

Financial Statements of Association of Professional Engineers of Ontario

Auditors' Report to the Members

We have audited the balance sheet of the Association of Professional Engineers of Ontario as at December 31, 2000, and the statements of revenue and expenses, changes in operating reserve and cash flows for the year then ended. These financial statements are the responsibility of the association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2000, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

(signed) Deloitte & Touche,
Chartered Accountants
Toronto, Ontario, February 2, 2001



Balance Sheet

December 31, 2000

	2000	1999
ASSETS		
CURRENT		
Cash	\$ 91,009	\$ 178,546
Marketable securities, at cost which approximates market value	4,967,670	6,061,541
Accounts receivable	1,444,981	997,811
Prepaid expenses	239,420	260,748
	6,743,080	7,498,646
PORTFOLIO INVESTMENTS (market value \$6,823,591; 1999-\$6,986,074)	6,795,200	7,084,518
DEFERRED EMPLOYEE FUTURE BENEFITS (Note 3)	235,700	433,416
CAPITAL ASSETS (Note 4)	850,348	756,209
	\$14,624,328	\$15,772,789
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 585,089	\$ 794,652
Fees in advance and deposits	4,073,026	4,479,624
	4,658,115	5,274,276
DEFERRED LEASE INDUCEMENT	327,533	409,533
	4,985,648	5,683,809
OPERATING RESERVE		
INVESTED IN CAPITAL ASSETS	850,348	756,209
UNRESTRICTED	8,788,332	9,332,771
	9,638,680	10,088,980
	\$14,624,328	\$15,772,789

On behalf of the Council

Member—P.M. DeVita, P.Eng.
Member—G. Sterling, P.Eng.

Statement of Revenue and Expenses

Year ended December 31, 2000

	2000	1999
REVENUE		
Annual fees	\$ 7,390,068	\$ 7,294,565
Application fees, registration fees, examination fees, other fees and income	2,826,977	2,775,237
Investment income	758,592	643,240
Advertising income	532,341	591,021
	11,507,978	11,304,063
EXPENSES		
Administration	931,455	937,097
Amortization	470,269	233,807
Building occupancy costs, including leasehold amortization of \$13,851 (1999 – \$13,851)	962,640	914,655
Canadian Council of Professional Engineers	553,157	547,601
Chapters and Regions	423,315	430,764
Communications	592,737	666,717
Council and committees	618,387	752,468
Dimensions, sundry publications	695,450	721,160
Examination and registration	169,590	154,388
Professional services	582,969	361,246
Salaries and staff benefits	5,025,033	4,292,393
	11,025,001	10,012,296
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEM	482,977	1,291,767
CONTRIBUTION TO OSPE AND COMMITMENT (NOTE 9)	933,277	-
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (450,300)	\$ 1,291,767

Statement of Changes in Operating Reserve

Year ended December 31, 2000

	2000			1999
	Invested in Capital Assets	Unrestricted	Total	Total
BALANCE, BEGINNING OF YEAR	\$756,209	\$9,332,771	\$10,088,980	\$ 8,797,213
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(484,880)	34,580	(450,300)	1,291,767
ADDITIONS TO CAPITAL ASSETS	579,019	(579,019)	-	-
BALANCE, END OF YEAR	\$850,348	\$8,788,332	\$ 9,638,680	\$10,088,980

Statement of Cash Flows

Year ended December 31, 2000

	2000	1999
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
(Deficiency) excess of revenue over expenses	\$ (450,300)	\$ 1,291,767
Items not involving cash or marketable securities:		
Amortization	484,880	247,659
Deferred employee future benefits	197,716	(89,429)
	232,296	1,449,997
Change in non-cash working capital items (Note 8)	(1,042,002)	482,173
	(809,706)	1,932,170
FINANCING		
Amortization in deferred lease inducement	(82,000)	(81,907)
INVESTING		
Additions to capital assets	(579,019)	(207,659)
Decrease in portfolio investments	289,318	35,148
	(289,701)	(172,511)
(DECREASE) INCREASE IN CASH AND MARKETABLE SECURITIES	(1,181,408)	1,677,752
CASH AND MARKETABLE SECURITIES, BEGINNING OF YEAR	6,240,087	4,562,335
CASH AND MARKETABLE SECURITIES, END OF YEAR	\$ 5,058,679	\$ 6,240,087
CASH AND MARKETABLE SECURITIES IS COMPRISED OF:		
Cash	\$ 91,009	\$ 178,546
Marketable securities	4,967,670	6,061,541
	\$ 5,058,679	\$ 6,240,087

Notes to the Financial Statements

December 31, 2000

1. NATURE OF OPERATIONS

The Association of Professional Engineers of Ontario is incorporated by an Act of the Legislature of Ontario. Its principal activities include regulating the practice of professional engineering, and establishing and maintaining standards of knowledge, skill and ethics among its members. The Association of Professional Engineers of Ontario is incorporated as a non-profit organization under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

MARKETABLE SECURITIES AND PORTFOLIO INVESTMENTS

Investments are reported at cost adjusted by the amortization of any discount or premium arising on the purchase of fixed term securities over the period to their maturity. Marketable securities include investments which mature on or before December 31, 2001, whereas portfolio

investments include those investments which mature after December 31, 2001.

DONATED SERVICES

The association receives substantial donated services from its membership through participation on Council and committees and as chapter executives. Donations of services are not recorded in the accounts of the association.

EMPLOYEE FUTURE BENEFITS

The association prospectively adopted the new Canadian generally accepted accounting principles for employee future benefits effective January 1, 2000. The association accrues its obligations under employee benefit plans and the related costs, net of plan assets. The comparative figures for the year ended December 31, 1999 have not been restated. The association has adopted the following policies: