



Financial Statements of

ENGINEERS CANADA

Year ended December 31, 2016



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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, 2016, 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, 2016, 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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small arrowhead pointing to the right.

Chartered Professional Accountants, Licensed Public Accountants

April 19, 2017

Ottawa, Canada

ENGINEERS CANADA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash (note 3)	\$ 796,855	\$ 895,623
Amounts receivable (note 4)	1,192,884	1,280,064
Prepaid expenses	291,125	134,985
	<u>2,280,864</u>	<u>2,310,672</u>
Investments (note 5)	6,475,345	5,959,388
Tangible capital and intangible assets (note 6)	1,447,164	1,721,609
	<u>\$ 10,203,373</u>	<u>\$ 9,991,669</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 579,628	\$ 702,504
Deferred contributions	170,899	126,724
	<u>750,527</u>	<u>829,228</u>
Deferred lease inducement (note 8)	833,200	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	1,039,265	1,273,421
Unrestricted	1,793,981	1,588,089
	<u>8,619,646</u>	<u>8,647,910</u>
Commitments (note 10)		
	<u>\$ 10,203,373</u>	<u>\$ 9,991,669</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

ENGINEERS CANADA

Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Regulator assessment	\$ 2,931,587	\$ 2,836,879
Affinity and insurance (note 11)	5,594,769	5,200,086
Investment	550,954	285,255
Online competency project	29,451	13,870
Research and outreach	190,000	171,814
Secondary professional liability insurance	711,431	683,408
Public policy	26,209	154,117
Accreditation	22,369	6,272
National Council of Deans of Engineering and Applied Science	17,500	21,875
Rent revenue	28,809	5,211
Other	3,238	40,450
	10,106,317	9,419,237
Expenses:		
Governance and executive office	295,727	142,233
Board meetings	523,315	544,543
Board committees	90,229	74,992
CEO and President's travel	183,286	200,788
Human resources	5,048,572	4,688,881
Finance and administration	1,348,248	1,298,145
Information services	75,915	45,172
Affinity and insurance programs	883,582	808,519
Research and outreach	438,858	456,884
Communications	211,199	211,040
Accreditation	351,575	403,230
Regulatory support	311,173	466,641
Qualifications	92,505	94,702
Public affairs	56,236	59,525
Public policy	121,609	137,468
Legal and brand protection	102,552	122,253
	10,134,581	9,755,016
Deficiency of revenue over expenses	\$ (28,264)	\$ (335,779)

See accompanying notes to financial statements.

ENGINEERS CANADA

Statement of Changes in Net Assets

Year ended December 31, 2016, with comparative information for 2015

	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	2016	2015
Balance, beginning of year	\$ 4,000,000	\$ 1,325,000	\$ 250,000	\$ 211,400	\$ 1,273,421	\$ 1,588,089	\$ 8,647,910	\$ 8,983,689
Excess (deficiency) of revenue over expenses	-	-	-	-	(337,022)	308,758	(28,264)	(335,779)
Additions to tangible capital and intangible assets	-	-	-	-	102,866	(102,866)	-	-
Balance, end of year	\$ 4,000,000	\$ 1,325,000	\$ 250,000	\$ 211,400	\$ 1,039,265	\$ 1,793,981	\$ 8,619,646	\$ 8,647,910

See accompanying note to financial statements.