

**FIFTY-FIRST ANNUAL REPORT**  
**SEPTEMBER 2023 - AUGUST 2024**



**DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS**  
**92 READ'S WAY, SUITE 208**  
**NEW CASTLE, DELAWARE 19720**  
**[www.dape.org](http://www.dape.org)**

**SUBMITTED: DECEMBER 2024**

**FIFTY-SECOND ANNUAL REPORT  
DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS**

**SEPTEMBER 2023 - AUGUST 2024**

The Delaware Association of Professional Engineers (DAPE) was established July 7, 1972 under 24 Del. C., Chapter 28 (the Delaware Professional Engineers' Act, herein after referred to as The Act). This report is issued in accordance with the requirement of 24 Del. C., Chapter 28, Paragraph 2827.

**MEMBERSHIP**

Members renew by June 30 in even-numbered years. Membership as of August 31 was as follows:

	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Members*	7098	7130	6500	6577
Associate Members	1221	1250	1234	1204
Total	8319	8380	7734	7781

\*Members are licensees who live in Delaware or who have a place of business in Delaware. Associate members are all other licensees.

**COUNCIL**

The Council is the governing body of the Association. It consists of three members appointed by the Governor, twelve members elected by the voting members of the Association, who serve four-year terms, plus the immediate past president of the Association. The immediate past president shall act in an advisory capacity but shall not be entitled to vote if his term as a Council Member has expired. The terms of the elected members are staggered so that each year three terms expire and must be filled by election.

**ELECTION OF COUNCIL MEMBERS**

In accordance with 24 Del. C., Chapter 28, paragraphs 2807 and 2808, an election was held in July 2024, with the following results:

<b><u>Candidate</u></b>	<b><u>Council Seat</u></b>	<b><u>Votes Received</u></b>
Kenneth Tadler	Mechanical Engineering	413
David Reinhold	Education	420
Diane Calloway	Sussex County	419

Balloting was conducted electronically in a secure environment following all protocols to ensure a valid election and meeting the requirements as outlined in the Association bylaws for the convenience of the membership.

As of September 1, 2024, the Council members, the seats they occupied, and the expiration dates of their terms were as follows:

<b>Name</b>	<b>Council Seat</b>	<b>Term Expires</b>
<b>Appointed:</b>		
William Gamgort, Esq.	New Castle County	5/14/2027
Ronald D. Smith, Esq.	Kent County	9/1/2023
Chad Lingenfelder, Esq.	Sussex County	10/6/2026
<b>Elected:</b>		
Daniel P. Barbato, P.E.	New Castle County	8/31/2026
Diane Calloway, P.E.	Sussex County	8/31/2028
Michael Clendaniel, P.E.	Government	8/31/2025
Vincent Fazio, P.E.	Electrical Eng.	8/31/2027
Joseph Jakubowski, P.E.	Civil Eng.	8/31/2026
Jeremy Kalmbacher, P.E.	"Other" Eng.	8/31/2025
*OPEN*	Industry	8/31/2026
James Puddicombe, P.E.	Kent County	8/31/2027
David Reinhold, P.E.	Education	8/31/2028
Melanie A. Smith, P.E.	Chemical Eng.	8/31/2027
Kenneth Tadler, P.E.	Mechanical Eng.	8/31/2028
Theodore A. Thomson, P.E.	Private Consulting	8/31/2027

\* Karen Maxson, P.E. filled the Industry Seat through August 2024, but resigned when she moved her residence to another State; Mark Scarborough, P.E. was elected by Council on November 13, 2024 to fill this seat through 8/31/2025.

### **OFFICE**

The Association Office is located at 92 Read's Way, Suite 208, New Castle, Delaware. A five-year lease was signed in 2009; this lease was extended for a third 5-year term in September 2024. The current lease runs through August 31, 2029.

Office hours are Monday through Friday from 8:00 a.m. to 4:00 p.m. Voice mail is available to accept messages when the office is closed. The office is also accessible via e-mail ([office@dape.org](mailto:office@dape.org)).

DAPE maintains a website containing the Delaware Professional Engineers' Act, Association Bylaws, Code of Ethics, applications and instructions, newsletters, Council and Committee lists, and current announcements. It offers the public instant access to relevant documents, including active membership lists, fee schedule, newsletters, Council meeting minutes, pertinent law references, complaint forms, and Freedom of Information Act (FOIA) request forms. The website address is [www.dape.org](http://www.dape.org).

Jennifer Wootten has served as Executive Director since July 1, 2018. DAPE currently has three other employees: Executive Assistant (full-time), Administrative Assistant (part-time), and Investigation and Outreach Assistant (part-time).

### **COUNSEL**

The Attorney General's office assigned Deputy Attorney General A. Zachary Naylor to advise Council in legal matters related to the enforcement of the Delaware Professional

Engineers' Act. Deputy Attorney General Kemba Lydia-Moore, currently serves as prosecutorial counsel for the Law Enforcement/ Ethics Committee.

**ACCOUNTANT**

Gunnip & Company LLP conducted the Association's 2023/2024 fiscal year audit. The Association's audited financial statements for the fiscal year ending April 30, 2024 is Exhibit B of this Report.

**REGISTRATIONS**

**Individual registrations** as a Professional Engineer were as follows:

	<u>9/1/23-</u> <u>8/31/24</u>	<u>9/1/22-</u> <u>8/31/23</u>	<u>9/1/21-</u> <u>8/31/22</u>	<u>9/1/20-</u> <u>8/31/21</u>
Starting Registrations September 1	8380	7734	7679	7233
New Registrations approved by Council				
Regular	64	48	78	136
Comity/Initial (unlicensed elsewhere)	638	623	491	501
Sub-total New Registrations	702	671	569	637
License Status Changes				
Reinstatements	129	104	227	80
Deceased/Inactive/Retired	(278)	(129)	(309)	(11)
Ending Total Registrations August 31	8319	8380	7734	7679
Net Change	(61)	646	55	446
Delinquent Licensees as of August 31	614	322	432	260

**Certificates of Authorization (COA's)** were as follows:

	<u>10/1/23-</u> <u>9/30/24</u>	<u>10/1/22-</u> <u>9/30/23</u>	<u>10/1/21-</u> <u>9/30/22</u>	<u>10/1/20-</u> <u>9/30/21</u>
Starting Authorized Firms	1472	1385	1305	1298
Reinstatements	5	10	78	10
New COAs approved	143	147	132	119
Non-renewals & Inactive Requests	(180)	(70)	(130)	(92)
Ending Total Authorized Firm Registrations	1440	1472	1385	1305
Net Change	(32)	87	80	7

The above table shows our CA roster through September 30 (vs. August 31), to reflect the roster after the annual renewal deadline. Some of the new and reinstated Certificates of Authorization were issued as a direct result of law enforcement efforts to bring firms into compliance.

**EXAMINATIONS**

**Fundamentals of Engineering Exam (FE)** -- The FE examination is offered in a computer-based format only. The exam is administered year-round. Examinees may arrange to take the exam no more than three times per year. Applicants schedule directly with NCEES for an examination at any Pearson VUE testing center. The FE exam length is six

hours. Exam results are released in 2-3 weeks. Following successful passage of the exam, optional certification as an Engineer Intern requires application and official transcripts upon graduation.

A total of 166 FE examinations were administered in 2024 (compared to 126 in 2023). Of the total exam takers, 107 (64%) passed and 59 (36%) failed the exam. DAPE continues to encourage students at the University of Delaware to take the exam with presentations to engineering students, as passage of the FE exam is an important first step on the path to PE licensure. The University of Delaware has supported DAPE in this outreach, hosting several events in the Fall of 2024 to increase FE exam enrollment among students. Seniors that pass the FE exam prior to graduation receive a special "graduation cord" to mark this achievement.

The Principles & Practice of Engineering (P&PE) -- The P&PE examination is offered in a computer-based format. The exam is administered year-round (although some exam disciplines are offered only 1 date each year, due to the lower volume of test takers in those fields). In the past year, 178 P&PE exams were administered to candidates registered through the Delaware board (compared to 142 candidates in 2023), of which 98 (55%) passed and 80 (45%) failed.

Candidates must pass the PE exam within 5 years of experience approval before updated application information is required. Alternatively, candidates may opt to take and pass the exam prior to meeting their experience requirement, applying for an initial PE license when all requirements have been met.

### **LEGISLATION**

House Bill 369 was signed by the Governor on October 9, 2023. This Act amended Chapter 28 of Title 24 of the Delaware Code to define "successor professional engineer" as a professional engineer who assumes responsible charge of a project, or component of a project, and uses or relies upon the work of the professional engineer who was previously in responsible charge and sealed pertinent documents. The new Section 2832 delineates the acceptable parameters for a successor professional engineer's use or reliance upon work performed by the previous professional engineer in responsible charge. These revisions will both inform licensees of the permissible use of another professional engineer's work and ensure that the recipient of services can identify the responsible professional engineer. The Council for the Delaware Association of Professional Engineers solicited feedback from and held committee meetings with various stakeholders who contributed to drafting of this Act.

### **COMMITTEES**

Volunteers drawn from the DAPE membership serve countless hours accomplishing the tasks assigned to DAPE standing and Ad Hoc committees. DAPE's Council has continued the tradition of annually recognizing a distinguished Committee member. In 2024 the Distinguished Service Award was presented to Charles McAllister, P.E. a past Council President and a longstanding member and previous chair of the Law Enforcement & Ethics Committee, as well as the Finance Committee. Mr. McAllister has held every executive committee officer position, and served two 8-year terms on Council. He has also been an active participant in NCEES regional and national meetings.

Previous recipients of this recognition include:

2007	Eugene B. Snell, P.E.
2008	Robert A. Chagnon, P.E.
2009	J.G.S. Billingsley, P.E.
2010	Ana E. Diaz, P.E.
2011	Robert W. McClure, P.E.
2012	Daniel Koffler, P.E.
2013	Arkan Say, P.E.
2014	James Davidson, P.E.
2015	(No award)
2016	Keith Kooker, P.E.
2017	Keith A. Rudy, P.E.
2018	Pasquale S. Canzano, P.E.
2019	Meghan Lester, P.E.
2020	William Balascio, P.E.
2021	Robert Leitsch, P.E. (Ret.)
2022	Michael Siwek, P.E.
2023	Carmine Balascio, P.E., PhD

A list of the membership of the various standing committees is shown on Exhibit A. Committee activities are summarized as follows:

**I. EXECUTIVE COMMITTEE**

This Committee, consisting of the four Council Officers and the Immediate Past President, met each month to formulate policy, prepare recommendations, and propose action on routine matters for Council review and approval consistent with the organization's by-laws. Executive Committee members are elected annually by Council at the September meeting. Executive Committee members that served between September 2023 and August 2024 were:

President	M. Clendaniel, P.E.
Vice President	K. Maxson, P.E.
Secretary	K. Tadler, P.E.
Treasurer	V. Fazio, P.E.
Immediate Past President	J. Jakubowski, P.E., LEED AP

New officers were elected in September 2024, and are listed in Exhibit A.

**2. FINANCE COMMITTEE**

This Committee accomplished the following:

1. Provided fiscal control of operating funds through monthly budget performance reviews with the Executive Committee and monthly budget performance reviews with Council.
2. Prepared and secured Council approval of the 2024-2025 Operating Budget.
3. Reinvested Reserve Funds with Council approval in accordance with the by-laws.

4. Reviewed internal control systems and implemented process improvements in the Association Office as recommended by our Auditor.

5. Recommended and secured Council approval of Gunnip & Company, LLP as the auditing firm for fiscal year 2023-2024. This was a change from previous auditor Cover & Rossiter LLP, due to staffing issues at that firm.

**3. EMPLOYEE COMPENSATION AND BENEFITS COMMITTEE**

This Committee is charged with annually reviewing employee job descriptions, compensation and benefits programs.

Office staff currently consists of two full-time employees: Jennifer Wootten, Executive Director, and Kathy Davis, Executive Assistant; and two part-time employees: Beth Baughman, Administrative Assistant, and Katy Steimling, Investigation & Outreach Assistant (this position was added in March 2024).

**4. EXAMINING COMMITTEE**

The Examining Committee met 12 times, to process applications for individual Registration, Certificates of Authorization, and Reinstatements. The proceedings of each meeting were reported in writing for a total of 12 reports that are on file at the DAPE Office. These reports were presented to Council and the Committee recommendations were acted upon by Council, resulting in the new licensure statistics tabulated on page 3.

During the year the committee processed:

	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Applications for licensure by comity/initial	638	623	491	501
Applications for regular licensure	64	71	78	136
Applications for Certificate of Authorization	143	147	132	119
Requests for Cert. of Auth. Reinstatement	5	8	6	10
Total applications recommended for licensure	850	849	767	766

DAPE has expedited processing for individuals with a Model Law Engineer designation, enabling applicants to be approved for licensure in 1-2 weeks. 77% of the Comity applications approved between 9/1/23-8/31/24 were fast-tracked because they had a Model Law Engineer designation.

**5. FACILITIES, SERVICES & EQUIPMENT COMMITTEE**

The Facilities, Services & Equipment Committee is tasked with reviewing the services and equipment of the DAPE office to provide recommendations to improve services. Council continues to improve the existing DAPE website to provide more services to the public and streamline the efforts of the staff. Decisive Data Systems (DDS), Abingdon, Maryland, has been contracted to update, improve and maintain the DAPE website.

The DAPE website provides DAPE applicants and membership the resource to make application, renew licenses, update records, as well as access lists of Council and Committee members; current and archived newsletters; Board meeting minutes; the Delaware Professional Engineers Act; the Bylaws of the Association; Administrative

Penalty Guidelines; CPC Guidelines; and fee schedules. Efforts are made to keep this information as current as possible and accessible to the public.

#### **6. GOVERNMENT AFFAIRS/BYLAWS COMMITTEE**

The Government Affairs and Bylaws Committee has a continuing responsibility to ensure that State, County and Municipal governments are aware of, and comply with, the legal restriction on the use of the title "engineer" to only those persons licensed as professional engineers. The Committee reviews DAPE's Bylaws annually to be sure they are consistent with law changes and contributes to the effort to propose and seek sponsorship of legislative amendments in conjunction with DAPE's lobbyist.

#### **7. LAW ENFORCEMENT/ETHICS COMMITTEE**

The Law Enforcement and Ethics Committee met eleven times during the year.

In the past year, 78 new cases were opened, including 10 that were either complaints received by members of the public or that required an investigation. The Law Enforcement/Ethics Committee was successful in getting 60 cases into compliance with the law (Including some carryover of cases from the previous year). For many files, compliance is achieved by assisting firms with obtaining a Certificate of Authorization for the practice of engineering. Other cases are resolved by helping firms change or cancel a business license. Two complaints were resolved with a final consent order. No hearings were held in the past year.

The Law Enforcement/Ethics Committee planned an ethics training opportunity for licensees in April 2024. This session focused on DAPE's Continuing Professional Competency (CPC) requirements. DAPE offers free training in order to give our members this opportunity to meet their 2 hour minimum requirement in the area of professional ethics. The training was recorded and is still available for members to watch online for PDH credit. In addition to the 170 members that attended in person, nearly 400 members to date have watched the recording.

#### **8. PUBLIC INFORMATION**

The Association publishes 2-4 newsletters per year. The principal purpose of these newsletters is to keep the membership informed concerning the current status of the Engineering Licensure Law, news affecting professional practice, and activities related to the Association itself, including periodic training offered free of charge to members. Newsletters also report on Committee activities. Other sections of the Newsletters typically cover Association personnel and their assignments, budgets, calendar of activities, and announcements of newly licensed PEs. The newsletter, in addition to being available and archived on the website, is sent via email to members. Members of the public are also able to subscribe to this newsletter.

The Public Information Committee provides outreach to University of Delaware engineering students to promote professional licensure. The Committee also promoted professional engineering licensure at two K-12 STEM events in Delaware (the Delaware Chapter of the National Society of Professional Engineers' MathCounts competition and the Delaware Department of Transportation's Bridge Design Competition).

#### **9. NOMINATING COMMITTEE**

The Nominating Committee is tasked with identifying prospective nominees for each of the Council seat vacancies in the Council election. Voting instructions were



electronically sent to the membership, along with instructions for logging in and voting electronically. Results of the election are stated on page 1 of this report. The Nominating Committee also helps to recruit DAPE members from diverse backgrounds to serve on standing committees.

**10. EXTERNAL AFFAIRS COMMITTEE**

The External Affairs Committee coordinates interaction between DAPE and agencies of the State, its political subdivisions, commissions, etc., and addresses issues that are germane to, but not directly involved with, the regulation process.

DAPE continues its commitment to serve the interests of the public and our membership and looks forward to continuing these efforts in the coming years. We have provided multiple opportunities for the membership to participate in ethics presentations, earning professional development hours to assist in meeting the required continued professional competency mandates. These efforts have served to remind our members of their ethical obligations and have been met with positive feedback.

APPROVED FOR SUBMISSION:

Vincent Fazio, P.E.  
2024-2025 President of Council

**2024-2025 DAPE COMMITTEES****EXECUTIVE COMMITTEE**

President:	V. Fazio, P.E.	Council Member
Vice President:	T. Thomson, P.E.	Council Member
Secretary:	K. Tadler, P.E.	Council Member
Treasurer:	J. Puddicombe, P.E.	Council Member
Immediate Past Pres.:	M. Clendaniel, P.E.	Council Member

**FINANCE/EMPLOYEE BENEFITS AND COMPENSATION/FACILITIES COMMITTEE:**

T. Thomson, P.E., Chair	Council Member
K. Tadler, P.E., Vice Chair	Council Member
C. Balascio, P.E., Ph.D.	Associate Member
P. Canzano, P.E. (Ret.)	Associate Member
M. Clendaniel, P.E.	Council Member
A. Diaz, P.E.	Associate Member
S. Gharebaghi, P.E.	Associate Member
J. Jakubowski, P.E.	Council Member
M. Lennon, P.E.	Associate Member
C. McAllister, P.E.	Associate Member
J. Puddicombe, P.E.	Council Member

**EXAMINING COMMITTEE:**

K. Tadler, P.E., Chair	Council Member
C. Balascio, P.E., Ph.D.	Associate Member
D. Barbato, P.E.	Council Member
N. Buttorff, P.E.	Associate Member
D. Calloway, P.E.	Council Member
J. Davidson, P.E.	Associate Member
N. Donlon, P.E.	Associate Member
M. Hite, P.E.	Associate Member
C. Kraucunas, P.E.	Associate Member
R. Leitsch, P.E. (Ret.)	Associate Member
M. McDonough, P.E.	Associate Member
D. Seavey, P.E.	Associate Member
M. Smith, P.E.	Council Member
J. Zelinski, P.E.	Associate Member

**GOVERNMENT AFFAIRS/BYLAWS COMMITTEE:**

R. Smith, Esq., Chair	Council Member
C. Balascio, P.E., Ph.D.	Associate Member
W. Gamgort, Esq.	Council Member
J. Jakubowski, P.E., LEED AP	Council Member
C. Lingenfelder, Esq.	Council Member
H. Medlarz, P.E.	Associate Member
M. Smith, P.E.	Council Member

**LAW ENFORCEMENT/ETHICS COMMITTEE**

D. Reinhold, P.E., Co-Chair	Council Member
T. Thomson, P.E., Co-Chair	Council Member
J. Davidson, P.E.	Associate Member
A. Diaz, P.E.	Associate Member
B. Diener, P.E.	Associate Member
B. Haglid, P.E.	Associate Member
D. Jones, P.E.	Associate Member
T. Kiefer, P.E.	Associate Member
S. Laws, P.E.	Associate Member
J. Mayan, P.E.	Associate Member
C. McAllister, P.E.	Associate Member
K. Rudy, P.E.	Associate Member

**NOMINATING COMMITTEE**

D. Barbato, P.E., Chair	Council Member
J. Flowers, P.E.	Associate Member
J.D. Jakubowski, P.E.	Associate Member
K. Maxson, P.E.	Associate Member
D. Reinhold, P.E.	Council Member
L. Szabo, P.E.	Associate Member

**PUBLIC INFORMATION COMMITTEE**

J. Kalmbacher, P.E., Chair	Council Member
J. Hastings, P.E., Chair	Associate Member
J.D. Jakubowski, P.E.	Associate Member
S. McNatt, P.E.	Associate Member

**EXTERNAL AFFAIRS COMMITTEE**

J. Kalmbacher, P.E., Chair	Council Member
R. Hayden, P.E.	Associate Member
R. Plitko, P.E.	Associate Member

**Gunnip & company** LLP

Certified Public Accountants and Consultants

**DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS**

**FINANCIAL STATEMENTS**

**APRIL 30, 2024**

## CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7

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Alex K. Masciantonio CPA  
Lynn B. Ritter CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Delaware Association of Professional Engineers  
Newark, Delaware

### Opinion

We have audited the accompanying financial statements of Delaware Association of Professional Engineers (a nonprofit organization), which comprise the statement of financial position as of April 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delaware Association of Professional Engineers as of April 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delaware Association of Professional Engineers and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Delaware Association of Professional Engineers' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditors' 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Delaware Association of Professional Engineers' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delaware Association of Professional Engineers' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during this audit.



Wilmington, Delaware

December 16, 2024



**STATEMENT OF FINANCIAL POSITION****APRIL 30, 2024****DELAWARE ASSOCIATION OF  
PROFESSIONAL ENGINEERS****ASSETS****CURRENT ASSETS**

Cash and cash equivalents	\$	44,283
Investments, current portion		121,331
Prepaid expenses		2,015

Total current assets 167,629

**NON-CURRENT ASSETS**

Property and equipment, net		11,214
Right-of-use asset - operating		351,060
Investments, long-term		2,317,071
Security deposit		4,650

Total non-current assets 2,683,995

**TOTAL ASSETS** \$ 2,851,624

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Accounts payable	\$	494
Lease liability - operating, current portion		62,240
Deferred revenue		161,245

Total current liabilities 223,979

**NON-CURRENT LIABILITIES**

Lease liability - operating, non-current portion		290,429
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**TOTAL LIABILITIES** 514,408

**NET ASSETS**

Designated - Reserve Fund		600,000
Undesignated		1,754,336

Total net assets 2,354,336

**TOTAL LIABILITIES AND NET ASSETS** \$ 2,868,744



**STATEMENT OF ACTIVITIES AND  
CHANGES IN NET ASSETS**

**DELAWARE ASSOCIATION OF  
PROFESSIONAL ENGINEERS**

**FOR THE YEAR ENDED APRIL 30, 2024**

REVENUES

Fundamentals of engineering:	
Application fees	\$ 3,850
Professional engineer:	
Application fees	87,150
Registration fees	12,044
Renewals	195,676
Certification of authorization:	
Initial fee	32,600
Renewals	218,674
Penalties	9,725
Miscellaneous	5,945
Interest and dividends	44,646
Unrealized gain on investments	<u>80,511</u>
Total revenues	<u>690,821</u>

EXPENSES

Program services	419,525
Management and general	<u>81,398</u>
Total expenses	<u>500,923</u>
Change in net assets	189,898
Net assets, beginning of year	<u>2,164,438</u>
Net assets, end of year	<u>\$ 2,354,336</u>

**STATEMENT OF FUNCTIONAL EXPENSES**

**DELAWARE ASSOCIATION OF  
PROFESSIONAL ENGINEERS**

**FOR THE YEAR ENDED APRIL 30, 2024**

	Program Services	Management & General	Total
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries	\$ 175,705	\$ 21,686	\$ 197,391
Employee benefits	48,134	5,941	54,075
Payroll Taxes	14,216	1,755	15,971
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>238,055</b>	<b>29,382</b>	<b>267,437</b>
<b>EXPENSES:</b>			
Auto expenses	610	0	610
Consulting and accounting	0	36,487	36,487
Depreciation expense	2,724	336	3,060
Facilities	2,530	312	2,842
Information technology	17,397	2,147	19,544
Insurance	3,308	408	3,716
Internet service fees	9,775	1,206	10,981
Investigative services	10,561	0	10,561
Licensure promotion	12,343	0	12,343
Maintenance contracts	2,143	265	2,408
Membership services	22,943	0	22,943
Miscellaneous expenses	1,148	142	1,290
NCEES membership	6,500	0	6,500
Office expenses	27,177	3,354	30,531
Public information	2,690	0	2,690
Rent expense	59,621	7,359	66,980
Travel and conferences	17,120	0	17,120
<b>TOTAL EXPENSES</b>	<b>\$ 419,525</b>	<b>\$ 81,398</b>	<b>\$ 500,923</b>

**STATEMENT OF CASH FLOWS**

**DELAWARE ASSOCIATION OF  
PROFESSIONAL ENGINEERS**

**FOR THE YEAR ENDED APRIL 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from members and applicants	\$ 397,202
Cash paid to suppliers and employees	(498,792)
Interest and dividends received	<u>44,646</u>
Net cash used by operating activities	<u>(56,944)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	0
Proceeds from sales and maturities of investments	203,000
Purchases of investments	<u>(247,646)</u>
Net cash used by investing activities	<u>(44,646)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(101,590)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>162,993</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 61,403</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ 189,898
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	3,060
Unrealized (gain) loss on investments	(80,511)
(Increase) decrease in assets:	
Right-of-use assets - operating	65,279
Increase (decrease) in liabilities:	
Accounts payable	175
Lease liability - operating	(66,383)
Deferred revenue	<u>(168,462)</u>
Net cash provided (used) by operating activities	<u>\$ (56,944)</u>
SUPPLEMENTAL NON-CASH DISCLOSURE	
Right-of-use asset obtained in exchange for operating lease liabilities	<u>\$ 329,782</u>

Note 1 Summary of the Organization's activities and significant accounting policiesOrganization's activities

The objectives of Delaware Association of Professional Engineers (the "Association") are to regulate the practice of engineering; to provide for the registration of qualified persons as Professional Engineers and the certification of Engineers-in-training; to provide and administer qualifying examinations in order to safeguard life, health and property; and to promote the public welfare within the State of Delaware. The Association was established on July 7, 1972 by Delaware Code Title 24, Chapter 28, and is considered an instrumentality of the State of Delaware.

Basis of presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles, ("U.S. GAAP").

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to other activities considered to be of a more unusual or nonrecurring nature. All of the Association's activities have been deemed to be operating activities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, and short-term, highly liquid investments with original maturities of three months or less, except for such instruments held within investment accounts.

Note 1 Summary of the Organization's activities and significant accounting policies (cont'd)Investments

Investments are stated at fair value and consist of money market funds and negotiable certificates of deposit. The Association considers the negotiable certificates of deposit as securities, and therefore classifies them as investments. Investments with a maturity date within one year of April 30, 2024, respectively, are classified as "Investments, current portion."

Fair value hierarchy

FASB ASC 820-10 establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 - unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Property and equipment

Property and equipment are stated at cost. Cost is the purchase price at date of acquisition, if purchased, or the fair value at date of donation, if acquired by gift. The Association's policy is to capitalize long-lived assets with costs over \$ 2,500.

Depreciation is computed by using the straight-line method over the following useful lives:

Furniture and equipment	3 - 10 years
Leasehold improvements	5 - 10 years



Note 1 Summary of the Organization's activities and significant accounting policies (cont'd)

Revenue recognition

License fees, which are nonrefundable, are recognized ratably over the licensing period because the benefits to the Association members are consistent throughout the year. License fees for Certificates of Authorization and Professional Engineers are recognized over a one- and two-year period, respectively. The performance obligation consists of providing licensees continuous access to operate as a qualified person or entity within the State of Delaware.

Amount that are received in advance are deferred to the applicable period. Revenue from application fees for entrance into the membership, exam fees and penalties levied are earned when received, as these benefits to the Association are transferred at a point in time.

The following table provides information about significant changes in deferred revenue for the year ended April 30, 2024:

Deferred revenue, beginning of year	\$ 329,707
Previously deferred revenue recognized	(297,013)
Cash received from members and applicants	290,406
Current revenue recognized	<u>(161,855)</u>
Deferred revenue, end of year	<u>\$ 161,245</u>

Leases

The Association determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Association recognizes a lease liability and a right-of-use (ROU) asset at commencement date of the lease. The lease liability is recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable or, otherwise, the Association uses the risk-free U.S. Treasury rate based on the term of the lease. The ROU asset is amortized over the lease term using the straight-line method net interest accretion. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Association has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that is reasonably certain to be exercised. The Association recognizes lease costs associated with short-term leases on a straight-line basis over the lease term.

Note 1 Summary of the Organization's activities and significant accounting policies (cont'd)Income taxes

The Association is exempt from federal income tax as an instrumentality of the State of Delaware. However, income from certain activities not directly related to the Association's tax-exempt purpose may be subject to taxation as unrelated business income. There was no unrelated business income during the years ended April 30, 2024. The Association is not a private foundation.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Association to significant concentrations of credit risk, are principally cash and investments.

Cash deposits are maintained in highly-rated financial institutions within the Association's operating area. These financial institutions are monitored by management to minimize its credit risk. Although these deposits exceed the amount insured from time to time, management believes the risk of loss is remote.

Investments are managed by professional advisors subject to the Association's investment policy. The degree and concentration of credit risk vary by type of investment.

Subsequent events

Management has evaluated subsequent events occurring after April 30, 2024 through December 16, 2024, which is the date the financial statements were dated and available to be issued.

NOTES TO FINANCIAL STATEMENTS

DELAWARE ASSOCIATION OF  
PROFESSIONAL ENGINEERS

Note 2 Liquidity and availability

The following reflects the Association's financial assets as of April 30, 2024:

Financial assets at year end

Cash and cash equivalents	\$ 44,283
Investments, current portion	121,331
Reserve fund	<u>600,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$765,614</u>

Note 3 Investments

Investments consisted of the following at April 30, 2024:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
Money market accounts	\$ 301,070	\$ 301,070	\$ 0
Certificates of deposit	2,319,014	2,137,332	(181,682)
	<u>\$ 2,620,084</u>	<u>\$ 2,438,402</u>	<u>\$ (181,682)</u>

Certificates of deposit were scheduled to mature according to the following schedule as of April 30, 2024:

	<u>Cost</u>	<u>Fair Value</u>
Within one year	\$ 225,000	\$ 217,832
Between one and five years	1,547,000	1,403,372
Greater than five years	547,014	516,128
	<u>\$ 2,319,014</u>	<u>\$ 2,137,332</u>



Note 3 Investments (cont'd)

The Association has determined the fair value of certain assets through application of statement FASB ASC 820-10, *Fair Value Measurements*. Fair values of assets measured on a recurring basis at April 30 were as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market accounts	\$ 301,071	\$ 301,071	\$ 0	\$ 0
Certificates of deposit	2,137,332	0	2,137,332	0
	<u>\$ 2,438,403</u>	<u>\$ 301,071</u>	<u>\$ 2,137,332</u>	<u>\$ 0</u>

Note 4 Property and equipment

Property and equipment consisted of the following at April 30:

Furniture and equipment	\$ 118,036
Leasehold improvements	10,000
	<u>128,036</u>
Less accumulated depreciation	116,822
	<u>\$ 11,214</u>

Depreciation expense was \$ 3,060 for the year ended April 30, 2024.

Note 5 Retirement plan

The Association has a contributory Simplified Employee Pension (SEP) plan which covers all employees who elect to participate in the plan. Contributions are made by the Association based on 10% of employees' gross salaries. The total retirement expense for the year ended April 30, 2024 was \$ 15,960. The Association's policy is to fund pension costs as incurred.

Note 6 Risks and uncertainties

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and current economic conditions, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Association’s investment balances.

Note 7 Leases

The Association’s operating lease is for office space in New Castle, Delaware with a 5-year term that expired in August 2024, and was renewed with a 5-year term through August 2029.

Lease cost

The components of lease cost for the year ended April 30, 2024 are as follows:

Operating leases	
Fixed lease expense	\$ 66,980
Variable lease expense	<u>0</u>
Total operating lease cost	<u>\$ 66,980</u>

Weighted-average information

Weighted-average remaining lease term in years:

Operating leases	4.70
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Weighted-average discount rate:

Operating leases	3.30%
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Note 7 Leases (cont'd)

Future minimum lease payments

Future commitments as a result of the long-term lease is as follows:

2025	\$	69,326
2026		70,484
2027		71,538
2028		72,532
2029		73,657
Thereafter		<u>24,686</u>
Total lease payments		382,223
Less interest		<u>(29,554)</u>
Present value of lease liabilities	\$	<u>352,669</u>

Note 8 Related party transactions

The Association is a member of the National Council of Examiners for Engineering and Surveying (NCEES). The NCEES provides leadership in professional licensure of engineers through uniform laws, licensing standards, and professional ethics. They also provide services to Member Boards that promote uniform licensing procedures which emphasize quality education, examination, experience, and continuing professional competency. The Association paid annual membership dues to the NCEES in the amount of \$ 6,500 for 2024. There were no amounts due to the NCEES at April 30, 2024.

Note 9 Reserve fund

Article XIII, Section 4.0 of the Association's by-laws require a reserve fund to be established for emergency, unforeseen, or unusual expenses. The Association's governing Council has designated \$ 600,000 of the Association's net assets balance as of April 30, 2024, as a reserve fund to meet this requirement.