capital assets	(175,883)	(24,298)
	(2,290,655)	(124,878)
Net (decrease) increase in cash and cash equivalents	(1,085,705)	857,116
Cash and cash equivalents, beginning of year	6,966,666	6,109,550
Cash and cash equivalents, end of year	5,880,961	6,966,666

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

Association of Professional Engineers and Geoscientists of Saskatchewan

Notes to the financial statements

December 31, 2023

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.

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.

Association of Professional Engineers and Geoscientists of Saskatchewan

Notes to the financial statements

December 31, 2023

2. Significant account policies (continued)

(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.

(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, accounts receivable, and investments in bonds.

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

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

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:

	2023	2022
	\$	\$
U.S. Dollars		
Cash - Investment savings	126,329	—
Investments - Equity	4,283,242	—
	4,409,571	—

(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

	2023	2022
	\$	\$
Cash	5,041,919	2,232,092
Canadian Money Market Funds	839,042	4,734,575
	5,880,961	6,966,667

Association of Professional Engineers and Geoscientists of Saskatchewan

Notes to the financial statements

December 31, 2023

4. Investments

	2023 \$	2022 \$
Canadian Guaranteed Income Certificates		
Short-term	—	2,317,285
Long-term	—	9,354,119
Canadian Bonds with interest rates ranging from 1.1% to 3.44% and maturity dates between April 2024 and September 2033		
Amortized Cost	5,263,827	—
Canadian Mutual Funds and Managed Products		
Fair value	1,100,593	—
Canadian Equities		
Fair value	1,676,983	—
U.S. Equities		
Fair value	5,665,016	—
	13,706,419	11,671,404

5. Capital assets

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Computer equipment	239,048	153,131	85,917	13,222
Leasehold improvement	1,288,375	1,288,375	—	124,398
Office equipment	422,324	306,054	116,270	75,309
	1,949,747	1,747,560	202,187	212,929

6. Intangible assets

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Other intangible assets	144,273	136,180	8,094	16,238
Database management	893,301	572,611	320,690	347,341
	1,037,574	708,790	328,784	363,579

7. Internally restricted net assets

	2023 \$	2022 \$
Working capital reserve	3,575,902	3,575,902
Discipline and enforcement reserve	800,000	800,000
	4,375,902	4,375,902

Association of Professional Engineers and Geoscientists of Saskatchewan

Notes to the financial statements

December 31, 2023

7. Internally restricted net assets (continued)

(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 2022).

(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 2022).

8. Investment income

	2023	2022
	\$	\$
Interest Income	233,659	262,072
Dividends	49,115	—
Other Income	39,283	—
Loss on Foreign Exchange	(25,135)	—
Investment Income	296,922	262,072

9. Financial risk

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

9. Financial instruments (continued)

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, 2023:

	<u>\$</u>
2024	55,564
2025	55,564
2026	55,564
2027	55,564
2028	55,564
	<u>277,820</u>

- (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:

	<u>\$</u>
2024	612,525
2025	612,525
2026	612,525
2027	612,525
2028	612,525
	<u>3,062,625</u>

Association of Professional Engineers and Geoscientists of Saskatchewan

Unaudited Schedule 1 - Executive Committee expenditures

Year ended December 31, 2023

	2023	2022
	\$	\$
Executive Committee	5,343	7,944
Liaisons	7,050	17,006
Government Relations	2,261	3,874
UofS/UofR Activities	11,860	7,325
Provincial Meetings	5,879	245
PNWER	14,623	14,365
Engineers Canada	225,194	200,311
Geoscientists Canada	48,695	50,688
	320,905	301,758

Association of Professional Engineers and Geoscientists of Saskatchewan
Unaudited Schedule 2 - Council and Committees expenditures

Year ended December 31, 2023

	2023	2022
	\$	\$
Council Meetings	85,179	141,377
Council - Annual Meeting Costs	7,307	28,257
Governance Change Project	-	3,300
Investigation Committee	67,776	77,392
Discipline Committee	39,840	53,524
Enforcement	10,851	9,769
	210,953	313,619

Association of Professional Engineers and Geoscientists of Saskatchewan
Unaudited Schedule 3 - Operations expenditures

Year ended December 31, 2023

	2023	2022
	\$	\$
Salaries	2,711,813	2,683,540
Fixed Asset Purchases	1,085	1,505
Depreciation	221,420	220,033
Occupancy Costs	644,369	635,181
Professional Fees	247,142	331,555
Other Operations Costs	423,876	466,285
Technology	448,619	236,459
	4,698,324	4,574,558

Association of Professional Engineers and Geoscientists of Saskatchewan
Unaudited Schedule 4 - Communications and Sponsorships expenditures

Year ended December 31, 2023

	2023	2022
	\$	\$
Professional Edge (Newsletter)	106,958	149,462
Awareness	489,791	383,430
Sponsorships - General and K-12	62,000	45,000
	658,749	577,892

Association of Professional Engineers and Geoscientists of Saskatchewan
Unaudited Schedule 5 - Governance Board expenditures

Year ended December 31, 2023

	2023	2022
	\$	\$
Governance Board	35	15
Audit & Risk Management Committee	34,864	57,637
Nominating Committee	4,576	20,057
Volunteer Recognition	13,657	12,245
Annual Report	-	18,412
Annual Meeting	178,934	202,332
	232,066	310,698

Association of Professional Engineers and Geoscientists of Saskatchewan
Unaudited Schedule 6 - Regulatory Board expenditures

Year ended December 31, 2023

	2023	2022
	\$	\$
Regulatory Board	76,620	40,959
CPD Compliance Committee	7,839	7,905
Experience Review Committee	24,650	26,854
Academic Review Committee/Interviews	88,574	77,016
Prof. Practice Exam Com./Seminar & Exam	69,347	59,931
Licensee Admissions Committee	434	150
Admissions Officials Meetings	5,317	1,037
	272,781	213,852

Association of Professional Engineers and Geoscientists of Saskatchewan**Unaudited Schedule 7 - Professionalism Board expenditures**

Year ended December 31, 2022

	2023	2022
	\$	\$
Professionalism Board	1,439	1,222
Environment and Environmental Issues Committee	1,738	1,530
Professional Development Committee	243,285	140,713
Equity and Diversity Committee	12,448	54,903
Awards Committee	119	428
Scholarships and Bursaries	54,935	63,100
Grants (Constituent Societies/Universities)	120,658	206,778
Salary Survey	8,153	7,670
	442,775	476,344