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**Association of Professional Engineers and  
Geoscientists of New Brunswick**

**Financial Statements  
September 30, 2024**

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# Association of Professional Engineers and Geoscientists of New Brunswick

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September 30, 2024

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## Independent Auditor's Report

To: The members of Association of Professional Engineers and Geoscientists of New Brunswick

### *Opinion*

We have audited the financial statements of Association of Professional Engineers and Geoscientists of New Brunswick, which comprise the statement of financial position as at September 30, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association of Professional Engineers and Geoscientists of New Brunswick as at September 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 (ASNPO).

### *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 organization 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

## Independent Auditor's Report, continued

### *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. 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 organization'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 organization'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 organization 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.

Fredericton, New Brunswick  
December 16, 2024

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# Association of Professional Engineers and Geoscientists of New Brunswick

Statement of Financial Position  
As at September 30, 2024

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	2024	2023
<b>ASSETS</b>		
Current		
Cash (note 3)	\$ 179,295	\$ 217,304
Short term investments (note 4)	926,873	746,736
Prepaid expenses	74,200	76,161
Government remittances receivable	59,942	31,604
Internally restricted assets (note 5)	<u>886,698</u>	<u>894,863</u>
	2,127,008	1,966,668
Capital assets (note 6)	852,698	847,779
Intangible assets (note 7)	<u>235,250</u>	<u>225,350</u>
	<u>\$ 3,214,956</u>	<u>\$ 3,039,797</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 125,947	\$ 80,936
Deferred revenue (note 8)	444,697	436,798
Government remittances payable	<u>21,615</u>	<u>17,040</u>
	<u>592,259</u>	<u>534,774</u>
<b>NET ASSETS</b>		
Unrestricted	1,735,999	1,610,160
Internally restricted- Operating	400,000	400,000
Internally restricted- Capital	226,698	244,863
Internally restricted- Legal	<u>260,000</u>	<u>250,000</u>
	<u>2,622,697</u>	<u>2,505,023</u>
	<u>\$ 3,214,956</u>	<u>\$ 3,039,797</u>

Approved

President

*Holly Young*

Secretary - Treasurer

*W. Dahn*

**Association of Professional Engineers and  
Geoscientists of New Brunswick**

Statement of Changes in Net Assets  
Year ended September 30, 2024

	<u>Unrestricted</u>	<u>Internally restricted- Operating</u>	<u>Internally restricted- Capital</u>	<u>Internally restricted- Legal</u>	<u>Total 2024</u>	<u>Total 2023</u>
Net assets, opening	\$ 1,610,160	\$ 400,000	\$ 244,863	\$ 250,000	\$ 2,505,023	\$ 2,237,523
Excess of revenues over expenditures	117,674	-	-	-	117,674	267,500
Transfer to unrestricted	43,165	-	(18,165)	(25,000)	-	-
Transfer to internally restricted	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Net assets, closing	<u>\$ 1,735,999</u>	<u>\$ 400,000</u>	<u>\$ 226,698</u>	<u>\$ 260,000</u>	<u>\$ 2,622,697</u>	<u>\$ 2,505,023</u>

# Association of Professional Engineers and Geoscientists of New Brunswick

Statement of Operations  
Year ended September 30, 2024

	2024 Actual	2024 Budget	2023 Actual
<b>Revenues</b>			
Membership dues	\$ 1,129,501	\$ 1,170,450	\$ 1,150,870
Licencees	377,218	387,504	352,877
Certificate of Authorization fees	264,170	260,100	247,713
Registration fees	172,760	130,750	214,673
Affinity revenue	108,421	100,000	112,947
Sundry	87,174	75,750	99,020
Exam fees	66,135	40,400	65,830
Annual meeting	38,065	20,000	16,509
	<u>2,243,444</u>	<u>2,184,954</u>	<u>2,260,439</u>
<b>Expenditures</b>			
Operating (Schedule 1)	1,424,403	1,240,000	1,230,852
Member services (Schedule 2)	430,414	467,000	445,530
Other (Schedule 3)	314,849	297,000	254,665
Communication (Schedule 4)	150,160	171,800	168,094
	<u>2,319,826</u>	<u>2,175,800</u>	<u>2,099,141</u>
Excess (deficiency) of revenues over expenditures from operations	<u>(76,382)</u>	<u>9,154</u>	<u>161,298</u>
<b>Other income (expense)</b>			
Investment income	91,633	-	78,580
Unrealized gain on investments	74,784	-	23,089
Gain on sale of marketable securities	38,782	-	13,940
Investment management fees	(11,143)	-	(9,407)
	<u>194,056</u>	<u>-</u>	<u>106,202</u>
Excess of revenues over expenditures	<u>\$ 117,674</u>	<u>\$ 9,154</u>	<u>\$ 267,500</u>

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# Association of Professional Engineers and Geoscientists of New Brunswick

Statement of Cash Flows  
Year ended September 30, 2024

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	2024	2023
Operating activities		
Received from members	\$ 1,137,400	\$ 1,115,983
Received from licences, registrations and other	1,005,522	996,621
Received from affinity programs	108,421	112,947
Received from investments	35,428	27,126
Payments to suppliers and employees	<u>(2,209,454)</u>	<u>(2,107,818)</u>
	<u>77,317</u>	<u>144,859</u>
Investing activities		
Purchase of capital assets	(40,903)	(46,563)
Purchase of investments	(879,842)	(832,888)
Proceeds from sale of investments	866,497	800,659
Purchase of intangible assets	<u>(61,078)</u>	<u>-</u>
	<u>(115,326)</u>	<u>(78,792)</u>
Change in cash position	(38,009)	66,067
Cash, opening	<u>217,304</u>	<u>151,237</u>
Cash, closing	<u><u>\$ 179,295</u></u>	<u><u>\$ 217,304</u></u>



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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

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1. Nature of operations

Association of Professional Engineers and Geoscientists of New Brunswick is continued as a not-for-profit corporation without share capital under the New Brunswick Engineering and Geoscience Professions Act (2015) and is exempt from tax under section 149(1)(l) of the Income Tax Act.

The objectives of the Association are to:

- (a) regulate and govern the Professions in accordance with the Act, by-laws and rules;
- (b) establish and maintain standards of knowledge and skill for the practice of the Professions; and
- (c) establish and maintain standards of professional ethics for the practice of the Professions; in order that the public interest may be served and protected.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash held at a chartered bank as well as cash held within investment accounts.

(b) Revenue recognition

Membership dues, licensee fees, certificates of authorization and registration fees are paid annually and are recognized in the year which they are earned. Fees received that relate to a future period are deferred and recognized in the subsequent period.

Investment income is recognized as revenue on an accrual basis.

Revenues from advertising, annual meeting, and other are recognized when the services are provided.

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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

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## 2. Significant accounting policies, continued

### (c) Investments

Investments are reported at fair value using quoted market prices. Changes in the fair market value of investments are recognized as Unrealized gains or losses.

### (d) Internally restricted assets

Internally restricted funds for operating, legal and capital projects were established in December 2020 for the purpose of supporting the strategic business practices and enable APEGNB to: manage cash flow fluctuations; minimize the need to borrow working capital; meet commitments, obligations or other contingencies; and operate in a fiscally responsible manner. These funds will be available for use with approval from the finance and audit committee. These funds will grow similar to the regular risk evaluation as outlined with the short-term investments.

### (e) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Buildings	4% Declining balance
Solar panels	30 years Straight-line
Office equipment	20% Declining balance
Computer equipment	50% Declining balance
Website	50% Declining balance

### (f) Intangible assets

Intangible assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives. The annual amortization rate is as follows:

Membership database	5years straight line
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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

2. Significant accounting policies, continued

(g) Use of estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

(h) Financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Association subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash, accounts receivable and government remittances receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include short term investments.

3. Cash

	2024	2023
General account	\$ 136,181	\$ 195,250
Cash held in investment accounts	42,964	21,904
Petty cash	150	150
	\$ 179,295	\$ 217,304

4. Short term investments

	2024	2023
Common and preferred shares	\$ 791,886	\$ 688,764
Money market funds	677,630	632,568
Corporate bonds and savings	344,055	320,267
Funds transferred to internally restricted funds	(886,698)	(894,863)
	\$ 926,873	\$ 746,736

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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

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5. Internally restricted assets

	<u>2024</u>	<u>2023</u>
Internally restricted - operating	\$ 400,000	\$ 400,000
Internally restricted - capital	226,698	244,863
Internally restricted - legal	<u>260,000</u>	<u>250,000</u>
	<u>\$ 886,698</u>	<u>\$ 894,863</u>

The Association established internally restricted funds on December 3, 2020 with the goal of supporting strategic business practices and enable APEGNB to:

- Manage cash flow fluctuation
- Minimize the need to borrow working capital
- Meet commitments, obligations or other contingencies
- Operate in a fiscally responsible manner

The internally restricted funds are intended to serve a dynamic role and are available to be utilized as needed.

On April 19th, 2024, Council approved up to \$25,000 from the internally restricted legal account for Phase 1 of the investigation related to a complaint in progress.

On June 26th, 2024, Audit and Finance Committee approved up to \$25,000 from the internally restricted capital account for the purchase of a new heat pump with the replacement and addition of ducting. \$18,165 of this was used for a new heat pump.

Subsequent to year end but effective at September 30, 2024, the Audit and Finance Committee approved a transfer of \$35,000 from the unrestricted fund to the Internally restricted - legal Fund.

# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

6. Capital assets

	2024		2023	
	Cost	Accumulated amortization	Net	Net
Land	\$ 175,146	\$ -	\$ 175,146	\$ 175,146
Buildings	1,189,045	565,160	623,885	617,295
Solar panels	49,305	15,618	33,687	35,331
Office equipment	116,940	105,168	11,772	7,652
Computer equipment	302,755	296,303	6,452	8,843
Website	113,185	111,429	1,756	3,512
	<u>\$ 1,946,376</u>	<u>\$ 1,093,678</u>	<u>\$ 852,698</u>	<u>\$ 847,779</u>

7. Intangible assets

	2024		2023	
Membership database	\$ 400,745		\$ 339,667	
Accumulated amortization		(165,495)		(114,317)
		<u>\$ 235,250</u>		<u>\$ 225,350</u>

During the year \$51,178 (2023- \$52,271) was depreciated.

The membership database was included in capital assets on the financial statements for September 30, 2023.

8. Deferred revenue

	2024		2023	
Membership dues	\$ 282,033		\$ 283,401	
Licencee fees		96,014		89,177
Certificate of authorization fees		66,650		64,220
		<u>\$ 444,697</u>		<u>\$ 436,798</u>

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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

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9. Branch Funding

During the year, APEGNB provided funding to the district branches in the amount of \$52,500 (2023 - \$52,500). This funding allows each branch to carry out its activities during the year. Each branch reports directly to its own council.

10. Related party transactions

The APEGNB Foundation for Education Inc. was established in 1994 and is a registered charity under the Income Tax Act. The Foundation's terms of reference are established by a by-law of the Foundation and its purpose is to promote the education and training of professional engineers, engineering students, professional geoscientists and geoscience students.

During the year ended September 30, 2024, the Association collected \$14,389 (September 2023 - \$12,373) in donation revenue on behalf of the Foundation from its members, which are subsequently transferred for use by the Foundation.

# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

11. APEGNB Foundation for Education Inc.

The assets, liabilities and results of operations of the APEGNB Foundation for Education Inc. have not been consolidated in the financial statements of the Association. The year end of the Foundation is December 31. Financial summaries of this unconsolidated, unaudited entity are as follows:

	Financial position	
	December 31, 2023	December 31, 2022
Cash on deposit	\$ 33,515	\$ 23,406
Interest receivable	-	760
Short term investments	1,772,049	1,030,985
Due from APEGNB	9,396	12,373
Accounts payable	(10,000)	(5,000)
	\$ 1,804,960	\$ 1,062,524
	Year ending December 31, 2023	Year ending December 31, 2022
Revenue - donations	\$ 706,349	\$ 22,308
Revenue (loss) - investments	109,373	(67,908)
	815,722	(45,600)
Expenditures - scholarships	(60,000)	(50,000)
Expenditures - other	(13,287)	(10,031)
Excess (deficiency) of revenue over expenditures	\$ 742,435	\$ (105,631)

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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

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## 12. Commitments

Operating leases and IT support

The Association is committed to the following contracts::

- Office equipment under operating leases
- Bulletproof Solutions for IT support

Future minimum payments, in aggregate and including tax, are expected to be as follows:

2025	\$	31,347
2026		31,347
2027		19,889
2028		3,847
2029		<u>3,143</u>
	<u>\$</u>	<u>89,573</u>

Outreach Coordinator

The Association entered into an agreement with Université de Moncton to provide funding for a full-time Outreach Coordinator. The agreement expires in 2025 unless revoked with 6 months notice in writing. Future minimum payments are expected to be as follows:

2025	<u>\$</u>	<u>35,000</u>
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iMIS Usage

The Association entered into an agreement with Advanced Solutions International for the use of the iMIS software until March 2026 and ongoing implementation support until August 2025. Future minimum payments are expected to be as follows:

2025	\$	25,755
2026		<u>4,189</u>
	<u>\$</u>	<u>29,944</u>



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# Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements  
September 30, 2024

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12. Commitments, continued

The Gaia Project - Climate Labs

The Association entered into an agreement with The Gaia Project to provide STEM education programs to middle school students across New Brunswick. The agreement states APEGNB will provide financial support of \$35,000 over three years. The first payment of \$15,000 was made in September 2023 and the remaining amount will be paid out as follows:

2025	\$	10,000
2026		<u>10,000</u>
	\$	<u><u>20,000</u></u>

13. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Market risk

Market risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association is exposed to market risk as a significant portion of its investments balance is held in publicly traded securities.

14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

# Association of Professional Engineers and Geoscientists of New Brunswick

Schedules to Financial Statements  
Year ended September 30, 2024

Schedule of operating	<b>Schedule 1</b>		
	2024 <u>Actual</u>	2024 <u>Budget</u>	2023 <u>Actual</u>
Salaries and benefits	\$ 928,636	\$ 915,000	\$ 822,680
Computer maintenance	134,084	90,000	107,326
Service fees	61,981	65,000	57,780
Depreciation of intangible assets	51,178	-	52,271
Professional fees	46,902	20,000	12,850
Property tax	45,471	46,000	43,754
Building maintenance	37,715	30,000	29,568
Depreciation	35,985	-	37,849
Office	31,064	30,000	24,998
Insurance	20,931	20,000	20,238
Telephone	14,308	9,000	11,609
Printing - office	7,433	5,000	4,104
Postage	5,627	8,000	5,825
Computers and equipment	3,088	2,000	-
	<u>\$ 1,424,403</u>	<u>\$ 1,240,000</u>	<u>\$ 1,230,852</u>

Schedule of member services	<b>Schedule 2</b>		
	2024 <u>Actual</u>	2024 <u>Budget</u>	2023 <u>Actual</u>
Annual meeting	\$ 108,238	\$ 85,000	\$ 77,798
Travel	80,144	80,000	84,626
Marketing Campaign	61,742	60,000	73,131
Branch funding (note 9)	52,500	52,500	52,500
Certificates and seals	37,520	50,000	46,347
Exam expenses and CBA	37,390	22,000	35,751
Council meetings	31,730	35,000	31,637
Scholarships & Awards	9,000	12,000	14,000
Translation	7,387	15,000	16,936
Committee meetings	4,493	10,000	12,804
Awards	270	500	-
CPD Module	-	25,000	-
Database / Technology Advisory Services	-	20,000	-
	<u>\$ 430,414</u>	<u>\$ 467,000</u>	<u>\$ 445,530</u>

# Association of Professional Engineers and Geoscientists of New Brunswick

Schedules to Financial Statements  
Year ended September 30, 2024

Schedule of other

**Schedule 3**

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	Actual	Budget	Actual
Outsourced Registration Services	\$ 85,334	\$ 74,000	\$ -
Legal and act enforcement	80,134	23,000	42,220
EC / GC assessment	56,920	100,000	74,541
Miscellaneous	43,931	20,000	94,803
Professional development	25,636	35,000	17,708
Secondary liability insurance	22,894	35,000	25,393
Professional Development for Registrants	-	7,500	-
Act & By Law revision	-	2,500	-
	<u>\$ 314,849</u>	<u>\$ 297,000</u>	<u>\$ 254,665</u>

Included in miscellaneous for 2024 are expense related to the registration department review and for 2023 are expenses for other professional consulting services costs related to strategic planning, human resources and registration management.

Schedule of communication

**Schedule 4**

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	Actual	Budget	Actual
Communications	\$ 69,805	\$ 39,600	\$ 50,220
Outreach coordinators	35,000	35,000	35,000
Outreach funding	29,943	50,000	51,294
Government relations	12,700	35,000	27,862
Website and electronic communication	2,712	12,200	3,718
	<u>\$ 150,160</u>	<u>\$ 171,800</u>	<u>\$ 168,094</u>