

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

O/A ENGINEERS GEOSCIENTISTS MANITOBA

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

JUNE 30, 2025

**ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF THE
PROVINCE OF MANITOBA
O/A ENGINEERS GEOSCIENTISTS MANITOBA
FINANCIAL STATEMENTS
JUNE 30, 2025
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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, 2025, 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, 2025, 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 11, 2025**

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, 2025**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,376,411	2,439,368
Accounts receivables	39,115	55,069
Government remittances receivable	27,183	23,957
Prepaid expenses	111,016	99,802
Current portion of long-term investments (Note 3)	<u>989,137</u>	<u>962,007</u>
	3,542,862	3,580,203
LONG-TERM INVESTMENTS (Note 3)	5,150,299	4,483,710
CAPITAL ASSETS (Note 4)	<u>1,058,927</u>	<u>1,142,621</u>
	<u>\$ 9,752,088</u>	<u>9,206,534</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 609,172	622,256
Deferred revenue (Note 6)	<u>2,539,717</u>	<u>2,447,795</u>
	<u>3,148,889</u>	<u>3,070,051</u>
NET ASSETS		
Unrestricted	2,136,829	3,325,641
Invested in capital assets	1,058,927	1,142,621
Internally restricted	<u>3,407,443</u>	<u>1,668,221</u>
	<u>6,603,199</u>	<u>6,136,483</u>
	<u>\$ 9,752,088</u>	<u>9,206,534</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, 2025**

	<u>2025</u>	<u>2024</u>
REVENUE		
Annual dues (Note 7)	\$ 4,096,097	3,907,573
Annual certificates and licenses	542,987	519,328
Application assessment and administration	246,840	241,843
Examination fees	143,260	118,300
Meetings and events	133,635	142,684
Other	60,740	53,791
Cost recoveries	<u>24,059</u>	<u>49,402</u>
	<u>5,247,618</u>	<u>5,032,921</u>
EXPENSES		
Advertising and promotion	127,375	117,206
Amortization of capital assets	130,682	143,092
Bank and financial charges	142,312	131,605
Certificates and seals	39,566	33,313
Contract and consulting	610,496	445,647
EngCan and GeoCan annual membership	89,166	94,606
Equipment rent and lease	33,048	36,809
Honoraria, awards and incentives	49,921	50,539
Insurance	21,146	21,414
Legal and accounting fees	511,285	357,587
Licenses dues and subscriptions	14,392	16,898
Loss on disposal of capital assets	12,781	2,437
Meeting, venue and speaker costs	233,817	230,007
Office lease and occupancy costs	396,130	433,570
Office supplies and small tools	25,265	26,563
Payroll taxes, insurance and processing fees	139,444	121,037
Postage and delivery	59,687	45,879
Printing and reproduction	19,489	12,716
Salaries and benefits	2,339,437	2,106,472
Secondary professional liability insurance program	43,907	41,251
Sponsorships funding and support	204,518	217,335
Staff and governance recruitment and training	100,129	64,980
Telecommunications, computers and internet	63,259	51,700
Travel	<u>46,327</u>	<u>32,226</u>
	<u>5,453,579</u>	<u>4,834,889</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INVESTMENT REVENUE (EXPENSES)	<u>(205,961)</u>	<u>198,032</u>
INVESTMENT REVENUE (EXPENSES)		
Realized gains, interest and dividends	430,971	403,621
Unrealized gains	311,762	329,120
Investment transaction and portfolio management fees	<u>(70,056)</u>	<u>(59,779)</u>
	<u>672,677</u>	<u>672,962</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 466,716</u>	<u>870,994</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, 2025**

	<u>Unrestricted</u>	<u>Invested in capital assets</u>	<u>INTERNALLY RESTRICTED</u>						
			<u>Long-term reserve</u>	<u>Hearings</u>	<u>Investigation and Hearing</u>	<u>Association centennial</u>	<u>Indigenous outreach</u>	<u>Governance review</u>	<u>2025</u>
NET ASSETS, BEGINNING OF YEAR	\$ 3,325,641	1,142,621	1,200,000	25,000	250,000	93,358	25,000	74,863	6,136,483
Excess (deficiency) of revenue over expenses	677,654	(143,570)	-	-	-	(9,638)	(17,310)	(40,420)	466,716
Interfund transfers (Note 2(a))	(1,806,590)	-	1,572,860	(25,000)	258,730	-	-	-	-
Acquisition of capital assets	<u>(59,876)</u>	<u>59,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 2,136,829</u>	<u>1,058,927</u>	<u>2,772,860</u>	<u>-</u>	<u>508,730</u>	<u>83,720</u>	<u>7,690</u>	<u>34,443</u>	<u>6,603,199</u>

	<u>Unrestricted</u>	<u>Invested in capital assets</u>	<u>INTERNALLY RESTRICTED</u>						
			<u>Long-term reserve</u>	<u>Hearings</u>	<u>Investigation and Hearing</u>	<u>Association centennial</u>	<u>Indigenous outreach</u>	<u>Governance review</u>	<u>2024</u>
NET ASSETS, BEGINNING OF YEAR	\$ 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>
NET ASSETS, END OF YEAR	<u>\$ 3,325,641</u>	<u>1,142,621</u>	<u>1,200,000</u>	<u>25,000</u>	<u>250,000</u>	<u>93,358</u>	<u>25,000</u>	<u>74,863</u>	<u>6,136,483</u>

**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, 2025**

	<u>2025</u>	<u>2024</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 466,716	870,994
Add back (deduct) non-cash item(s):		
Amortization of capital assets	130,682	143,092
Unrealized gain on investments	(311,762)	(329,120)
Loss on disposal of capital assets	<u>12,781</u>	<u>2,437</u>
	298,417	687,403
Change in non-cash working capital:		
Accounts receivables	15,954	51,015
Government remittances receivable	(3,226)	(9,990)
Prepaid expenses	(11,214)	3,258
Accounts payable and accrued liabilities	(13,084)	292,508
Deferred revenue	<u>91,922</u>	<u>120,216</u>
	<u>378,769</u>	<u>1,144,410</u>
INVESTING ACTIVITIES		
Purchase of investments	(381,957)	(556,149)
Purchase of capital assets	(59,876)	(38,961)
Proceeds from the disposition of capital assets	<u>107</u>	<u>1,137</u>
	<u>(441,726)</u>	<u>(593,973)</u>
CHANGE IN CASH	(62,957)	550,437
CASH, BEGINNING OF YEAR	<u>2,439,368</u>	<u>1,888,931</u>
CASH, END OF YEAR	<u>\$ 2,376,411</u>	<u>2,439,368</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, 2025**

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

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. During the year, the Council approved the transfer of \$1,572,860 from the Unrestricted fund to the Long-term reserve fund to meet the target balance of \$2,772,860, which is based on 50% of total budgeted expenses for the year, excluding investments.

Hearings fund

The Hearings 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. During the year, the Council agreed to wind up the fund as its purpose is redundant with the "Investigation and Hearing Fund", previously called the "Discipline By-Law Fund".

**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, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Description of funds (continued)

Internally restricted net assets (continued)

Investigation and hearing fund

The Investigation and hearing fund, previously named 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.

During the year, the Council approved the transfer of \$25,000 from the Hearings fund and \$233,730 from the Unrestricted fund to the Investigation and Hearing Fund. The total transfer of \$258,730 is from the unused budgeted legal expenses from the prior year.

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. During the year, the fund incurred costs totalling \$9,638 (2024 - \$nil).

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 \$5,000 (2024 - \$25,000) as a result of a service provider not fulfilling their obligations for the Indigenous Role Model Campaign. It was decided by the Council that the recovery would be reserved for future Indigenous initiatives. In addition, the fund incurred costs totalling \$22,310 (2024 - \$35,233) for the Indigenous Role Model Campaign.

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 \$40,420 (2024 - \$274) related to governance committee work.

(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.

**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, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue recognition (continued)

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.

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, meetings and events revenue, and cost recoveries, 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.

**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, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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>2025</u>	<u>2024</u>
Bonds and guaranteed income certificates	\$ 2,361,104	1,993,749
Securities		
Canadian	1,926,457	1,802,563
Foreign	<u>1,851,875</u>	<u>1,649,405</u>
	6,139,436	5,445,717
Less: maturing within 12 months	<u>(989,137)</u>	<u>(962,007)</u>
	<u><u>\$ 5,150,299</u></u>	<u><u>4,483,710</u></u>

Bonds and guaranteed investment certificates bear interest ranging from 1.50% to 5.50% (2024 - 1.63% to 5.76%) with maturities from November 14, 2025, to November 25, 2031 (2024 - September 2024 to July 2029).

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS AND GEOSCIENTISTS OF
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

4. CAPITAL ASSETS

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Computer equipment	\$ 441,436	400,009	451,790	403,887
Computer software	160,418	156,478	162,218	156,782
Office furniture and equipment	699,994	412,686	682,679	393,977
Leasehold improvements	<u>1,679,109</u>	<u>952,857</u>	<u>1,673,171</u>	<u>872,591</u>
	<u>2,980,957</u>	<u>1,922,030</u>	<u>2,969,858</u>	<u>1,827,237</u>
Net book value	\$ <u>1,058,927</u>		<u>1,142,621</u>	

During the year, the Association received \$107 (2024 - \$1,137) in proceeds from the disposition of capital assets with an original cost of \$48,777 (2024 - \$38,488) and accumulated amortization of \$35,889 (2024 - \$34,914), resulting in a loss on the disposition of capital assets in the amount of \$12,781 (2024 - \$2,437).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Accounts payable	\$ 329,887	392,665
Accrued liabilities	226,544	182,134
Other payables	29,387	24,154
Credit card payable	<u>23,354</u>	<u>23,303</u>
	<u>\$ 609,172</u>	<u>622,256</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 2024</u>	<u>Revenue Received</u>	<u>Revenue Recognized</u>	<u>Balance 2025</u>
Annual dues	\$ 2,423,095	4,187,239	(4,096,097)	2,514,237
Exam fees	<u>24,700</u>	<u>144,040</u>	<u>(143,260)</u>	<u>25,480</u>
	<u>\$ 2,447,795</u>	<u>4,331,279</u>	<u>(4,239,357)</u>	<u>2,539,717</u>

7. ANNUAL DUES

Annual dues are made up of the following:

	<u>2025</u>	<u>2024</u>
Interns	\$ 787,110	685,085
Practicing	3,292,311	3,206,943
Seniors	5,360	3,829
Students	<u>11,316</u>	<u>11,716</u>
	<u>\$ 4,096,097</u>	<u>3,907,573</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, 2025**

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 four years are as follows:

2026	\$ 259,985
2027	151,412
2028	8,099
2029	<u>6,750</u>
	<u>\$ 426,246</u>

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. The Association is not exposed to significant credit risk as cash is held in operating accounts, receivables are typically paid when due.

(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.

(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.

**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, 2025**

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, 2025
(Unaudited)**

Members on Roll

Members on Roll, June 30, 2024 (Note 1)		6,870
Reinstatements	21	
Reinstatements - mobility	68	
Registration - mobility	308	
Transferred from intern	<u>257</u>	<u>654</u>
		7,524
Deceased	5	
Withdrawn	314	
Written off	<u>181</u>	<u>500</u>
Members on Roll, June 30, 2025		<u><u>7,024</u></u>

Interns on Roll

Interns on Roll, June 30, 2024		2,896
Reinstatements	46	
New from applications	233	
New from assessment	<u>418</u>	<u>697</u>
		3,593
Transferred to member	257	
Withdrawn	71	
Written off	<u>133</u>	<u>461</u>
Interns on Roll, June 30, 2025		<u><u>3,132</u></u>

Temporary Licenses on Roll

Licensees on Roll, June 30, 2024		24
New from applications		<u>42</u>
		66
Expired	16	
Transferred to member	<u>12</u>	<u>28</u>
Licensees on Roll, June 30, 2025		<u><u>38</u></u>

Specified Scope of Practice Licensees on Roll

Specified Scope of Practice Licensees on Roll, June 30, 2024		35
New from applications		<u>8</u>
		43
Transferred to assessment		<u>1</u>
Specified Scope of Practice Licensees on Roll, June 30, 2025		<u><u>42</u></u>

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