

**ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF THE  
PROVINCE OF MANITOBA**

**O/A ENGINEERS GEOSCIENTISTS MANITOBA**

**INDEPENDENT AUDITOR'S REPORT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF THE  
PROVINCE OF MANITOBA**

**O/A ENGINEERS GEOSCIENTISTS MANITOBA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Association of Professional Engineers and Geoscientists of the Province of Manitoba o/a Engineers Geoscientists Manitoba:

### Opinion

We have audited the financial statements of the Association of Professional Engineers and Geoscientists of the Province of Manitoba o/a Engineers Geoscientists Manitoba (the "Association"), which comprise the statement of financial position as at June 30, 2024, and the statement of operations, changes in net assets, and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2024, and its results of 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. 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 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 generally accepted auditing standards 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with Canadian generally accepted auditing standards, 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.

**Winnipeg, Manitoba  
September 12, 2024**

Fort Group

**CHARTERED PROFESSIONAL  
ACCOUNTANTS INC.**



**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2024**

|   | <u>2024</u>         | <u>2023</u>      |
|---|---------------------|------------------|
| <b>ASSETS</b>                                     |                     |                  |
| <b>CURRENT ASSETS</b>                             |                     |                  |
| Cash  | \$ 2,319,203        | 1,888,931        |
| Accounts receivables                              | 55,069              | 106,084          |
| Government remittances receivable                 | 23,957              | 13,967           |
| Prepaid expenses                                  | 99,802              | 103,060          |
| Current portion of long-term investments (Note 3) | <u>1,082,172</u>    | <u>735,424</u>   |
|   | 3,580,203           | 2,847,466        |
| <b>LONG-TERM INVESTMENTS</b> (Note 3)             | 4,483,710           | 3,825,024        |
| <b>CAPITAL ASSETS</b> (Note 4)                    | <u>1,142,621</u>    | <u>1,250,326</u> |
|   | <u>\$ 9,206,534</u> | <u>7,922,816</u> |
| <b>LIABILITIES</b>                                |                     |                  |
| <b>CURRENT LIABILITIES</b>                        |                     |                  |
| Accounts payable and accrued liabilities (Note 5) | \$ 622,256          | 329,748          |
| Deferred revenue (Note 6)                         | <u>2,447,795</u>    | <u>2,327,579</u> |
|   | <u>3,070,051</u>    | <u>2,657,327</u> |
| <b>NET ASSETS</b>                                 |                     |                  |
| Unrestricted                                      | 3,325,641           | 2,336,435        |
| Invested in capital assets                        | 1,142,621           | 1,250,326        |
| Internally restricted                             | <u>1,668,221</u>    | <u>1,678,728</u> |
|   | <u>6,136,483</u>    | <u>5,265,489</u> |
|   | <u>\$ 9,206,534</u> | <u>7,922,816</u> |

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_  
President

\_\_\_\_\_  
Chief Executive Officer/Registrar

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 2024**

|   | <u>2024</u>       | <u>2023</u>      |
|---|-------------------|------------------|
| <b>REVENUE</b>  |                   |                  |
| Annual dues (Note 7)  | \$ 3,907,573      | 3,768,481        |
| Annual certificates and licenses  | 519,328           | 506,788          |
| Application assessment and administration                                       | 241,843           | 213,328          |
| Meetings and events   | 142,684           | 132,624          |
| Examination fees  | 118,300           | 84,240           |
| Other   | 53,791            | 56,220           |
| Cost recoveries   | 49,402            | 79,500           |
| Province of Manitoba grants   | <u>-</u>          | <u>148,000</u>   |
|   | <u>5,032,921</u>  | <u>4,989,181</u> |
| <b>EXPENSES</b>   |                   |                  |
| Advertising and promotion   | 117,206           | 114,943          |
| Amortization of capital assets  | 143,092           | 152,204          |
| Bank and financial charges  | 131,605           | 120,703          |
| Certificates and seals  | 33,313            | 40,235           |
| Contract and consulting   | 445,647           | 496,759          |
| EngCan and GeoCan annual membership   | 94,606            | 97,695           |
| Equipment rent and lease  | 36,809            | 31,681           |
| Honoraria, awards and incentives  | 50,539            | 46,469           |
| Insurance   | 21,414            | 20,108           |
| Legal and accounting fees   | 357,587           | 512,149          |
| Licenses dues and subscriptions   | 16,898            | 13,185           |
| Loss on disposal of capital assets  | 2,437             | 857              |
| Loss on forfeitures   | -                 | 2,685            |
| Meeting, venue and speaker costs  | 230,007           | 191,686          |
| Miscellaneous   | 6,573             | 5,386            |
| Office lease and occupancy costs  | 433,570           | 444,398          |
| Office supplies and small tools   | 19,990            | 17,815           |
| Payroll taxes, insurance and processing fees                                    | 121,037           | 131,607          |
| Postage and delivery  | 45,879            | 34,483           |
| Printing and reproduction   | 12,716            | 19,816           |
| Salaries and benefits   | 2,106,472         | 2,059,661        |
| Secondary professional liability insurance program                              | 41,251            | 38,064           |
| Sponsorships funding and support  | 217,335           | 156,350          |
| Staff and governance training   | 64,980            | 19,200           |
| Telecommunications, computers and internet                                      | 51,700            | 49,699           |
| Travel  | <u>32,226</u>     | <u>22,085</u>    |
|   | <u>4,834,889</u>  | <u>4,839,923</u> |
| <b>EXCESS OF REVENUE OVER EXPENSES BEFORE<br/>INVESTMENT REVENUE (EXPENSES)</b> | <u>198,032</u>    | <u>149,258</u>   |
| <b>INVESTMENT REVENUE (EXPENSES)</b>  |                   |                  |
| Realized gains, interest and dividends  | 403,621           | 309,245          |
| Unrealized gains  | 329,120           | 230,735          |
| Investment transaction and portfolio management fees                            | <u>(59,779)</u>   | <u>(54,701)</u>  |
|   | <u>672,962</u>    | <u>485,279</u>   |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>  | <u>\$ 870,994</u> | <u>634,537</u>   |

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2024**

|   | <b>INTERNALLY RESTRICTED</b> |  |                                 |                                 |                        |                                 |                                      |                                   |                                 | <b>2024</b>             |
|---|------------------------------|--|---------------------------------|---------------------------------|------------------------|---------------------------------|--------------------------------------|-----------------------------------|---------------------------------|-------------------------|
|   | <b><u>Unrestricted</u></b>   | <b><u>Invested in capital assets</u></b> | <b><u>Committee reserve</u></b> | <b><u>Long-term reserve</u></b> | <b><u>Hearings</u></b> | <b><u>Discipline by-law</u></b> | <b><u>Association centennial</u></b> | <b><u>Indigenous outreach</u></b> | <b><u>Governance review</u></b> |                         |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                      | \$ 2,336,435                 | 1,250,326                                | -                               | 1,200,000                       | 25,000                 | 250,000                         | 93,358                               | 35,233                            | 75,137                          | 5,265,489               |
| Excess (deficiency) of revenue over expenses for the year | 1,028,167                    | (146,666)                                | -                               | -                               | -                      | -                               | -                                    | (10,233)                          | (274)                           | 870,994                 |
| Acquisition of capital assets                             | <u>(38,961)</u>              | <u>38,961</u>                            | <u>-</u>                        | <u>-</u>                        | <u>-</u>               | <u>-</u>                        | <u>-</u>                             | <u>-</u>                          | <u>-</u>                        | <u>-</u>                |
| <b>NET ASSETS, END OF YEAR</b>                            | <b><u>\$ 3,325,641</u></b>   | <b><u>1,142,621</u></b>                  | <b><u>-</u></b>                 | <b><u>1,200,000</u></b>         | <b><u>25,000</u></b>   | <b><u>250,000</u></b>           | <b><u>93,358</u></b>                 | <b><u>25,000</u></b>              | <b><u>74,863</u></b>            | <b><u>6,136,483</u></b> |

|   | <b>INTERNALLY RESTRICTED</b> |  |                                 |                                 |                        |                                 |                                      |                                   |                                 | <b>2023</b>             |
|---|------------------------------|--|---------------------------------|---------------------------------|------------------------|---------------------------------|--------------------------------------|-----------------------------------|---------------------------------|-------------------------|
|   | <b><u>Unrestricted</u></b>   | <b><u>Invested in capital assets</u></b> | <b><u>Committee reserve</u></b> | <b><u>Long-term reserve</u></b> | <b><u>Hearings</u></b> | <b><u>Discipline by-law</u></b> | <b><u>Association centennial</u></b> | <b><u>Indigenous outreach</u></b> | <b><u>Governance review</u></b> |                         |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                      | \$ 1,606,141                 | 1,340,526                                | 6,757                           | 1,200,000                       | 25,000                 | 250,000                         | 92,158                               | 35,233                            | 75,137                          | 4,630,952               |
| Excess (deficiency) of revenue over expenses for the year | 793,902                      | (153,808)                                | (6,757)                         | -                               | -                      | -                               | 1,200                                | -                                 | -                               | 634,537                 |
| Acquisition of capital assets                             | <u>(63,608)</u>              | <u>63,608</u>                            | <u>-</u>                        | <u>-</u>                        | <u>-</u>               | <u>-</u>                        | <u>-</u>                             | <u>-</u>                          | <u>-</u>                        | <u>-</u>                |
| <b>NET ASSETS, END OF YEAR</b>                            | <b><u>\$ 2,336,435</u></b>   | <b><u>1,250,326</u></b>                  | <b><u>-</u></b>                 | <b><u>1,200,000</u></b>         | <b><u>25,000</u></b>   | <b><u>250,000</u></b>           | <b><u>93,358</u></b>                 | <b><u>35,233</u></b>              | <b><u>75,137</u></b>            | <b><u>5,265,489</u></b> |

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024**

|   | <u>2024</u>         | <u>2023</u>      |
|---|---------------------|------------------|
| <b>CASH PROVIDED BY (USED IN):</b>              |                     |                  |
| <b>OPERATING ACTIVITIES</b>                     |                     |                  |
| Excess of revenue over expenses for the year    | \$ 870,994          | 634,537          |
| Add non-cash item(s):                           |                     |                  |
| Amortization of capital assets                  | 143,092             | 152,204          |
| Unrealized gain on investments                  | (329,120)           | (230,735)        |
| Loss on disposal of capital assets              | <u>2,437</u>        | <u>857</u>       |
|   | 687,403             | 556,863          |
| Change in non-cash working capital:             |                     |                  |
| Accounts receivables                            | 51,015              | 44,553           |
| Government remittances receivable               | (9,990)             | 14,643           |
| Prepaid expenses                                | 3,258               | 10,414           |
| Payables and accruals                           | 292,508             | (133,640)        |
| Deferred revenue                                | <u>120,216</u>      | <u>65,252</u>    |
|   | <u>1,144,410</u>    | <u>558,085</u>   |
| <b>INVESTING ACTIVITIES</b>                     |                     |                  |
| Purchase of investments                         | (676,314)           | (483,958)        |
| Purchase of capital assets                      | (38,961)            | (63,608)         |
| Proceeds from the disposition of capital assets | <u>1,137</u>        | <u>747</u>       |
|   | <u>(714,138)</u>    | <u>(546,819)</u> |
| <b>CHANGE IN CASH</b>                           | 430,272             | 11,266           |
| <b>CASH, BEGINNING OF YEAR</b>                  | <u>1,888,931</u>    | <u>1,877,665</u> |
| <b>CASH, END OF YEAR</b>                        | <u>\$ 2,319,203</u> | <u>1,888,931</u> |



**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**1. ACCOUNTING ENTITY**

The Association of Professional Engineers and Geoscientists of the Province of Manitoba operating as Engineers Geoscientists Manitoba (the "Association") is incorporated under the laws of the Province of Manitoba and is engaged in the administration of the Engineering and Geoscientific Professions Act of Manitoba (the "Act").

The Association is a not-for-profit organization exempt from taxes under the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

**(a) Description of funds**

The Association utilizes the following funds to manage and report its activities.

***Unrestricted fund***

The Unrestricted (General) fund accounts for the Association's program delivery and administrative activities. These net assets report unrestricted resources available to the Association.

***Invested in capital assets fund***

Invested in capital assets net assets report the assets, liabilities, revenue and expenses related to the Association's capital assets.

***Internally restricted net assets***

***Committee reserve fund***

The Committee reserves net assets report appropriations to fund specified committee and subcommittee activities. Appropriations to and from the fund are made at the discretion of Management. The opening balance was the net surplus from a past MCWESTT conference and was reserved for the organizing committee's use in hosting a future conference. In January 2023, Management discussed the potential for future use, and it was determined that there were no further plans to host a conference. Therefore, management closed the fund.

***Long-term reserve fund***

Long-term reserve net assets report appropriations to fund future unforeseen or extraordinary events. Appropriations to and from these net assets occur at the Council's discretion.

***Hearing fund***

The Hearing fund reports appropriations for expenses incurred for the conduct of hearings relative to appeals on rejected applications for membership as described under PART 6, Sections 20 through 23 of the Act.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(a) Description of funds (continued)**

***Internally restricted net assets (continued)***

*Discipline by-law fund*

The Discipline by-law fund was established by Council for the purpose of administering and enforcing the discipline provision of its by-laws. The net assets may be maintained by assessing general membership an amount set by Council. Appropriations from the net assets are to fund investigations conducted by the Investigation Committee and formal hearings of the Discipline Committee and appeals therefrom.

*Association centennial fund*

The Association centennial net assets report appropriations to fund the Association's centennial year events. Appropriations to and from the net assets occur at Council's discretion.

*Indigenous outreach fund*

Council approved a dues increase in the 2018-2019 fiscal year, which was allocated for the purpose of initiating a new Indigenous outreach program.

In May 2020, The Finance Committee deemed it appropriate to segregate the unspent budget into a fund restricted for the originally intended purpose of increasing Indigenous participation and inclusion in the professions. The funds are reserved for special initiatives outside of the program's regular annual operating budget.

During the year, the fund collected back advertising costs of \$25,000 from the prior year as a result of a service provider not fulfilling their obligations for the Indigenous Role Model Campaign. It was decided by Council that the recovery would be reserved for future Indigenous initiatives. Council also approved a one-time disbursement from the fund in the amount of \$35,233 to the Engineering Access Program at the University of Manitoba which seeks to aid Indigenous people in entering the profession of engineering.

*Governance review*

At the request of Council, this fund was established through the Finance Committee in the spring of 2021 to set aside the estimated amount required to review the governance structure of the Association. During the year, the fund incurred costs totalling \$274 related to governance task group meetings.

**(b) Revenue recognition**

The Association follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which related expenses are incurred.

Unrestricted contributions are recognized as revenue when they are received or receivable, and when collectible is reasonably assured.

Member and intern annual dues and specified scope of practice annual licenses are based on the calendar year and are recognized into income on straight-line basis from January 1 through December 31.

Student annual dues are based on the academic year and are recognized into income on straight-line basis from October 1 through September 30.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Revenue recognition (continued)**

Certificates of authorization annual fees are based on the certification year as defined by the Association and are recognized into income on a straight-line basis from May 1 through April 30.

Temporary license annual fees are valid for one year from the date of issuance and are recognized into income on a straight-line basis over 12 months from the original date of issuance.

Deferred revenue represents the portion of the annual dues, certificates and licenses which have not been recorded as revenue and will be recorded as revenue in the subsequent fiscal year.

Other revenue, including application fees, examination fees and meetings and events revenue, is recognized when the service is performed, the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized in the period in which it was earned.

**(c) Capital assets**

Capital assets are recorded at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset is calculated as follows with a proration in the year of acquisition:

|                                |                     |
|--------------------------------|---------------------|
| Computer equipment             | 33% declining basis |
| Computer software              | 33% declining basis |
| Office furniture and equipment | 10% declining basis |
| Leasehold improvements         | 10% declining basis |

**(d) Financial instruments**

Financial instruments held by the Association include cash, accounts receivable, investments and accounts payable and accrued liabilities. The Association initially measures its financial instruments at fair value and subsequently measures its financial instruments at amortized cost (except investments). Amortized cost is the amount at which the financial instrument is measured at initial recognition, less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Association subsequently measures investments at fair value without any adjustments for transaction costs that may incur on sale or other disposal, with gains and losses recognized in operations.

**(e) Use of estimates**

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 expenses during the year.

Estimates include the amounts payable for services not billed yet at the time these financial statements were approved and the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate. Revenue and expenses are translated at the rate in effect on the settlement date. Foreign exchange gains and losses are recorded in the statement of operations.

**(g) Contributed services and donated materials**

The Association relies on the voluntary service of many Members, Interns and others who work and collaborate to bring valuable expertise, knowledge and innovation to the Association. Without the time and effort put in by these volunteers, the Association would be far less effective at delivering on its mandate. As these volunteers provide services at varying capacities and levels, and since the Association does not normally purchase similar services, the fair value of the services donated by these volunteers is difficult to determine and are therefore not recognized in the financial statements.

Contributions of donated materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

**3. INVESTMENTS**

|  | <u>2024</u>         | <u>2023</u>      |
|--|---------------------|------------------|
| Bonds and guaranteed income certificates | \$ 2,113,914        | 1,755,700        |
| Securities                               |                     |                  |
| Canadian                                 | 1,802,563           | 1,246,987        |
| Foreign                                  | <u>1,649,405</u>    | <u>1,557,761</u> |
|  | 5,565,882           | 4,560,448        |
| Less: maturing within 12 months          | <u>(1,082,172)</u>  | <u>(735,424)</u> |
|  | <u>\$ 4,483,710</u> | <u>3,825,024</u> |

Bonds and guaranteed investment certificates bear interest ranging from 1.63% to 5.76% (2023 - 1.24% to 5.41%) with maturities from September 2024 to July 2029 (2023 - November 2023 to July 2029).

**4. CAPITAL ASSETS**

|                                | <u>2024</u>         |                                     | <u>2023</u>      |                                     |
|--------------------------------|---------------------|-------------------------------------|------------------|-------------------------------------|
|                                | <u>Cost</u>         | <u>Accumulated<br/>Amortization</u> | <u>Cost</u>      | <u>Accumulated<br/>Amortization</u> |
| Computer equipment             | \$ 451,790          | 403,887                             | 471,129          | 417,853                             |
| Computer software              | 162,218             | 156,782                             | 162,218          | 154,066                             |
| Office furniture and equipment | 682,679             | 393,977                             | 671,820          | 362,734                             |
| Leasehold improvements         | <u>1,673,171</u>    | <u>872,591</u>                      | <u>1,664,220</u> | <u>784,408</u>                      |
|                                | <u>2,969,858</u>    | <u>1,827,237</u>                    | <u>2,969,387</u> | <u>1,719,061</u>                    |
| Net book value                 | <u>\$ 1,142,621</u> |                                     | <u>1,250,326</u> |                                     |

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**4. CAPITAL ASSETS (continued)**

During the year, the Association received \$1,137 in proceeds from the disposition of capital assets with an original cost of \$38,488 and accumulated amortization of \$34,914, resulting in a realized loss on the disposition of capital assets in the amount of \$2,437.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                     | <u>2024</u>       | <u>2023</u>    |
|---------------------|-------------------|----------------|
| Accounts payable    | \$ 392,665        | 122,525        |
| Accrued liabilities | 182,134           | 173,960        |
| Deposits payable    | -                 | 1,500          |
| Other payables      | 24,154            | 19,929         |
| Credit card payable | <u>23,303</u>     | <u>11,834</u>  |
|                     | <u>\$ 622,256</u> | <u>329,748</u> |

**6. DEFERRED REVENUE**

Deferred revenue is comprised of deferred annual dues, which are yearly membership fees recognized into revenue over the course of the membership year, and deferred exam fees, which are collected for exams that will occur in the future. Deferred revenue is comprised of the following:

|             | <u>Balance<br/>2023</u> | <u>Revenue<br/>Received</u> | <u>Revenue<br/>Recognized</u> | <u>Balance<br/>2024</u> |
|-------------|-------------------------|-----------------------------|-------------------------------|-------------------------|
| Annual dues | \$ 2,307,559            | 4,023,109                   | (3,907,573)                   | 2,423,095               |
| Exam fees   | <u>20,020</u>           | <u>122,980</u>              | <u>(118,300)</u>              | <u>24,700</u>           |
|             | <u>\$ 2,327,579</u>     | <u>4,146,089</u>            | <u>(4,025,873)</u>            | <u>2,447,795</u>        |

**7. ANNUAL DUES**

Annual dues are made up of the following:

|            | <u>2024</u>         | <u>2023</u>      |
|------------|---------------------|------------------|
| Interns    | \$ 685,085          | 596,464          |
| Practicing | 3,206,943           | 3,156,088        |
| Seniors    | 3,829               | 2,723            |
| Students   | <u>11,716</u>       | <u>13,206</u>    |
|            | <u>\$ 3,907,573</u> | <u>3,768,481</u> |

**8. COMMITMENTS**

The Association has entered into lease agreements for its office premises, photocopiers, postage equipment and internet services which have expiry dates up to April 2029. Commitments for the next five years are as follows:

|      |                   |
|------|-------------------|
| 2025 | \$ 262,697        |
| 2026 | 259,985           |
| 2027 | 151,412           |
| 2028 | 8,099             |
| 2029 | <u>6,750</u>      |
|      | <u>\$ 688,943</u> |

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
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O/A ENGINEERS GEOSCIENTISTS MANITOBA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**9. FINANCIAL RISK MANAGEMENT**

**(a) Credit risk**

Credit risk is the risk that the Association will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Association to significant concentrations of credit risk consist primarily of cash and investments. The Association is not exposed to significant credit risk as cash is held in operating accounts, receivables are typically paid when due, and investments at June 30, 2024, are managed with a major Canadian financial institution.

**(b) Liquidity risk**

Liquidity risk is the risk that the Association will not be able to meet its obligations as they fall due. The Association maintains adequate levels of working capital to ensure all its obligations can be met when they fall due by maintaining a portion of its investments in highly liquid investments.

**(c) Interest rate risk**

Interest rate cash flow risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments. Interest rate price risk is the risk that changes in market interest rates may have an effect on the fair value of other financial instruments. It is management's opinion that the Association is exposed to interest rate risk associated with its cash and investments; however, this risk is low.

**(d) Foreign exchange risk**

Foreign exchange 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. The Association is exposed to foreign exchange risk since it holds a portion of its investments in foreign equities. The Association does not use derivative instruments to reduce its exposure to foreign exchange.

**(e) Other price risk**

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk of currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments in equities for which the value fluctuates with the quoted market price. The Association mitigates this risk by investing in diversified, low volatility bond and equity funds.

**10. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to reflect the financial statement presentation adopted for the current year.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF  
THE PROVINCE OF MANITOBA  
O/A ENGINEERS GEOSCIENTISTS MANITOBA  
CHANGES IN MEMBERS' ROLL AND MEMBERS IN TRAINING  
YEAR ENDED JUNE 30, 2024  
(Unaudited)**

**Members on Roll**

|   |            |                     |
|---|------------|---------------------|
| Members on Roll, June 30, 2023 (Note 1) |            | 6,837               |
| Reinstatements                          | 19         |                     |
| Reinstatements - mobility               | 64         |                     |
| Registration - mobility                 | 326        |                     |
| Transferred from intern                 | <u>213</u> | <u>622</u>          |
|   |            | 7,459               |
| Deceased                                | 9          |                     |
| Withdrawn                               | 435        |                     |
| Written off                             | 142        |                     |
| Cancelled                               | <u>1</u>   | <u>587</u>          |
| Members on Roll, June 30, 2024          |            | <u><u>6,872</u></u> |

**Interns on Roll**

|   |            |                     |
|---|------------|---------------------|
| Interns on Roll, June 30, 2023 (Note 1) |            | 2,506               |
| Reinstatements                          | 35         |                     |
| New from applications                   | 247        |                     |
| New from assessment                     | <u>490</u> | <u>772</u>          |
|   |            | 3,278               |
| Deceased                                | 1          |                     |
| Transferred to member                   | 213        |                     |
| Withdrawn                               | 69         |                     |
| Written off                             | 97         |                     |
| Cancelled                               | <u>2</u>   | <u>382</u>          |
| Interns on Roll, June 30, 2024          |            | <u><u>2,896</u></u> |

**Temporary Licenses on Roll**

|                                  |          |                  |
|----------------------------------|----------|------------------|
| Licensees on Roll, June 30, 2023 |          | 12               |
| New from applications            |          | <u>27</u>        |
|                                  |          | 39               |
| Expired                          | 12       |                  |
| Transferred to member            | <u>3</u> | <u>15</u>        |
| Licensees on Roll, June 30, 2024 |          | <u><u>24</u></u> |

**Specified Scope of Practice Licensees on Roll**

|  |          |                  |
|--|----------|------------------|
| Specified Scope of Practice Licensees on Roll, June 30, 2023 |          | 29               |
| Reinstatements   | 1        |                  |
| New from applications  | 3        |                  |
| New from applications - mobility                             | <u>4</u> | <u>8</u>         |
|  |          | 37               |
| Withdrawn  | 1        |                  |
| Transferred to assessment                                    | <u>1</u> | <u>2</u>         |
| Specified Scope of Practice Licensees on Roll, June 30, 2024 |          | <u><u>35</u></u> |

*Note 1: Includes retroactive adjustments to prior year made in the current year.*