



## Financial Statements

Engineers Without Borders (Canada) /  
Ingénieurs Sans Frontières (Canada)

October 31, 2024

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# Independent Auditor's Report

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To the Board of Directors of  
**Engineers Without Borders (Canada) /**  
**Ingénieurs Sans Frontières (Canada)**

## Qualified opinion

We have audited the financial statements of Engineers Without Borders (Canada) (the "Organization"), which comprise the statement of financial position as at October 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Engineers Without Borders (Canada) as at October 31, 2024, 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.

## Basis for qualified opinion

In common with many charitable organizations, the Organization derives revenue from individual donations and Canadian university support, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to recorded individual donations and Canadian university support revenue, the deficiency of revenues over expenses, and cash flows from operations for the years ended October 31, 2024 and 2023, current assets as at October 31, 2024 and 2023, and the unrestricted fund balance as at November 1 and October 31 for both the 2024 and 2023 years. The audit opinion on the financial statements for the year ended October 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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 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.

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 a 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 to do so.

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

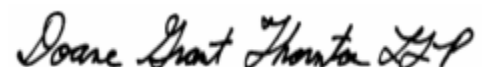
### **Auditor's responsibilities for the audit of the financial statements**

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.



Markham, Canada  
March 30, 2025

Chartered Professional Accountants  
Licensed Public Accountants

# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Statement of Financial Position

October 31

2024

2023

### Assets

#### Current

Cash	\$ 130,168	\$ 665,546
Internally restricted cash and investments (Note 3)	220,000	220,000
Accounts and other receivables (Note 4)	57,629	52,655
Prepaid and other expenses	<u>14,541</u>	<u>7,551</u>

422,338 944,752

Investments (Note 5)	66,420	66,420
Intangible assets (Note 6)	<u>86,992</u>	<u>121,908</u>

\$ 575,750 \$ 1,134,080

### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 7)	\$ 43,391	\$ 130,323
Deferred revenue (Note 8)	233,381	652,920
Bank indebtedness (Note 11)	<u>237,995</u>	<u>250,000</u>

514,767 1,033,243

### Fund balances

Internally restricted (Note 2)	220,000	220,000
Unrestricted	<u>(159,017)</u>	<u>(119,163)</u>

60,983 100,837

\$ 575,750 \$ 1,134,080

On behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Statement of Operations

Year ended October 31	2024	2023
Revenue		
Individual donations	\$ 795,927	\$ 499,029
Venture generated revenue	383,761	356,992
Foundation support	324,436	414,052
Canadian University support	123,114	174,749
Corporate contributions	66,341	57,365
Other income	20,266	24,244
National conference	9,500	9,900
Government support	-	56,684
	<u>1,723,345</u>	<u>1,593,015</u>
Expenses (Note 10)		
National conference, leadership/chapter development	634,433	743,272
Ventures	459,477	344,544
Management and administration	240,397	59,220
Fundraising	226,970	591,580
Public education and awareness	<u>201,922</u>	<u>427,159</u>
	<u>1,763,199</u>	<u>2,165,775</u>
Deficiency of revenue over expenses before undernoted items	(39,854)	(572,760)
Write-down of investments for impairment (Note 5)	-	(135,210)
Deficiency of revenue over expenses	<u>\$ (39,854)</u>	<u>\$ (707,970)</u>

# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Statement of Changes in Fund Balances

Year ended October 31

	Unrestricted	Internally restricted	<b>Total 2024</b>	Total 2023
Fund balance, beginning of year	\$ (119,163)	\$ 220,000	\$ <b>100,837</b>	\$ 808,807
Deficiency of revenue over expenses	<u>(39,854)</u>	<u>-</u>	<u><b>(39,854)</b></u>	<u>(707,970)</u>
Fund balance, end of year	<u>\$ (159,017)</u>	<u>\$ 220,000</u>	<u><b>\$ 60,983</b></u>	<u>\$ 100,837</u>

# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Statement of Cash Flows

Year ended October 31

2024

2023

Increase (decrease) in cash

### Operating

Deficiency of revenue over expenses \$ (39,854) \$ (707,970)

Items not affecting cash

Intangible assets 34,916 33,263

Write-down of investments for impairment - 135,210

(4,938) (539,497)

Change in non-cash working capital items

Accounts and other receivables (4,974) 14,045

Prepaid and other expenses (6,990) 13,724

Accounts payables and accrued liabilities (86,932) 20,627

Deferred revenue (419,539) 215,531

(523,373) (275,570)

### Investing

(Decrease) increase in bank indebtedness (12,005) 250,000

(12,005) 250,000

Decrease in cash

(535,378) (25,570)

Cash

Beginning of year 665,546 691,116

End of year \$ 130,168 \$ 665,546



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# **Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)**

## **Notes to Financial Statements**

October 31, 2024

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### **1. Basis of presentation**

Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada) (the "Organization") commenced operations in 1999. Subsequently, the Organization was incorporated without share capital under the Canada Corporations Act on December 28, 2000. The Organization transitioned to the Canada Not-for-profit Corporations Act and obtained a Certificate of Continuance on April 23, 2014.

The Organization became a registered Charity on November 23, 2001. Under the Income Tax Act, the Organization is classified as a registered charity, and, if certain requirements are met, is not subject to income taxes, and may issue charitable tax receipts to donors, for qualifying donations.

The Organization was established to increase opportunity for those living in poverty in developing countries, particularly in Africa. This work involves creating and spreading innovative approaches to development, building capacity among local institutions and supporting local leaders. It also involves working in Canada to engage engineers, effect policy change and create opportunities for Canadians to connect and contribute to human development overseas.

These financial statements include the assets, liabilities, revenues and expenses of the Organization's 11 (2023 - 14) Canadian university-based and 2 (2023 - 2) professional chapters across Canada. These chapters undertake fundraising activities in order to run local education and engagement programs, and to contribute to overseas programs.

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### **2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### **Revenue recognition**

The Organization follows the deferral method of accounting for restricted contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes government subsidies towards current expenses in the statement of operations. When government subsidies relate to future expenses, the Organization defers the assistance and recognizes it in the statement of operations as the related expenses are incurred.

#### **Donations-in-kind**

The work of the Organization is dependent on the services of many volunteers. Because these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Other donations-in-kind are recognized in the financial statements if they are normally purchased and their fair value can be established. Donations-in-kind received during 2024 total \$Nil (2023 - \$Nil) which would consist of Aeroplan points donated to the Organization (Note 6). The donations-in-kind are recognized as revenue and expenses in the year the points are redeemed by the Organization.

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# **Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)**

## **Notes to Financial Statements**

October 31, 2024

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### **2. Summary of significant accounting policies (continued)**

#### **Donations-in-kind (continued)**

Donated shares are immediately sold and are recorded at the amount realized on sale.

#### **Aeroplan points**

In accordance with an agreement, the Organization has the right to redeem Aeroplan points in return for airline flights. The points are recorded as intangible assets based on the estimated redemption value and corresponding deferred revenue and are recognized as revenue and expenses as the points are redeemed.

#### **Investments**

Investments are recorded at cost and are reviewed for impairment on an annual basis.

#### **Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, financial assets and financial liabilities are recorded at cost.

Financial assets measured at amortized cost are assessed at each reporting date for impairment. If such impairment exists, the financial asset is written down and the impairment loss is recognized in the statement of operations.

Financial assets or liabilities in related party transactions are initially measured at cost. The Organization does not have any financial assets or liabilities in related party transactions which are initially measured at fair value. These instruments are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets.

#### **Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the date of the statement of financial position for monetary items and at exchange rates prevailing at the transaction date for non-monetary items.

Revenue and expense items are translated at the rates of exchange prevailing on the transaction dates. Foreign exchange gains or losses are included in the determination of the deficiency of revenue over expenses for the year.

#### **Allocation of common expenses**

Certain officers and employees perform functions that are specific to direct projects (National conference, leadership/chapter development, Ventures, Public education and awareness, Fundraising, and Management and administration activities. As a result, the related payroll and benefits costs are reflected as an expense of those functions. Certain other employees perform a combination of management and administration and fundraising functions. In this case, the recorded cost is based on the actual time dedicated to the functional activity.

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# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Notes to Financial Statements

October 31, 2024

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### 2. Summary of significant accounting policies (continued)

Common expenses, such as offices expenses and travel, insurance, professional fees, bank charges, professional development and human resources and rent and utilities, are allocated to each expense category (National conference, leadership/chapter development, Ventures, Public education and awareness, Fundraising, Management and administration) based on the proportion of the salary for that category in relation to total salary. Such allocations are reviewed regularly by management.

#### Description of funds

##### *Internally restricted fund*

During 2016, the Internally Restricted Fund was established by the Board of Directors with an interfund transfer of \$220,000 to create a cash reserve for future needs.

#### Use of estimates

The preparation of the Organization's financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include investments, intangible assets and accrued liabilities.

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### 3. Internally restricted cash and investments

The \$220,000 of internally restricted funds were invested in guaranteed investment certificates with a maturity date of September 2025 (2023 – September 2024) and bearing interest at 4.25% (2023 – 4.75%).

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### 4. Accounts and other receivables

	<u>2024</u>	<u>2023</u>
Harmonized Sales Tax	\$ 9,333	\$ 16,444
Grants and other contributions receivable	48,296	35,464
Other	<u>-</u>	<u>747</u>
	<u>\$ 57,629</u>	<u>\$ 52,655</u>

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### 5. Investments

Investments include individual ownership interests of between 2.07% and 5% (2023 - 2.07% and 7.74%) in one (2023 - two) non-Canadian entity and one (2023 - one) Canadian entity.

In the prior year, one of the investments held with a non-Canadian entity was assessed as fully impaired and a write-off of \$135,210 was approved by the Organization.

Management assessed all investments held in 2024 for impairment and no write-offs were deemed necessary.

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# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Notes to Financial Statements

October 31, 2024

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### 6. Intangible assets

The balance relates to Aeroplan points and consists of:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 121,908	\$ 155,171
Redemptions	<u>(34,916)</u>	<u>(33,263)</u>
Balance, end of year	<u>\$ 86,992</u>	<u>\$ 121,908</u>

The year end balance is included in deferred revenue (Note 8).

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### 7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$Nil with respect to government remittances payables as at October 31, 2024 and 2023.

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### 8. Deferred revenue

The balance at October 31 is comprised of:

	<u>2024</u>	<u>2023</u>
Aeroplan points (Note 6)	\$ 86,992	\$ 121,908
Foundations and others	<u>146,389</u>	<u>531,012</u>
	<u>\$ 233,381</u>	<u>\$ 652,920</u>

The continuity of the deferred revenue from Foundations and others is as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 531,012	\$ 282,218
Add: restricted funding received	138,719	891,328
Less: revenue recognized during the year	<u>523,342</u>	<u>642,534</u>
Balance, end of the year	<u>\$ 146,389</u>	<u>\$ 531,012</u>

# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Notes to Financial Statements

October 31, 2024

### 8. Deferred revenue (continued)

The balance of the deferred revenue from Foundations and others at year end consists of the following:

	<u>2024</u>	<u>2023</u>
Deutsche Gesellschaft für Internationale	\$ 110,592	\$ 29,674
Mining Shared Value	25,797	104,290
New Gold Inc.	10,000	13,832
Bill and Melinda Gates Foundation	-	229,069
Other Foundations	-	85,057
Royal Bank of Canada Youth	-	26,667
World Bank	-	25,375
Shell	-	17,048
	<u>\$ 146,389</u>	<u>\$ 531,012</u>

### 9. Guarantees

Indemnity has been provided to all directors and officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to their involvement with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions.

The maximum amount of any potential future payments cannot be reasonably estimated.

### 10. Allocation of common expenses

The Organization has allocated its payroll and common expenses as follows:

	<u>National conference, leadership/ chapter development</u>	<u>Ventures</u>	<u>Public education and awareness</u>	<u>Fundraising</u>	<u>Management and administration</u>	<u>2024 Total</u>
Office expenses and travel	\$ 43,791	\$ 4,074	\$ 10,184	\$ 18,331	\$ 15,276	\$ 91,656
Payroll	84,486	9,183	27,550	27,550	-	148,769
Insurance	11,434	1,064	2,659	4,786	3,988	23,931
Professional fees	18,832	1,752	4,379	7,883	6,569	39,415
Bank charges	13,018	1,211	3,028	5,450	4,541	27,248
Professional development and human resources	-	-	-	-	-	-
Rent and utilities	575	53	134	241	201	1,203
	<u>\$ 172,136</u>	<u>\$ 48,167</u>	<u>\$ 47,934</u>	<u>\$ 64,241</u>	<u>\$ 30,575</u>	<u>\$ 332,222</u>

# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Notes to Financial Statements

October 31, 2024

### 10. Allocation of common expenses (continued)

	National conference, leadership/ chapter development	Ventures	Public education and awareness	Fundraising	Management and administration	2023 Total
Office expenses and travel	\$ 28,372	\$ 1,299	\$ 14,758	\$ 18,187	\$ 15,329	\$ 77,945
Payroll	112,690	12,249	36,747	36,747	-	198,433
Insurance	11,509	527	5,986	7,378	6,218	31,618
Professional fees	10,327	473	5,372	6,620	5,580	28,372
Bank charges	6,106	280	3,176	3,914	3,299	16,775
Professional development and human resources	1,471	67	765	943	795	4,041
Rent and utilities	530	24	276	340	286	1,456
	<u>\$ 171,005</u>	<u>\$ 14,919</u>	<u>\$ 67,080</u>	<u>\$ 74,129</u>	<u>\$ 31,507</u>	<u>\$ 358,640</u>

### 11. Credit facilities

The Organization has a credit facility with a chartered bank amounting to \$250,000 for operating cash flows purposes, should the need arise, of which \$237,995 has been drawn as at October 31, 2024 (2023 - \$250,000). The credit facility is due on demand and bears interest at prime rate plus 1.75% (7.7% at October 31, 2024). Total interest expense incurred during the year was \$21,643 (2023 - \$10,879).

The credit facility agreement has several compliance requirements including requiring the Organization to maintain levels of a specified restrictive financial covenant. At October 31, 2024, the Organization was not in compliance with this requirement.

### 12. Financial instruments risk

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure as at October 31, 2024. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant risks arising from these financial statements.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization minimizes its credit risk by only dealing with creditworthy counterparties and it does not have significant credit risk exposure to any single counterparty.

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# Engineers Without Borders (Canada) / Ingénieurs Sans Frontières (Canada)

## Notes to Financial Statements

October 31, 2024

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### 12. Financial instruments risk (continued)

#### Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization invests in non-Canadian entities (Note 5), holds US accounts receivable balances at year-end that converts to \$11,969 in Canadian dollars (2023 – \$Nil), holds EUOS accounts receivable balances at year-end that converts to \$Nil in Canadian dollars (2023 – EURO \$25,375) and holds US cash balances at year-end that converts to \$16,760 (2023 - \$203,831) in Canadian dollars and is therefore directly exposed to currency risk as the value of the investments and cash balance denominated in other currencies will fluctuate due to changes in exchange rates.

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### 13. Related party transactions

During the year, the Organization received donations totaling \$23,515 (2023 - \$5,097) from Directors, officers and management of the Organization. The transactions were measured at the exchange amounts, which were equivalent to the amounts of cash received at the dates of the transactions.