



Financial Statements of

## **ENGINEERS CANADA**

Year ended December 31, 2015



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## INDEPENDENT AUDITORS' REPORT

To the Members of Engineers Canada

We have audited the accompanying financial statements of Engineers Canada, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider internal control relevant to the entity'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 entity'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 Engineers Canada as at December 31, 2015, and its results of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

April 18, 2016

Ottawa, Canada

# ENGINEERS CANADA

## Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash (note 3)	\$ 895,623	\$ 604,322
Amounts receivable (note 4)	1,280,064	1,272,986
Prepaid expenses	134,985	195,360
	<u>2,310,672</u>	<u>2,072,668</u>
Investments (note 5)	5,959,388	6,460,962
Tangible capital and intangible assets (note 6)	1,721,609	797,225
	<u>\$ 9,991,669</u>	<u>\$ 9,330,855</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 702,504	\$ 347,166
Deferred contributions	126,724	-
	<u>829,228</u>	<u>347,166</u>
Deferred lease inducement (note 8)	514,531	-
Net assets (note 9):		
Internally restricted:		
Four-year rolling operational reserve	4,000,000	4,000,000
General contingency reserve	1,325,000	1,325,000
Capital reserve for the purchase of assets	250,000	250,000
Other internally restricted	211,400	211,400
Invested in tangible capital and intangible assets	1,273,421	797,225
Unrestricted	1,588,089	2,400,064
	<u>8,647,910</u>	<u>8,983,689</u>
Commitments (note 10)		
	<u>\$ 9,991,669</u>	<u>\$ 9,330,855</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# ENGINEERS CANADA

## Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
<b>Revenue:</b>		
Membership fees	\$ 2,836,879	\$ 2,746,163
Affinity and insurance (note 11)	5,883,494	5,607,697
Outreach and marketing	171,814	128,456
On-line Competency project	13,871	-
Engineering and public policy	154,117	151,878
Investment income	285,256	650,325
Other income (note 12)	73,809	157,628
	<u>9,419,240</u>	<u>9,442,147</u>
<b>Expenses:</b>		
Governance and executive office	970,052	795,213
Human resources	4,688,881	4,364,325
Finance and administration	1,294,045	1,076,154
Information services	45,172	77,685
Affinity and insurance programs	808,519	826,851
Outreach and marketing	461,005	628,272
Communications	211,040	329,803
Accreditation	403,230	468,141
Assessment	195,858	192,271
National and international mobility	99,780	53,134
Qualifications	258,210	199,720
Public affairs	107,704	166,895
Engineering and public policy	89,270	104,882
Legal and brand protection	122,253	134,128
	<u>9,755,019</u>	<u>9,417,474</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (335,779)</b>	<b>\$ 24,673</b>

See accompanying notes to financial statements.

# ENGINEERS CANADA

## Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	Four-year rolling operational reserve (note 9)	General contingency reserve (note 9)	Capital reserve for the purchase of assets (note 9)	Other internally restricted (note 9)	Invested in tangible capital and intangible assets (note 9)	Unrestricted	2015	2014
Balance, beginning of year	\$ 4,000,000	\$ 1,325,000	\$ 250,000	\$ 211,400	\$ 797,225	\$ 2,400,064	\$ 8,983,689	\$ 8,959,016
Excess (deficiency) of revenue over expenses	-	-	-	-	(408,718)	72,939	(335,779)	24,673
Additions to tangible capital and intangible assets	-	-	-	-	1,341,994	(1,341,994)	-	-
Deferred lease inducements received	-	-	-	-	(457,080)	457,080	-	-
Balance, end of year	\$ 4,000,000	\$ 1,325,000	\$ 250,000	\$ 211,400	\$ 1,273,421	\$ 1,588,089	\$ 8,647,910	\$ 8,983,689

See accompanying notes to financial statements.

# ENGINEERS CANADA

## Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (335,779)	\$ 24,673
Items not involving cash:		
Amortization of tangible capital and intangible assets	297,665	207,413
Amortization of lease inducement	(8,892)	-
Loss on disposal of tangible capital and intangible assets	119,945	-
Change in net unrealized gain on investments (note 5)	76,422	(182,483)
Change in non-cash operating working capital:		
Decrease (increase) in amounts receivable	(7,078)	66,934
Decrease in prepaid expenses	60,375	24,936
Increase (decrease) in accounts payable and accrued liabilities	355,338	(61,696)
Increase in deferred contributions	126,724	-
	<u>684,720</u>	<u>79,777</u>
Financing:		
Withdrawals from investments	750,000	500,000
Lease inducements received	523,423	-
	<u>1,273,423</u>	<u>500,000</u>
Investing activities:		
Purchases of investments	(324,848)	(347,816)
Additions to tangible capital and intangible assets	(1,341,994)	(249,282)
	<u>(1,666,842)</u>	<u>(597,098)</u>
Increase (decrease) in cash	291,301	(17,321)
Cash, beginning of year	604,322	621,643
Cash, end of year	<u>\$ 895,623</u>	<u>\$ 604,322</u>

See accompanying notes to financial statements.