

FIFTY-THIRD ANNUAL REPORT
SEPTEMBER 2024 - AUGUST 2025



DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS
92 READ'S WAY, SUITE 208
NEW CASTLE, DELAWARE 19720
www.dape.org

SUBMITTED: JANUARY 2026

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

SEPTEMBER 2024 - AUGUST 2025

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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Members*	7748	7098	7130	6500
Associate Members	1263	1221	1250	1234
Total	9011	8319	8380	7734

*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 2025, with the following results:

<u>Candidate</u>	<u>Council Seat</u>	<u>Votes Received</u>
Anthony Kline	Other Engineering	413
Mark Scarborough	Industry	416
Stacy McNatt	Government	396
Melanie Smith	Chemical	398

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, 2025, the Council members, the seats they occupied, and the expiration dates of their terms were as follows:

Name	Council Seat	Term Expires
Appointed:		
Anthony Ingram	New Castle County	6/20/2029
Michael Rasmussen	Kent County	6/18/2029
Chad Lingenfelder, Esq.	Sussex County	10/6/2026
Elected:		
Daniel P. Barbato, P.E.	New Castle County	8/31/2026
Diane Calloway, P.E.	Sussex County	8/31/2028
Vincent Fazio, P.E.	Electrical Eng.	8/31/2027
Joseph Jakubowski, P.E.	Civil Eng.	8/31/2026
Anthony Kline, P.E.	Other Eng.	8/31/2029
Stacy McNatt, P.E.	Government	8/31/2029
James Puddicombe, P.E.	Kent County	8/31/2027
David Reinhold, P.E.	Education	8/31/2028
Mark Scarborough, P.E.	Industry	8/31/2026
Melanie A. Smith, P.E.	Chemical Eng.	8/31/2029
Kenneth Tadler, P.E.	Mechanical Eng.	8/31/2028
Theodore A. Thomson, P.E.	Private Consulting	8/31/2027

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).

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.

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

In September 2025, the Attorney General's office assigned Deputy Attorney Alexander Corbin 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 2024/2025 fiscal year audit. The Association's audited financial statements for the fiscal year ending April 30, 2025 is Exhibit B of this Report.

REGISTRATIONS

Individual registrations as a Professional Engineer were as follows:

	<u>9/1/24- 8/31/25</u>	<u>9/1/23- 8/31/24</u>	<u>9/1/22- 8/31/23</u>	<u>9/1/21- 8/31/22</u>
Starting Registrations September 1	8319	8380	7734	7679
New Registrations approved by Council				
Regular	41	64	48	78
Comity/Initial (unlicensed elsewhere)	675	638	623	491
Sub-total New Registrations	716	702	671	569
License Status Changes				
Reinstatements	112	129	104	227
Deceased/Inactive/Retired	(136)	(278)	(129)	(309)
Ending Total Registrations August 31	9011	8319	8380	7734
Net Change	692	(61)	646	55
Delinquent Licensees as of August 31	362	614	322	432

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

	<u>10/1/24- 9/30/25</u>	<u>10/1/23- 9/30/24</u>	<u>10/1/22- 9/30/23</u>	<u>10/1/21- 9/30/22</u>
Starting Authorized Firms	1440	1472	1385	1305
Reinstatements	18	5	10	78
New COAs approved	138	143	147	132
Non-renewals & Inactive Requests	(157)	(180)	(70)	(130)
Ending Total Authorized Firm Registrations	1593	1440	1472	1385
Net Change	153	(32)	87	80

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 177 FE examinations were administered in 2025 (compared to 166 in 2024). Of the total exam takers, 97 (55%) passed and 80 (45%) 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 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, 150 P&PE exams were administered to candidates registered through the Delaware board (compared to 178 candidates in 2024), of which 86 (57%) passed and 64 (43%) 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 81 was signed by the Governor on August 21 2023. This Act amended Chapter 28 of Title 24 of the Delaware Code to remove outdated references, and designate foreign jurisdictions with professional engineers eligible for licensure in Delaware. Additionally, the bill modified the process for the reporting of case decision recommendations to the Council by its subordinate committees and clarified that the Council may seek injunctive relief to enforce its cease-and-desist orders.

COMMITTEES

Volunteers drawn from the DAPE membership served an estimated 1,000 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 2025 the Distinguished Service Award was presented to Ronald Smith who recently completed his term as the Governor-appointed Council member from Kent County. Mr. Smith chaired the Government Affairs & Bylaws Committee, guiding DAPE through eight legislative amendments and three bylaws revisions. These legislative amendments covered topics such as degree requirements, temporary permits, decoupling, international licensure and successor engineers.

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
2024	Charles McAllister, P.E.

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 2024 and August 2025 were:

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

New officers were elected in September 2025, 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 2025-2026 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 2024-2025.

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.

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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Applications for licensure by comity/initial	675	638	623	491
Applications for regular licensure	57	64	71	78
Applications for Certificate of Authorization	138	143	147	132
Requests for Cert. of Auth. Reinstatement	18	5	8	6
Total applications recommended for licensure	888	850	849	767

DAPE has expedited processing for individuals with a Model Law Engineer designation, enabling applicants to be approved for licensure in 1-2 weeks. 76% of the Comity applications approved between 9/1/24-8/31/25 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. Albertson Consulting, Inc., Minot, North Dakota, has been contracted to design and implement a license application and renewal system.

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.

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, 75 new cases were opened, including 9 that were either complaints received by members of the public or that required an investigation. The Law Enforcement/Ethics Committee was successful in getting 83 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. Four complaints were resolved with a final consent order, and one was resolved with a Memorandum of Understanding. Two hearings were held in the past year.

The Law Enforcement/Ethics Committee planned an ethics training opportunity for licensees in June 2025. Presenter Michael Toole, PhD, PE (PA), F.ASCE, discussed similarities and differences among different organizations' Codes of Ethics. 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 172 members that attended in person, more than 500 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.

11. AD HOC WEBSITE COMMITTEE

DAPE Council President V. Fazio, P.E. charged this Ad Hoc Committee with overseeing the process of selecting a vendor and implementing a new license application and renewal software on DAPE's website, as well as updating the public-facing sections of the website.

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.
2025-2026 President of Council

2025-2026 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.	Associate 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
M. Rasmussen	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
D. Liu, P.E., Ph.D.	Associate Member
M. McDonough, P.E.	Associate Member
R. Roddy, P.E.	Associate Member
M. Scarborough, P.E.	Council Member
D. Seavey, P.E.	Associate Member
M. Smith, P.E.	Council Member
M. Young, P.E.	Associate Member
J. Zelinski, P.E.	Associate Member

GOVERNMENT AFFAIRS/BYLAWS COMMITTEE:

C. Balascio, P.E., Ph.D.	Associate Member
J. Jakubowski, P.E., LEED AP, Co-Chair	Council Member
C. Lingenfelder, Esq., Co-Chair	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
H. Brown, P.E.	Associate 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
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
A. Ingram	Council 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 & EXTERNAL AFFAIRS COMMITTEE

S. McNatt, P.E.	Council Member
J. Hastings, P.E.	Associate Member
J.D. Jakubowski, P.E.	Associate Member
J. Kalmbacher, P.E.	Associate Member
A. Kline, P.E.	Council Member
S. Laws, P.E.	Associate Member
S. McNatt, P.E.	Associate Member

AD HOC WEBSITE COMMITTEE

D. Calloway, P.E.	Council Member
M. Clendaniel, P.E.	Associate Member
J. Jakubowski, P.E., LEED AP, Chair	Council Member
J. Kalmbacher, P.E.	Associate Member
M. Lennon, P.E.	Associate Member
M. Scarborough, P.E.	Council Member
K. Tadler, P.E.	Council Member

DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS
FINANCIAL STATEMENTS
APRIL 30, 2025 AND 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	7
NOTES TO FINANCIAL STATEMENTS	8

INDEPENDENT AUDITORS' REPORT

To the Council and Management
Delaware Association of Professional Engineers
Newark, Delaware

Opinion

We have audited the accompanying financial statements of Delaware Association of Professional Engineers (a nonprofit organization – see Note 1), which comprise the statement of financial position as of April 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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, 2025 and 2024, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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.

Gunnip & Company LLP

Wilmington, Delaware

September 11, 2025

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION
APRIL 30, 2025 AND 2024

**DELAWARE ASSOCIATION OF
PROFESSIONAL ENGINEERS**

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 258,077	\$ 44,283
Investments, current portion	122,219	121,331
Prepaid expenses	<u>2,015</u>	<u>2,015</u>
Total current assets	<u>382,311</u>	<u>167,629</u>
NON-CURRENT ASSETS		
Property and equipment, net	8,154	11,214
Right-of-use asset - operating	285,811	350,486
Investments, long-term	2,440,401	2,317,071
Security deposit	<u>4,650</u>	<u>4,650</u>
Total non-current assets	<u>2,739,016</u>	<u>2,683,421</u>
TOTAL ASSETS	<u><u>\$ 3,121,327</u></u>	<u><u>\$ 2,851,050</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 494	\$ 494
Lease liability - operating, current portion	66,423	62,240
Deferred revenue	<u>345,220</u>	<u>161,245</u>
Total current liabilities	<u>412,137</u>	<u>223,979</u>
NON-CURRENT LIABILITIES		
Lease liability - operating, non-current portion	<u>224,006</u>	<u>289,855</u>
TOTAL LIABILITIES	<u>636,143</u>	<u>513,834</u>
NET ASSETS		
Designated - Reserve Fund	600,000	600,000
Undesignated	<u>1,885,184</u>	<u>1,737,216</u>
Total net assets	<u>2,485,184</u>	<u>2,337,216</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,121,327</u></u>	<u><u>\$ 2,851,050</u></u>

See accompanying notes to financial statements.

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

**DELAWARE ASSOCIATION OF
PROFESSIONAL ENGINEERS**

FOR THE YEARS ENDED APRIL 30, 2025 AND 2024

	2025	2024
REVENUES		
Fundamentals of engineering:		
Application fees	\$ 3,950	\$ 3,850
Professional engineer:		
Application fees	90,150	87,150
Registration fees	21,300	12,044
Renewals	201,467	195,676
Certification of authorization:		
Initial fee	25,000	32,600
Renewals	234,533	218,674
Penalties	33,940	9,725
Miscellaneous	3,195	5,945
Interest and dividends	51,601	44,646
Unrealized gain on investments	72,617	80,511
	<hr/>	<hr/>
Total revenues	737,753	690,821
	<hr/>	<hr/>
EXPENSES		
Program services	508,654	442,269
Management and general	81,131	75,773
	<hr/>	<hr/>
Total expenses	589,785	518,042
	<hr/>	<hr/>
Change in net assets	147,968	172,779
Net assets, beginning of year	2,337,216	2,164,437
	<hr/>	<hr/>
Net assets, end of year	\$ 2,485,184	\$ 2,337,216
	<hr/>	<hr/>

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2025

**DELAWARE ASSOCIATION OF
PROFESSIONAL ENGINEERS**

	Program Services	Management & General	Total
SALARIES AND RELATED EXPENSES			
Salaries	\$ 208,033	\$ 22,120	\$ 230,153
Employee benefits	52,875	5,622	58,497
Payroll Taxes	16,318	1,736	18,054
TOTAL SALARIES AND RELATED EXPENSES	277,226	29,478	306,704
EXPENSES:			
Consulting and accounting	0	36,350	36,350
Depreciation expense	2,766	294	3,060
Facilities	638	68	706
Information technology	16,999	1,807	18,806
Insurance	5,093	542	5,635
Internet service fees	21,739	2,312	24,051
Investigative services	7,251	0	7,251
Licensure promotion	6,367	0	6,367
Maintenance contracts	1,791	190	1,981
Membership services	47,026	0	47,026
Miscellaneous expenses	1,171	124	1,295
NCEES membership	6,500	0	6,500
Office expenses	28,242	3,003	31,245
Public information	2,530	0	2,530
Rent expense	65,486	6,963	72,449
Travel and conferences	17,829	0	17,829
TOTAL EXPENSES	<u>\$ 508,654</u>	<u>\$ 81,131</u>	<u>\$ 589,785</u>

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2024

**DELAWARE ASSOCIATION OF
PROFESSIONAL ENGINEERS**

	Program Services	Management & General	Total
SALARIES AND RELATED EXPENSES			
Salaries	\$ 178,420	\$ 18,971	\$ 197,391
Employee benefits	48,878	5,197	54,075
Payroll Taxes	14,436	1,535	15,972
TOTAL SALARIES AND RELATED EXPENSES	241,734	25,703	267,438
EXPENSES:			
Auto expenses	610	0	610
Consulting and accounting	0	36,487	36,487
Depreciation expense	2,766	294	3,060
Facilities	2,569	273	2,842
Information technology	17,666	1,878	19,544
Insurance	3,359	357	3,716
Internet service fees	9,926	1,055	10,981
Investigative services	10,561	0	10,561
Licensure promotion	12,343	0	12,343
Maintenance contracts	2,177	231	2,408
Membership services	22,943	0	22,943
Miscellaneous expenses	1,170	124	1,294
NCEES membership	6,500	0	6,500
Office expenses	27,592	2,934	30,526
Public information	2,690	0	2,690
Rent expense	60,543	6,437	66,980
Travel and conferences	17,120	0	17,120
TOTAL EXPENSES	\$ 442,269	\$ 75,773	\$ 518,043

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024

**DELAWARE ASSOCIATION OF
PROFESSIONAL ENGINEERS**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members and applicants	\$ 797,510	\$ 397,202
Cash paid to suppliers and employees	(583,716)	(515,912)
Interest and dividends received	<u>51,601</u>	<u>44,646</u>
Net cash used by operating activities	<u>265,395</u>	<u>(74,064)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	0	203,000
Purchases of investments	<u>(51,601)</u>	<u>(247,646)</u>
Net cash used by investing activities	<u>(51,601)</u>	<u>(44,646)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	213,794	(118,710)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>44,283</u>	<u>162,993</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 258,077</u></u>	<u><u>\$ 44,283</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 147,968	\$ 172,779
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	3,060	3,060
Unrealized gain on investments	(72,617)	(80,511)
(Increase) decrease in assets:		
Right-of-use assets - operating	64,675	65,279
Increase (decrease) in liabilities:		
Accounts payable	0	175
Lease liability - operating	(61,666)	(66,383)
Deferred revenue	<u>183,975</u>	<u>(168,462)</u>
	<u>117,427</u>	<u>(246,842)</u>
Net cash provided (used) by operating activities	<u><u>\$ 265,395</u></u>	<u><u>\$ (74,063)</u></u>
SUPPLEMENTAL NON-CASH DISCLOSURE		
Right-of-use asset obtained in exchange for operating lease liabilities	<u>\$ 0</u>	<u>\$ 329,782</u>

See accompanying notes to financial statements.

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"). Despite being considered an instrumentality of the state, the Association does not meet any of the below characteristics to be considered a governmental entity, and therefore falls under ASC Topic 958, *Not-for-profit entities*:

- Popular election of officers or appointment (or approval) of a controlling majority of the members of the organization's governing body by officials of one or more state or local governments;
- The potential for unilateral dissolution by a government, with the net assets reverting to a government;
- The power to enact and enforce a tax levy.

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.

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

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, 2025, 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.

NOTES TO FINANCIAL STATEMENTS

DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS

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

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

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of year	\$ 161,245	\$329,707
Previously deferred revenue recognized	(161,245)	(297,013)
Cash received from members and applicants	666,300	290,406
Current revenue recognized	<u>(321,080)</u>	<u>(161,855)</u>
Deferred revenue, end of year	<u>\$ 345,220</u>	<u>\$161,245</u>

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

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, 2025 and 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.

NOTES TO FINANCIAL STATEMENTS

DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS

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

Subsequent events

Management has evaluated subsequent events occurring after April 30, 2025 through September 11, 2025, which is the date the financial statements were dated and available to be issued.

Note 2 Liquidity and availability

The following reflects the Association's financial assets as of April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$258,077	\$ 44,283
Investments, current portion	122,219	121,331
Reserve Fund	<u>600,000</u>	<u>600,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$980,296</u>	<u>\$765,614</u>

Note 3 Investments

Investments consisted of the following at April 30, 2025 and 2024:

<u>2025</u>			
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
Money market accounts	\$ 371,665	\$ 371,665	\$ 0
Certificates of deposit	<u>2,300,020</u>	<u>2,190,955</u>	<u>(109,065)</u>
	<u>\$ 2,671,685</u>	<u>\$ 2,562,620</u>	<u>\$ (109,065)</u>
<u>2024</u>			
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
Money market accounts	\$ 301,070	\$ 301,070	\$ 0
Certificates of deposit	<u>2,319,014</u>	<u>2,137,332</u>	<u>(181,682)</u>
	<u>\$ 2,620,084</u>	<u>\$ 2,438,402</u>	<u>\$ (181,682)</u>

NOTES TO FINANCIAL STATEMENTS

DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS

Note 3 Investments (cont'd)

Certificates of deposit were scheduled to mature according to the following schedule as of April 30, 2025 and 2024:

2025		
	Cost	Fair Value
Within one year	\$ 125,000	\$ 122,219
Between one and five years	1,522,006	1,438,687
Greater than five years	653,014	630,049
	<u>\$ 2,300,020</u>	<u>\$ 2,190,955</u>

2024		
	Cost	Fair Value
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>

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:

2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 371,665	\$ 371,665	\$ 0	\$ 0
Certificates of deposit	2,190,955	0	2,190,955	0
	<u>\$ 2,562,620</u>	<u>\$ 371,665</u>	<u>\$ 2,190,955</u>	<u>\$ 0</u>

2024	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 301,070	\$ 301,070	\$ 0	\$ 0
Certificates of deposit	2,137,332	0	2,137,332	0
	<u>\$ 2,438,402</u>	<u>\$ 301,070</u>	<u>\$ 2,137,332</u>	<u>\$ 0</u>

NOTES TO FINANCIAL STATEMENTS

DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS

Note 4 Property and equipment

Property and equipment consisted of the following at as of April 30:

	2025	2024
Furniture and equipment	\$ 118,036	\$ 118,036
Leasehold improvements	10,000	10,000
	<u>128,036</u>	<u>128,036</u>
Less accumulated depreciation	119,882	116,822
	<u>\$ 8,154</u>	<u>\$ 11,214</u>

Depreciation expense was \$ 3,060 for each of the years ended April 30, 2025 and 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 expenses for the year ended April 30, 2025 and 2024 was \$ 18,127 and \$ 15,960, respectively. 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.

NOTES TO FINANCIAL STATEMENTS

DELAWARE ASSOCIATION OF PROFESSIONAL ENGINEERS

Note 7 Leases (cont'd)

Lease cost

The components of lease cost for the year ended April 30, 2025 are as follows:

	<u>2025</u>	<u>2024</u>
Operating leases		
Fixed lease expense	\$ 72,449	\$ 71,921
Variable lease expense	<u>0</u>	<u>0</u>
Total operating lease cost	<u>\$ 72,449</u>	<u>\$ 71,921</u>

Weighted-average information

	2025	2024
Weighted-average remaining lease term in years:	4.33	4.70
Weighted-average discount rate:	3.44%	3.30%

Future minimum lease payments

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

2026	\$ 70,484
2027	71,538
2028	72,532
2029	73,657
2030	24,687
Thereafter	<u>0</u>
Total lease payments	312,898
Less interest	<u>(22,469)</u>
PV of lease liabilities	<u>\$ 290,429</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 both 2025 and 2024. There were no amounts due to the NCEES as of April 30, 2025 and 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, 2025 and 2024, as a reserve fund to meet this requirement.