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

**Financial Statements
September 30, 2018**

Association of Professional Engineers and Geoscientists of New Brunswick

Table of Contents
September 30, 2018

	Page
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 10
Schedules to Financial Statements	11 - 12

Independent Auditor's Report

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

We have audited the accompanying financial statements of Association of Professional Engineers and Geoscientists of New Brunswick, which comprise the statement of financial position as at September 30, 2018, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at September 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Fredericton, New Brunswick
November 15, 2018


Chartered Professional Accountants

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

Statement of Financial Position
As at September 30, 2018

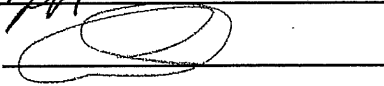
	2018	2017
ASSETS		
Current		
Cash (note 3)	\$ 164,067	\$ 146,122
Short term investments (note 4)	967,501	844,883
Accrued interest receivable	627	627
Prepaid expenses	53,029	53,299
HST receivable	<u>8,119</u>	<u>4,679</u>
	1,193,343	1,049,610
Capital assets (note 5)	<u>979,815</u>	<u>1,029,146</u>
	<u>\$ 2,173,158</u>	<u>\$ 2,078,756</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 80,142	\$ 51,822
Deferred revenue (note 6)	<u>412,528</u>	<u>403,220</u>
	492,670	455,042
NET ASSETS		
Unrestricted	<u>1,680,488</u>	<u>1,623,714</u>
	<u>\$ 2,173,158</u>	<u>\$ 2,078,756</u>

Approved

President



Secretary - Treasurer



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

Statement of Changes in Net Assets
Year ended September 30, 2018

	2018	2017
Balance, opening	\$ 1,623,714	\$ 1,555,173
Excess of revenues over expenditures	<u>56,774</u>	<u>68,541</u>
Balance, closing	<u>\$ 1,680,488</u>	<u>\$ 1,623,714</u>

Association of Professional Engineers and Geoscientists of New Brunswick

Statement of Operations
Year ended September 30, 2018

	2018 Actual	2018 Budget	2017 Actual
Revenues			
Advertising revenue	\$ 7,553	\$ 20,000	\$ 15,203
Affinity revenue	87,101	-	-
Annual meeting	11,985	12,000	9,595
Certificate of Authorization fees	220,759	205,920	211,492
Exam fees	41,519	40,000	36,822
Licencees	313,615	286,286	292,770
Membership dues	992,078	1,004,790	971,415
Registration fees	114,350	95,000	110,096
Sundry	35,015	50,000	54,246
	<u>1,823,975</u>	<u>1,713,996</u>	<u>1,701,639</u>
Expenditures			
Operating (Schedule 1)	1,052,221	1,024,797	1,032,152
Member services (Schedule 2)	353,833	377,500	389,537
Communication (Schedule 3)	266,129	274,000	173,256
Other (Schedule 4)	140,866	132,206	116,463
	<u>1,813,049</u>	<u>1,808,503</u>	<u>1,711,408</u>
Excess (deficiency) of revenues over expenditures from operations	<u>10,926</u>	<u>(94,507)</u>	<u>(9,769)</u>
Other income (expenses)			
Investment income	32,185	50,000	27,302
Unrealized gains (losses) on investments	18,734	-	61,514
Gain (loss) on sale of marketable securities	2,099	-	(5,012)
Investment management fees	(7,170)	(4,000)	(5,494)
	<u>45,848</u>	<u>46,000</u>	<u>78,310</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 56,774</u>	<u>\$ (48,507)</u>	<u>\$ 68,541</u>

Association of Professional Engineers and Geoscientists of New Brunswick

Statement of Cash Flows
Year ended September 30, 2018

	2018	2017
Operating activities		
Received from members	\$ 1,833,283	\$ 1,728,827
Received from investments	21,055	22,125
Payments to suppliers and employees	<u>(1,733,420)</u>	<u>(1,616,822)</u>
	<u>120,918</u>	<u>134,130</u>
Investing activities		
Purchase of capital assets	(5,148)	-
Purchase of investments	(204,476)	(474,271)
Proceeds from sale of investments	<u>106,651</u>	<u>281,154</u>
	<u>(102,973)</u>	<u>(193,117)</u>
Change in cash position	17,945	(58,987)
Cash, opening	<u>146,122</u>	<u>205,109</u>
Cash, closing	<u>\$ 164,067</u>	<u>\$ 146,122</u>

Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements
September 30, 2018

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 policies are detailed as follows:

(a) Revenue recognition

Membership dues, licensee fees, certificates of authorization and registration fees are paid annually and are recognized in the year to 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.

(b) 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.

Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements
September 30, 2018

2. Significant accounting policies, continued

(c) 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
Computer equipment	50% Declining balance
Office equipment	20% Declining balance
Website	50% Declining balance

(d) 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(e) 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 and accrued interest receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include short term investments.

Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements
September 30, 2018

3. Cash

	2018	2017
General account	\$ 129,991	\$ 133,704
Cash held with investments	33,826	12,168
Petty cash	250	250
	\$ 164,067	\$ 146,122

4. Short term investments

	2018	2017
Common and preferred shares	\$ 605,195	\$ 559,522
Corporate bonds and savings	239,116	266,910
Money market funds	123,190	18,451
	\$ 967,501	\$ 844,883

5. Capital assets

	2018		2017	
	Cost	Accumulated amortization	Net	Net
Land	\$ 175,146	\$ -	\$ 175,146	\$ 175,146
Buildings	1,109,946	404,011	705,935	735,349
Solar Panels	49,305	5,754	43,551	45,195
Computer equipment	300,479	259,158	41,321	56,973
Office equipment	101,210	93,944	7,266	3,291
Website	104,371	97,775	6,596	13,192
	\$ 1,840,457	\$ 860,642	\$ 979,815	\$ 1,029,146

Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements
September 30, 2018

6. Deferred revenue

	<u>2018</u>	<u>2017</u>
Membership dues	\$ 248,900	\$ 245,383
Licensee fees	79,489	75,146
Certificate of authorization fees	55,568	54,054
Registration fees	<u>28,571</u>	<u>28,637</u>
	<u>\$ 412,528</u>	<u>\$ 403,220</u>

7. 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.

The Association collected \$6,072 (2017- \$9,300) in donations and advertising 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, 2018

8. 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, 2017	December 31, 2016
Cash on deposit	\$ 25,656	\$ 41,729
Interest receivable	3,882	2,514
Short term investments	1,013,836	953,953
Fund balances	\$ 1,043,374	\$ 998,196
	Results of operations	
	Year ending December 31, 2017	Year ending December 31, 2016
Revenue - donations	\$ 25,163	\$ 34,764
Revenue - investments	76,118	45,838
	101,281	80,602
Expenditures - scholarships	(50,000)	(50,000)
Expenditures - other	(6,103)	(4,004)
	\$ 45,178	\$ 26,598

Association of Professional Engineers and Geoscientists of New Brunswick

Notes to Financial Statements
September 30, 2018

9. Commitments

Operating leases

The Association leases office equipment under operating leases which expire in August 2020 and April 2023. Future minimum payments, in aggregate and not including tax, are expected to be as follows:

2019	\$	7,091
2020		5,987
2021		2,678
2022		<u>1,339</u>
	\$	<u>17,095</u>

Outreach Coordinator

The Association entered into an agreement with l'Université de Moncton to provide funding for a full-time Outreach Coordinator. The agreement expires in 2022 unless revoked with 6 months notice in writing. Future minimum payments, in aggregate, are expected to be as follows:

2019	\$	35,000
2020		35,000
2021		35,000
2022		<u>35,000</u>
	\$	<u>140,000</u>

10. Financial instruments

The Association is exposed to the following risks with regard to certain financial instruments:

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result 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 equities.

Association of Professional Engineers and Geoscientists of New Brunswick

Schedules to Financial Statements
Year ended September 30, 2018

Schedule of operating

Schedule 1

	<u>2018</u> <u>Actual</u>	<u>2018</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Building maintenance	\$ 32,453	\$ 25,000	\$ 34,702
Computer maintenance	10,024	8,940	9,685
Computers and equipment	22,182	15,000	38,809
Depreciation	54,479	60,000	77,602
Insurance	10,259	10,000	10,196
Office	33,289	30,000	35,664
Postage	34,712	30,000	28,766
Printing - office	14,811	16,000	15,827
Professional fees	10,700	20,000	10,700
Property tax	37,186	37,000	36,988
Salaries and benefits	728,675	722,857	669,952
Service fees	38,716	30,000	33,675
Telephone	24,735	20,000	29,586
	<u>\$ 1,052,221</u>	<u>\$ 1,024,797</u>	<u>\$ 1,032,152</u>

Schedule of member services

Schedule 2

	<u>2018</u> <u>Actual</u>	<u>2018</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Annual meeting	\$ 44,615	\$ 40,000	\$ 39,274
Awards	4,589	15,000	7,055
Branch funding	52,500	52,500	52,500
Certificates and seals	15,106	19,000	19,588
Committee meetings	29,874	20,000	27,727
Council meetings	59,313	50,000	49,423
Diversity and inclusion	18,278	51,000	63,634
Exam expenses	31,996	40,000	38,070
Public interest action	31,250	40,000	29,039
Translation	7,293	10,000	9,846
Travel	59,019	40,000	53,381
	<u>\$ 353,833</u>	<u>\$ 377,500</u>	<u>\$ 389,537</u>

Association of Professional Engineers and Geoscientists of New Brunswick

Schedules to Financial Statements
Year ended September 30, 2018

Schedule of communication

Schedule 3

	<u>2018</u> <u>Actual</u>	<u>2018</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Advertising commissions	\$ 975	\$ 4,000	\$ 3,033
Communications	100,630	140,000	132,956
Outreach coordinators	82,500	60,000	-
Outreach funding	29,431	30,000	34,246
Printing - communication	12,593	-	3,021
Project funding	40,000	40,000	-
	<u>\$ 266,129</u>	<u>\$ 274,000</u>	<u>\$ 173,256</u>

Schedule of other

Schedule 4

	<u>2018</u> <u>Actual</u>	<u>2018</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>
Act and by-law revision	\$ -	\$ 2,500	\$ -
CCPE/CCPG assessment	60,872	61,700	60,661
Legal and act enforcement	35,407	20,000	16,307
Miscellaneous	20,450	20,000	14,250
Secondary liability insurance	24,137	28,006	25,245
	<u>\$ 140,866</u>	<u>\$ 132,206</u>	<u>\$ 116,463</u>