

PEMAC Asset Management  
Association of Canada  
(formerly PEMAC Plant Engineering  
and Maintenance Association of Canada)

## ANNUAL FINANCIAL STATEMENTS

June 30, 2024

See accompanying notes.



CHARTERED  
PROFESSIONAL  
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## INDEPENDENT AUDITOR'S REPORT

To the members of  
PEMAC Asset Management Association of Canada

### Qualified Opinion

We have audited the financial statements of PEMAC Asset Management Association of Canada, which comprise the statement of financial position as at June 30, 2024, and the statements of operations, changes in net assets, 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 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 the Association as at June 30, 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 corporations.

### Basis for Qualified Opinion

As explained in Note 6 of the financial statements, The Association oversees chapters that undertake activities to advance its mandate. We were unable to obtain sufficient appropriate audit evidence about the completeness of financial information for these chapters. Our audit procedures were limited to examination of the bank statements and inquiries made of Management. Consequently, we were unable to determine whether adjustments might be necessary to revenues and expenses.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 qualified 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association, or to cease operations, or has no realistic alternative but to do so.

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

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#### 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 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 qualified 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 Association'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 Association'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 Association to cease to continue as a going concern.

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.

*CS Chartered Professional Accountants LLP*

Licensed Public Accountants  
Toronto, Ontario

December 19, 2024

PEMAC Asset Management Association of Canada

STATEMENT OF FINANCIAL POSITION


June 30, 2024

Statement 1

	2024	2023
<b>ASSETS</b>		
<b>Current</b>		
Cash (note 2)	\$288,673	\$251,062
Accounts receivable	120,178	305,809
Inventory	26,406	33,939
Sales taxes recoverable	-	2,083
Conference deposits and other prepaid expenses	16,978	20,142
	452,235	613,035
Long-term prepaid expenses	5,827	5,972
	\$458,062	\$619,007
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$94,600	\$206,335
Sales taxes payable	14,169	-
Deferred membership dues	42,807	55,474
Deferred course program revenues	37,332	38,065
Deferred conference revenues	154,973	119,080
	343,881	418,954
Long-term deferred membership dues	-	3,093
	343,881	422,047
<b>Commitments (note 5)</b>		
<b>NET ASSETS (Statement 2)</b>		
	114,181	196,960
	\$458,062	\$619,007

APPROVED ON BEHALF OF THE BOARD:

 , DIRECTOR

 , DIRECTOR

See accompanying notes.

PEMAC Asset Management Association of Canada

STATEMENT OF CHANGES IN NET ASSETS

Year ended June 30, 2024

Statement 2

	2024	2023
Net assets, beginning of year	\$196,960	\$257,930
Expenses over revenues for the year (Statement 3)	(82,779)	(60,970)
Net assets, end of year	\$114,181	\$196,960

See accompanying notes.

PEMAC Asset Management Association of Canada

STATEMENT OF OPERATIONS

Year ended June 30, 2024

Statement 3

	2024	2023
Revenues		
Courses and educational materials (note 3)	\$612,133	\$642,529
Annual conference	285,749	201,752
Membership fees	214,034	200,037
Website advertising	10,100	16,943
Credit card usage rebates, referral fees, other	6,489	5,063
Chapter events, other events	-	609
	1,128,505	1,066,933
Expenses		
Management, event and administrative personnel	422,177	362,991
Courses and educational materials (note 3)	325,334	420,225
Annual conference	277,104	161,228
Communications, office and general	67,974	44,537
Travel	37,950	30,413
Marketing	28,117	44,989
Accounting and legal fees	21,787	32,339
Bank charges	15,001	17,246
Insurance	7,787	6,951
Membership dues	6,698	6,303
Chapter events	1,355	681
	1,211,284	1,127,903
Expenses over revenues for the year	(\$82,779)	(\$60,970)

See accompanying notes.

PEMAC Asset Management Association of Canada

STATEMENT OF CASH FLOWS

Year ended June 30, 2024

Statement 4

	2024	2023
Cash provided by (used for):		
Operating activities		
Receipts from members, sponsors and participants	\$1,196,348	\$815,930
Grant contributions received	137,188	172,101
Payments on account of expenses	(1,295,925)	(1,037,006)
	37,611	(48,975)
Financing activities		
Repayment of government loan	-	(30,000)
Net increase (decrease) in cash for the year	37,611	(78,975)
Cash, beginning of period	251,062	330,037
Cash, end of period	\$288,673	\$251,062

See accompanying notes.

PEMAC Asset Management Association of Canada

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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Nature and Purpose of Organization

PEMAC Asset Management Association of Canada ("PEMAC" or "the Association") is a not-for-profit organization without share capital incorporated under the Canada Not-for-Profit Corporations Act. As a not-for-profit organization, the Association is exempt from income tax under section 149 of the Income Tax Act of Canada.

The purpose of the Association is to provide global leadership, education, and certification in asset management practices by improving its members' professionalism, safety, performance, and outside recognition, providing specialized education and certification, undertaking research, providing forums for exchange of information, and acting as a public voice for its members and the profession.

1 / Significant Accounting Policies

These financial statements have been prepared based on the following accounting policies, in accordance with Canadian accounting standards for not-for-profit organizations.

a. Inventory

Inventory consists of textbooks and related electronic access codes sold in conjunction with course offerings. It is valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price less any applicable selling costs.

b. Revenue recognition

Revenues are recognized when the events have occurred and/or when the related services or goods have been provided and when collection is reasonably assured. Revenues received but not yet recognized are deferred and shown as a current liability on the statement of financial position.

c. Contributed services

Volunteers contribute their time to assist the Association in carrying out its objectives. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

d. Course development costs

Course development is carried out internally. These development costs are recorded as expense when incurred.

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PEMAC Asset Management Association of Canada

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

1 / Significant Accounting Policies (continued)

e. Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from such estimates.

2 / Cash Pledged as Security

Cash includes a minimum \$30,000 held in a separate bank account that has been pledged as security for balances on credit cards issued in the name of the Association having an aggregate of \$30,000 in credit limits. The security can be released in short order upon giving up the credit facility.

3 / Courses and Educational Materials

	2024	2023
Revenues		
Asset Management course ("AMP") initiative for municipalities		
Federation of Canadian Municipalities grant	\$137,188	\$243,408
Participant tuition fees	15,243	33,641
	152,431	277,049
Royalties paid by colleges for PEMAC developed courses	282,706	214,556
Course material sales	174,481	144,884
Examination fees and miscellaneous	2,515	6,040
	\$612,133	\$642,529
Expenses		
College remuneration for AMP course management and other direct course costs	\$111,638	\$216,102
Cost of course materials sold	138,764	126,423
Maintenance Management Program administrator	73,888	75,993
Course development costs	1,044	1,707
	\$325,334	\$420,225

There were \$757 in textbook inventory amounts written down in the year (2023 - \$3,324).

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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4 / Financial Instrument and Related Risks

Accounts receivable are the significant financial assets. Accounts payable are the significant financial liabilities. All financial instruments are measured at amortized cost. The financial assets are subject to:

- a. credit risk, which is the possibility of a debtor's failure to repay debt instruments and related income when due.

In addition to the above, liquidity risk exists as it does for all entities, being the risk that financial obligations might not be met.

There are no accounts receivable for which an allowance for impairment is required.

5 / Commitments

The Association entered into contracts and commitments for facilities, accommodations and meals for annual conferences. As at year end, future commitments under these contracts were \$90,987 and \$51,780 for the conferences to be held in Saint John in September 2024 and Calgary in October 2025, respectively.

The Association also entered into contracts for office equipment as well as IT services and licencing. Minimum future payments under these commitments are \$57,706.

6 / Chapter Activities

The Association undertakes some initiatives through its chapters across Canada. Each chapter is responsible for managing its own financial activities, which are consolidated into the financial statements.

The financial information provided by the chapters for inclusion in these financial statements was limited in scope. Specifically, the information available consisted of bank statements and responses to inquiries made of Management. Due to the nature of this information, it was not possible to independently verify the completeness of revenues, expenses, or other financial data related to chapter activities.

Management has determined that, despite this limitation, the financial statements are presented in accordance with Canadian accounting standards for not-for-profit corporations. Efforts are ongoing to improve the processes of reporting and consolidating chapter activities in future periods.