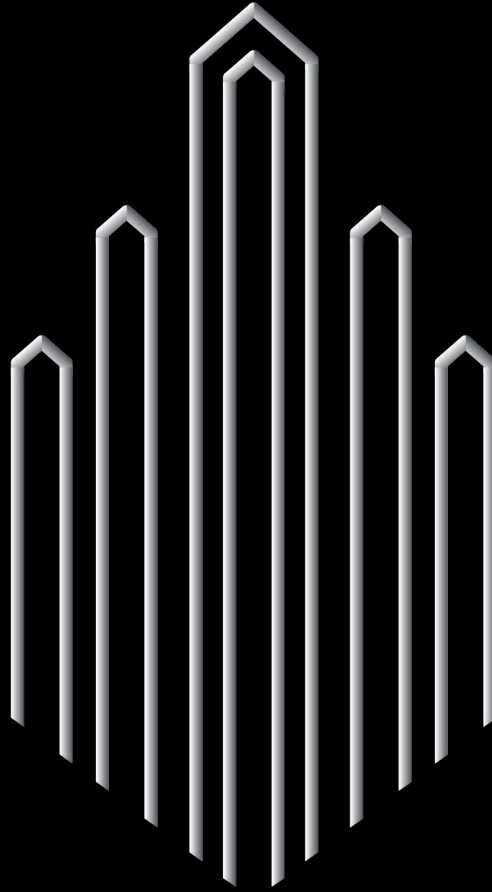




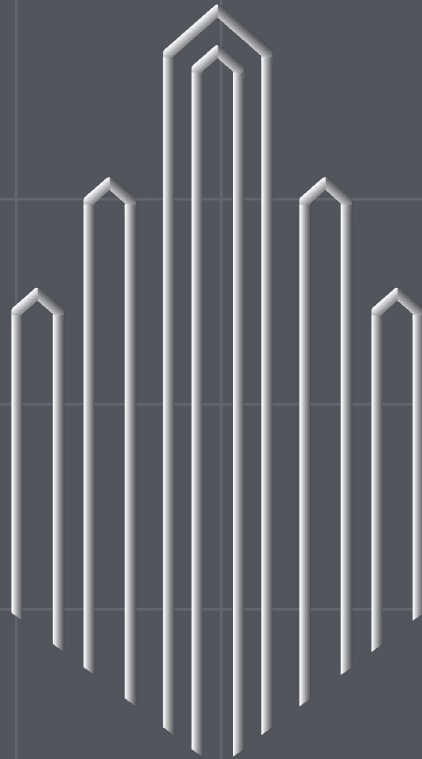
NCEES

*advancing licensure for
engineers and surveyors*

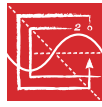


SAFEGUARD

2024 ANNUAL REPORT



SAFEGUARD



NCEES

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President and
CEO's message



24

Inspire



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Lead



36

Leadership and
senior staff



14

Support



40

Financial
statements





President and CEO's message

What a year! From reaching exam milestones and strengthening international relations to expanding outreach and mission initiatives, NCEES has seen a lot of change and growth over the last 12 months. Through it all, the organization has remained focused on its mission of advancing licensure to protect the public.

This annual report details our efforts to safeguard the public through leading on the national and international levels of licensure, supporting the engineering and surveying professions, and inspiring future generations of professional engineers and surveyors. It covers activities and initiatives for 2023–24, which ran from October 2023 through September 2024.

Protecting our financial resources is key to ensuring that NCEES can continue to fulfill its mission. In 2023–24, strong exam-delivery volumes, combined with Records and Credentials revenue, resulted in a higher operational performance versus budget.

The NCEES Foundation was launched in 2023–24. Its purpose is to financially support programs that further our organization's mission of advancing engineering and surveying licensure. During this fiscal year, NCEES transferred over \$7 million to the Foundation.

On September 30, 2024, an annual market valuation adjustment was made to the investment accounts, for both NCEES and the NCEES Foundation. Due to the rise in the market values since the last adjustment (September 30, 2023), a nearly \$9.9 million positive adjustment was recorded. Our financial statements begin on page 40 of this report.

This year's accomplishments were made possible by the hard work and shared commitment of our member boards, volunteers, and staff. Thank you for your unwavering dedication to advancing licensure and protecting the public. More than ever, we are excited to see how the NCEES mission will advance in the years to come.

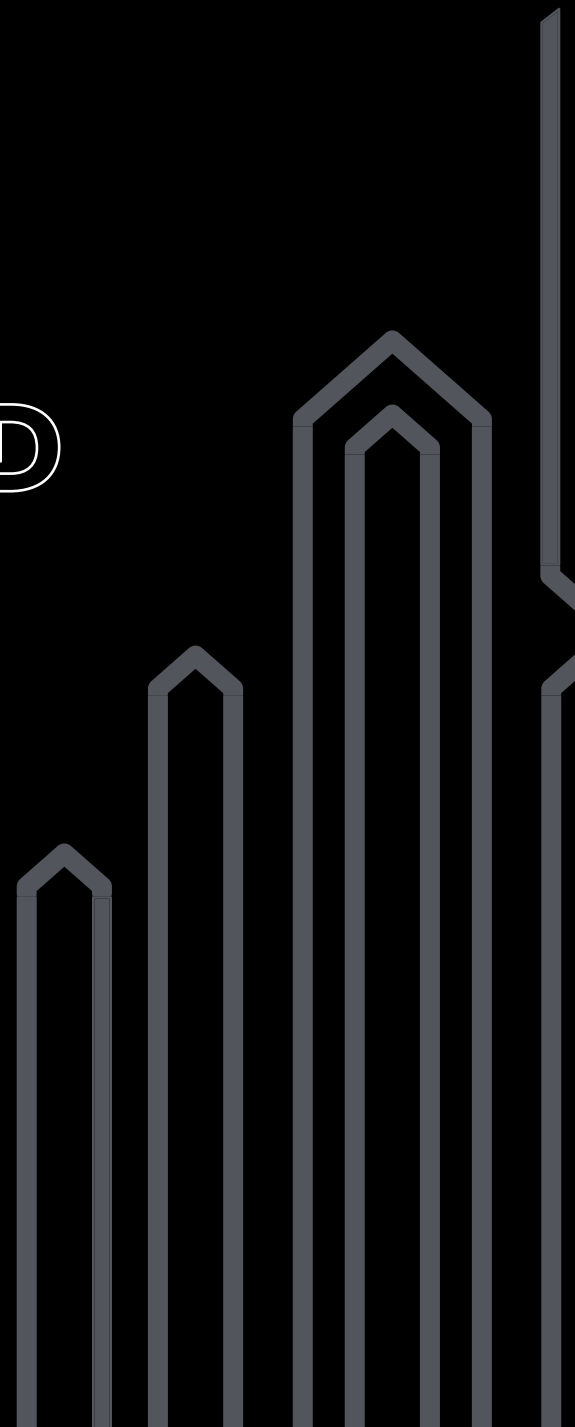
Laura Sievers, P.E.
2023–24 NCEES President

B. David Cox
NCEES Chief Executive Officer

**The mission of NCEES is to
advance licensure for engineers
and surveyors in order to**

SAFEGUARD

**the health, safety, and welfare
of the public.**





2023-24

HIGH LIGHTS



NCEES FOUNDATION

The NCEES Foundation, the Council's new philanthropic arm, officially launched in March 2024 and welcomed its inaugural board of directors.



U.K. MRA

NCEES and the U.K.'s Engineering Council developed and officially adopted a mutual recognition agreement between the United States and the United Kingdom that will provide a more direct path for licensed engineers to practice in both countries. The organizations held a ceremonial signing in August 2024 as part of the NCEES annual meeting.



EXAM UPDATES

In April 2024, NCEES completed the active 10-year transition of all exams to computer-based testing with the launch of the computer-based PE Structural exam.



NCEES launched new online, interactive Fundamentals of Engineering practice exams to better support candidates during exam prep.

ACEC SCHOLARSHIPS



NCEES partnered with the American Council of Engineering Companies to create a new scholarship program that annually awards \$5,000 scholarships to an engineering or surveying student in each state. The first round of scholarships was awarded in August 2024.

ASCE NATIONAL EDUCATION PARTNER



NCEES was the 2024 National Education Partner of the American Society of Civil Engineers. This partnership, in part, supported ASCE's new IMAX film, *Cities of the Future*.

FE AMBASSADOR PROGRAM



NCEES completed the pilot year of its FE Ambassador Program, in which student ambassadors promote licensure and the FE exam on their respective campuses to fellow students.

FUTURE CITY COMPETITION EXPANSION



DiscoverE's annual Future City Competition challenges national middle school teams to design and build cities of the future. In 2024, NCEES helped expand the competition to high school students.



LEAD

NCEES determines best practices for professional licensing and collaborates with licensure partners, both domestically and internationally, with one goal in mind—to protect the public.





At the 2024 NCEES annual meeting in Chicago, Illinois, member boards debate licensure issues as a Council and vote on motions proposed by committees and task forces at business sessions.

Setting the standard

NCEES is made up of 69 licensing boards that regulate the engineering and surveying professions in the United States. These boards are located in each U.S. state, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Throughout 2023–24, member boards continued to determine best practices for engineering and surveying licensure, promote licensure regulations to protect the public, and improve licensure uniformity among states. Committees and task forces met in the beginning of 2024, and the four NCEES regional zones met in the spring. This work culminated in the 103rd annual meeting, which took place in August 2024 in Chicago, Illinois.

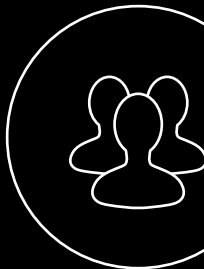


2023–24 Committees and task forces

Member board members, emeritus members, and associate members serve on NCEES standing committees and task forces.

14

Committees and task forces



125

Members



9

Consultants

83

Charges





At the annual meeting, member board delegates gathered to discuss licensure and set Council policy, addressing more than 100 motions put forth by the committees and task forces. This year, the Council completed a comprehensive review of the *Bylaws*, which outlines the structure of the organization. Regarding policy changes, the Council added a position statement on professional ethics and created a Meritorious Service Award with Special Commendation to

recognize continuing dedicated service of member board staff to NCEES and its mission. The Council also approved a \$100,000 contribution to the new NCEES Foundation that can be spent in 2024–25 on mission initiatives as well as a \$3 million transfer that will become part of the Foundation’s investment corpus.

Protecting and promoting responsible licensing

Safeguarding the health, safety, and welfare of the public lies at the heart of the NCEES mission statement. In response to emerging anti-licensure legislation, NCEES is working hard with industry partners and member boards to ensure the professions' public protections do not get swept away in state bills aimed at reducing or removing licensing standards.

In 2023–24, NCEES tracked a total of 112 bills; 74 percent of those bills were marked and monitored as priority. Many such bills failed to grasp the importance of the current licensure requirements for engineering and surveying and often lumped many professions together without considering their differing effects on public safety.

As part of its efforts to support and promote licensure's public protections, NCEES helped found the Alliance for Responsible Professional Licensing (ARPL) in 2019. ARPL is a coalition of national associations that represent highly complex technical professions—including accounting, architecture, engineering, landscape architecture, and surveying—and their national licensing boards.

In the growing debate surrounding licensure requirements, ARPL aims to educate policymakers and the public on the need to maintain clear, responsible licensing standards within the advanced professions. In response to the recent legislative trends, ARPL hired Benenson Strategy Group (BSG) to conduct focus groups on the importance of licensure in spring 2024. BSG found a general consensus that rigorous professional licensing is necessary and invaluable, especially when it comes to professions such as architects, engineers, surveyors, and CPAs.

BSG used these findings to develop a public opinion survey on licensure, which was fielded in April. The survey findings indicate that voters recognize the importance of licensing and demand rigorous licensing for ARPL professions. They also found that voters

What is the public view of licensure?

2024 ARPL research shows voters recognize the importance of licensing, especially in the ARPL professions.



75%

75% of voters believe licensing is essential for guaranteeing professional qualifications



72%

72% of voters agree that licensing keeps the public safe



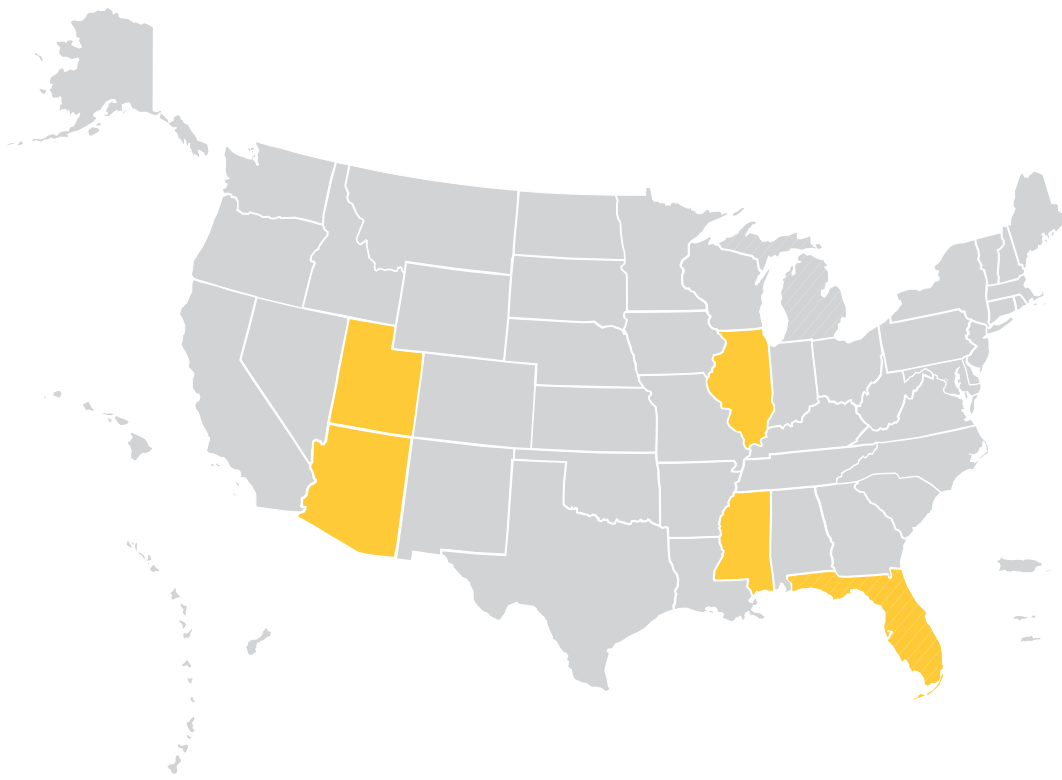
83%

83% of voters believe it is important for professionals in ARPL fields to meet qualifications



45%

45% of voters believe it is *extremely important* for professionals in ARPL fields to meet qualifications



2023–24 Mini-ARPLs

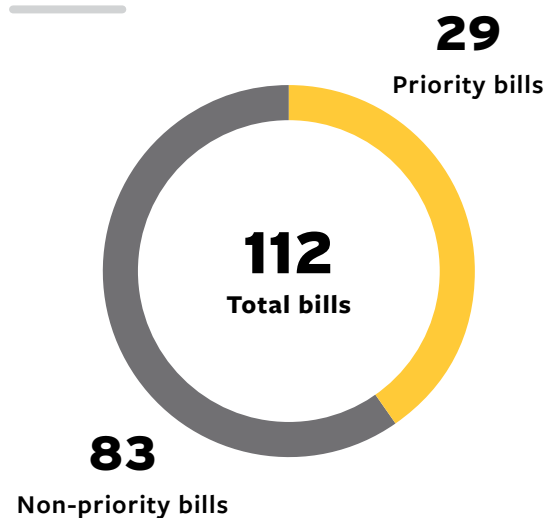
Mini-ARPLs were held in the following jurisdictions this year:

- Arizona
- Illinois
- Florida
- Mississippi
- Utah

2023–24 Tracked bills

strongly endorse key elements of licensure—with more than 85 percent agreeing that examinations, education standards, and practical experience hours are important—and that more than 90 percent of voters view the responsibilities of member boards as important. Member board responsibilities include determining and overseeing professional qualifications, developing and revising licensing exams, ensuring professionals maintain continuing education requirements, investigating consumer complaints and enforcing disciplinary actions, and establishing consistent standards for state licensure mobility.

NCEES facilitates ARPL’s work on the state level through mini-ARPLs—a joint legislative effort between ARPL and state partners during the legislative session. As part of the mini-ARPLs, NCEES staff met with various member boards to discuss problematic bill language, bill amendments, potential bill sponsors, and effective strategy. These sessions helped defeat several anti-licensing bills and preserve licensure’s public protections.



In 2023–24, staff tracked more than 100 bills pertaining to licensure and assisted 15 member boards in addressing legislative activities, including helping with testimony, fact sheets, outreach efforts, and strategy.



Strengthening international influence

NCEES is committed to facilitating licensure mobility and determining licensing standards on a national and international level. Already, the organization administers exams internationally and is part of multiple International Engineering Alliance (IEA) agreements that encourage international mobility.

The IEA is an umbrella organization that coordinates seven international agreements for engineering education and mobility. NCEES represents the United States in two of these agreements: the International Professional Engineers Agreements (IPEA) and the Asia-Pacific Economic Cooperation (APEC) Engineer Agreement.

As a signatory of the APEC agreement and IPEA, NCEES maintains a registry to assist U.S.-based professional engineers who are seeking recognition in any of the countries that

NCEES representatives CEO David Cox and President Laura Sievers, P.E., and Engineering Council representatives Chair John Chudley and International Affairs Manager Dave Clark complete the ceremonial signing of the MRA as part of the 2024 NCEES annual meeting in Chicago.

are members of these two mobility accords. At the close of 2023–24, the NCEES International Registry included 865 active professional engineer members.

In 2024, a mutual recognition agreement (MRA) between the United States and the United Kingdom was officially adopted by NCEES and the U.K.'s Engineering Council. This agreement aims to provide a more direct path for licensed engineers to practice in each country and was built on the framework of the International Professional Engineers Agreement, of which both countries are members. The MRA acknowledges and upholds discipline-specific and jurisdictional requirements of the member boards that decide to participate.

As part of the 2024 annual meeting, NCEES staff, participating member boards, and Engineering Council representatives celebrated the MRA with a ceremonial signing

IEA mobility agreements for engineering profession

APEC AGREEMENT

14
Countries

IPEA

15
Countries

NCEES
U.S. representative



NCEES

International Registry for Professional Engineers

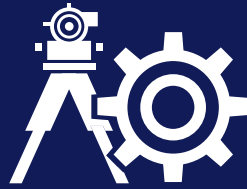
865
Members



NCEES representatives meet with Paul Bailey, CEO of the U.K. Engineering Council (third from left), and Katy Turff, deputy CEO of the U.K. Engineering Council (third from right), at the IEA meeting in Delhi, India.

of the agreement at the Chicago Marriott Downtown Magnificent Mile on August 13, 2024. Representatives from 26 member boards participated.

To support its expanding international initiatives, like the U.K. MRA, NCEES has established a new staff position: international engagement strategist. This position is designed to maintain the organization's relationships through the IEA; support MRAs, accords, and registries; expand exam availability internationally; and work with foreign licensure authorities. In June 2024, several NCEES staff members, including the new international engagement strategist, and volunteers traveled to Delhi, India, to attend an IEA meeting and discuss international licensure mobility for engineers with other countries in the alliance.



SUPPORT

NCEES continues to advance its exams and licensure mobility programs to best support member boards and professional engineers and surveyors as they work to safeguard the public.





Exam volunteers at NCEES headquarters in Greenville, South Carolina, use their experience and expertise to draft new exam items.

Determining professional competence

NCEES member boards rely on the organization's licensing exams to provide a uniform standard for measuring professional competence. These exams include the Fundamentals of Engineering (FE) and Principles and Practice of Engineering (PE) exams for engineering licensure and the Fundamentals of Surveying (FS) and Principles and Practice of Surveying (PS) exams for surveying licensure.

Staff, psychometricians, and professional engineering and surveying subject-matter experts work together in meetings throughout the year to continue to develop NCEES exams and ensure that they reliably measure candidates' competence now and in the future.

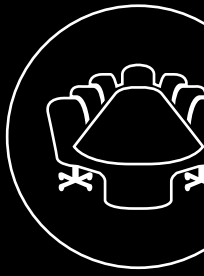


2023-24 Exam development

38
Exams



46
In-person
meetings

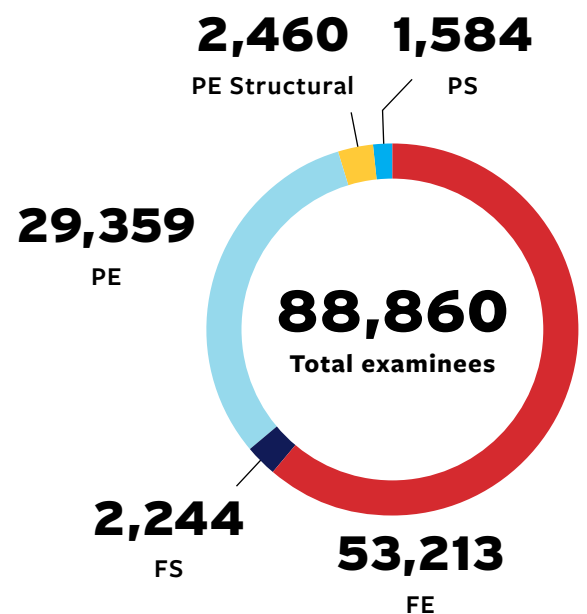


8
Virtual
meetings





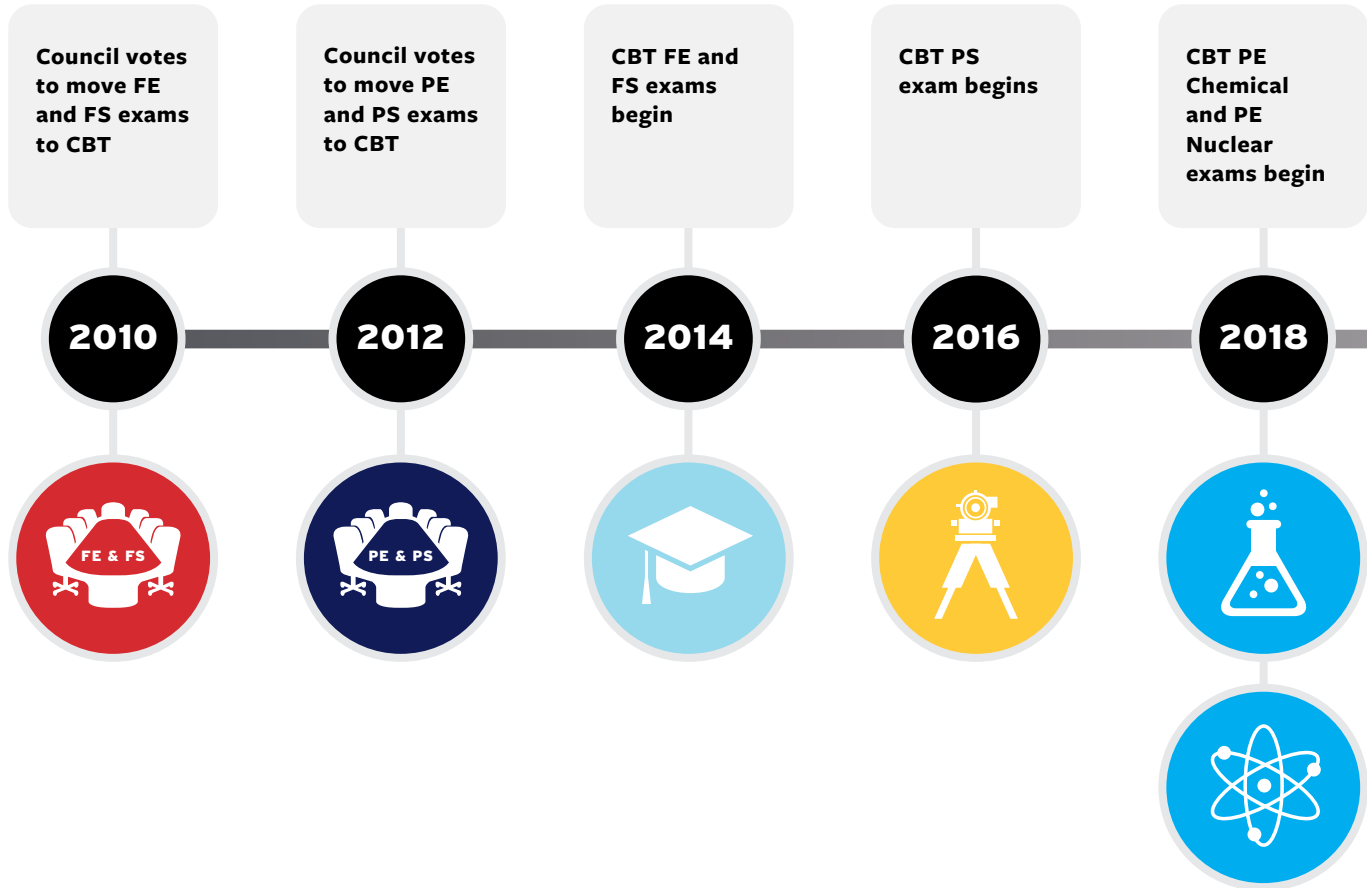
2023-24 NCEES exams



In the past year, 53,213 examinees took the FE exam, 29,359 took the PE exam (excluding the PE Structural exam), and 2,460 took the PE Structural exam. During the same period, 2,244 FS and 1,584 PS examinees took their respective exams. Compared to 2022-23, exam usage numbers for 2023-24 were higher for all engineering and surveying exams:

- FE: up 11 percent from 47,917
- PE: up 19 percent from 24,710
- PE Structural: up 4 percent from 2,372
- FS: up 6 percent from 2,123
- PS: up 27 percent from 1,243

Computer-based testing timeline

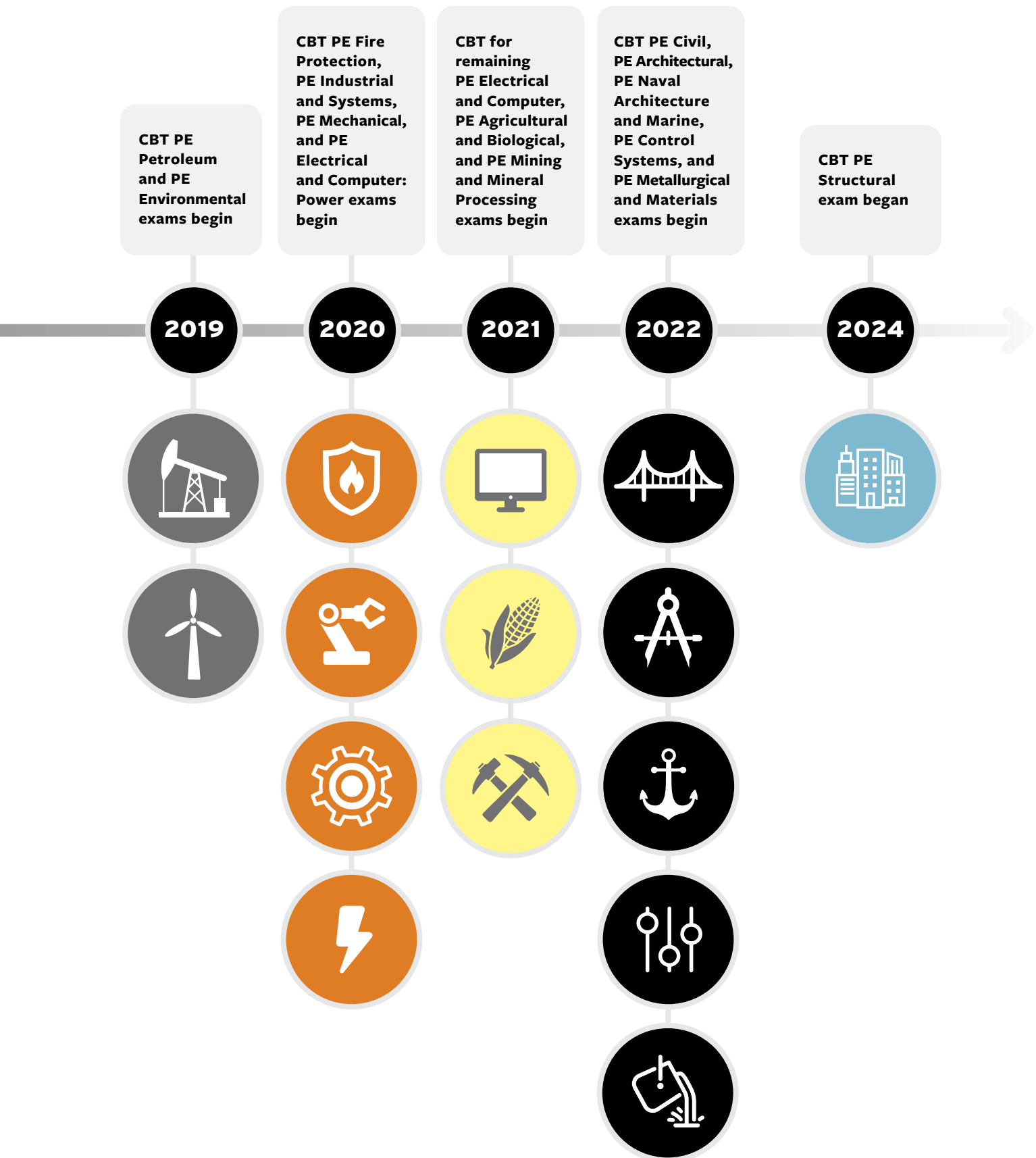


Expanding computer-based testing

To improve exam security and uniformity as well as convenience for member boards and examinees, NCEES has completed its transition of licensing exams to computer-based testing (CBT).

The following exams joined the CBT lineup in October 2022: PE Architectural Engineering, PE Naval Architecture and Marine, PE Control Systems, and PE Metallurgical and Materials.

In October 2023, NCEES administered the last pencil-and-paper PE Structural exam. This exam moved to CBT in 2024, which marked the end of a 10-year transition of all NCEES exams to CBT.



FE Chemical

INTERACTIVE
PRACTICE EXAM



**FE Other
Disciplines**

INTERACTIVE
PRACTICE EXAM



New interactive FE practice exam features

- Online
- Can be timed
- Inactivated FE exam questions
- Multiple-choice and alternative item type questions
- Performance feedback

Supporting exam administration and preparation

NCEES supports member boards through its exam services, which reached a milestone this year when it launched the PE Structural exam in computer-based testing (CBT) format in April. This marks the end of an active 10-year transition of all exams from pencil-and-paper to CBT format. CBT has improved exam security and uniformity as well as increased testing availability for examinees.

To further support candidates during exam prep, NCEES launched new interactive practice exams for the FE exam in June 2024. Previously, FE practice exams were only offered in pencil-and-paper and e-book formats with static question types. The new practice exams are offered online and can be timed.

To form the practice exams, NCEES inactivated 350 exam items from its live question bank. The exam items appear as traditional multiple-choice as well as alternative item types, including fill-in-the-blank, enhanced matching, and point-and-click. The practice exams also have new feedback capability, providing statistics according to the number of correct and incorrect answers in each content area. Within the first three weeks of launch, more than 1,000 exams were purchased, with FE Civil being most popular. As of the end of August 2024, more than 6,000 practice exams have been purchased.

Administering exams internationally

NCEES currently has agreements with 15 foreign entities to administer its licensing exams in 8 countries outside the United States. In 2023–24, the FE exam was administered to 1,684 candidates at international sites, a 12 percent increase over the previous year. The PE exam was administered to 475 candidates at international sites.

2023–24 Exams administered internationally

1,684

FE exams

475

PE exams



International exam administration agreements

NCEES has agreements to administer its exams in the following countries (*FE exam only; + FE and PE exams)

■ Canada

- Alberta+
- British Columbia*
- Manitoba*
- New Brunswick*
- Nova Scotia*
- Prince Edward Island*
- Saskatchewan*

■ Egypt+

■ Emirate of Sharjah+

■ Japan+

■ Saudi Arabia (FE, PE, FS, PS)

■ South Korea+

■ Taiwan+

■ Turkey+

2023–24

Records program

57,869

Total Records transmittals

Advancing mobility with Records and CPC Tracking

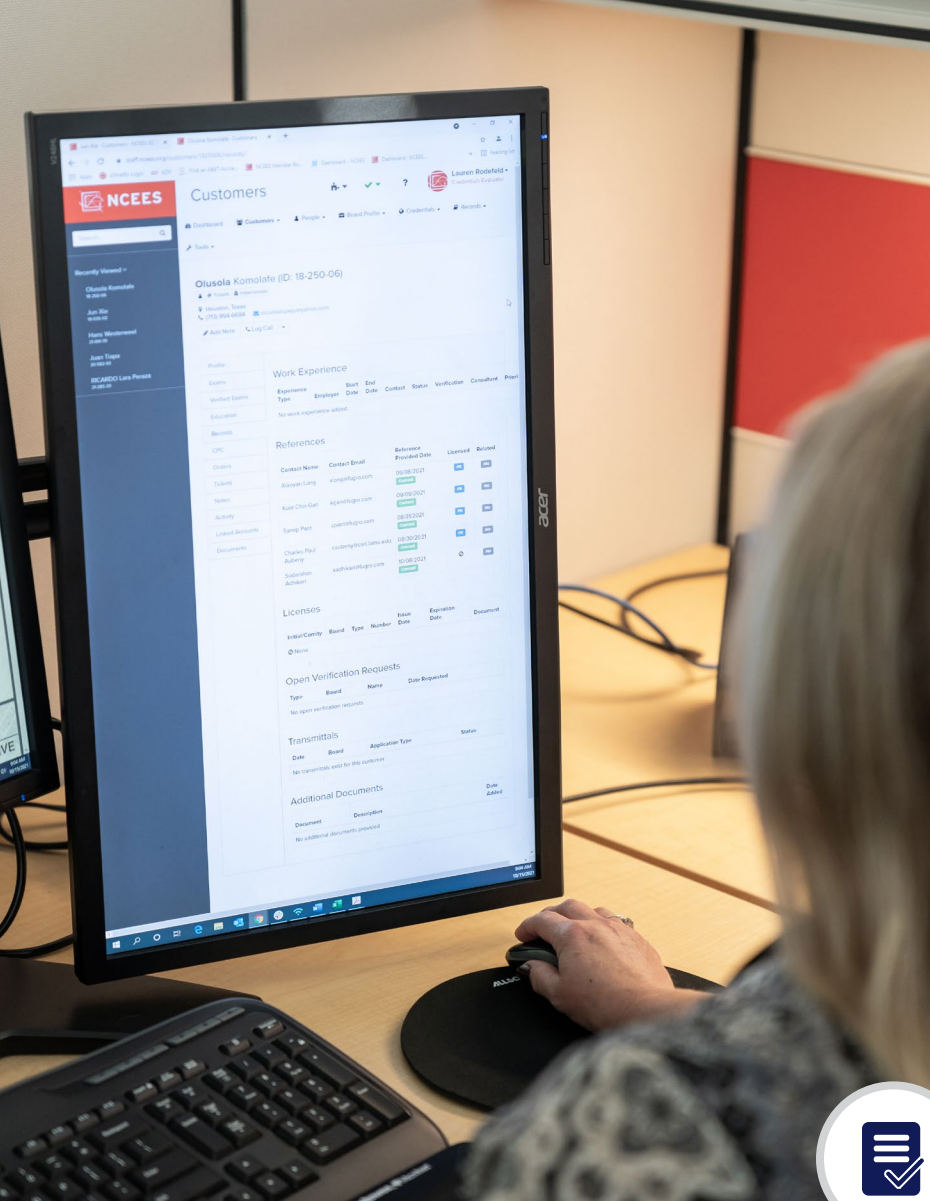
The NCEES Records program—one of the organization’s key services for facilitating interstate mobility—allows licensed professional engineers and surveyors to compile a record of information typically needed for licensure by comity in other states. NCEES electronically submits these materials to state licensing boards each time the Record holder applies for licensure, saving time and simplifying the application process.

In 2023–24, there were 57,869 Records transmittals. Of those, 13,924 were first-time transmittals, an increase of 11 percent over the previous year.

The Records program also allows member boards to use the service for initial licensure applications. These Records have the same verified information as those used for comity licensure. Thirty-nine member boards in 35 states use the system for initial applications in 2023–24.

The Records program is available to assist individuals applying to take the PE or PS exam in jurisdictions in which candidates must complete experience requirements before taking a Principles and Practice exam. These Records have the verified information on education, references, experience, and the Fundamentals exams needed for boards to approve applications to take the PE or PS exam.

In 2023–24, 12 member boards used the Record for approval of PE or PS exam applications: Delaware engineering, District of Columbia, Georgia, Indiana engineering, Indiana surveying, Minnesota, Montana, New Mexico, New York, South Carolina, Texas, and Washington.



An NCEES staff member reviews an NCEES Record.

NCEES also facilitates mobility through its Continuing Professional Competency (CPC) Tracking service. Licensed engineers and surveyors can use CPC Tracking to document their continuing education coursework and track it against member board requirements. Member boards can access the information by simply logging in to the online system. At the close of 2023–24, 41,879 MyNCEES account holders had tracked 1,056,585 completed CPC courses in the system since the service began in 2016.

CPC Tracking

41,879

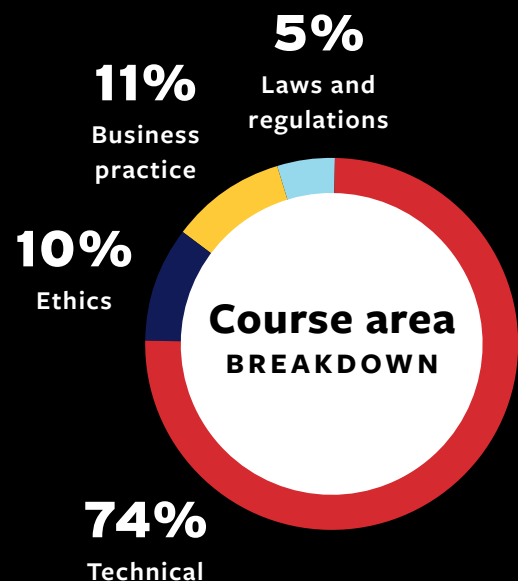
Account holders tracking CPC credits

1,056,585

Courses entered since June 2016



Since June 2016 CPC Tracking





Facilitating licensure with Credentials Evaluations

The NCEES Credentials Evaluations service reviews the educational background of applicants against the NCEES Engineering Education Standard and Surveying Education Standard. Applicants are individuals applying for licensure with a U.S. member licensing board who do not have a degree from an ABET-accredited program—usually one from outside the United States. NCEES submits a report to member boards, noting any areas of deficiency in education relative to the standard. Boards then use the evaluation to help decide on the applicant’s eligibility for licensure.

NCEES completed 3,680 evaluations in 2023–24. This total represents a 19 percent increase compared to the previous year.



**2023–24
Credentials
Evaluations**

**3,680
Evaluations
completed**



INSPIRE

To ensure public safety now and in the future, NCEES is reaching the next generation of professional engineers and surveyors and educating them on the importance of licensure.







Above: NCEES outreach volunteers judge the DiscoverE's Future City Competition Finals in Washington, D.C., in February 2024.

Advancing K-12 initiatives

Opposite: Local youth participate in the earthquake resistant structures activity at the NCEES booth during the iMAGINE Upstate STEAM Festival in April 2024.

In 2023–24, NCEES celebrated the professions and sponsored hands-on activities to promote careers in engineering and surveying to children, their parents, and teachers—including sponsoring the annual iMAGINE Upstate STEAM Festival in Greenville, South Carolina. At the festival, the organization showcased engineering and professional licensure to more than 3,000 students and their parents.

NCEES is a longstanding supporter of DiscoverE's Future City Competition, which challenges national middle school teams to design and build cities of the future. This year's theme was Electrify Your Future, so each middle school team's project focused on city energy possibilities. In 2024, Future City launched an expansion of the competition to include high school students. As the signature

sponsor, NCEES provided \$1,012,000 to support the first two years of the high school competition. Part of this funding will provide scholarships to the grand prize winners if they enroll in a college-level engineering or surveying program. The pilot year of the high school competition charged students with creating a virtual reality project.

This year, NCEES contributed \$30,000 to support MATHCOUNTS Foundation programs. The foundation provides competitions and clubs to empower middle school students of all ability levels and backgrounds to reach their full potential in mathematics.

The organization also provided \$5,000 to support Trig-Star, an annual high school mathematics competition sponsored by the National Society of Professional Surveyors.



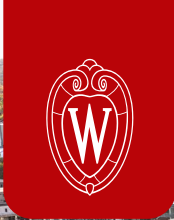
Connecting higher education and professional practice

In addition to its K-12 initiatives, NCEES promoted licensure on the college level to reach current engineering and surveying students, educators, and administrators. The organization focused on educating students on the benefits and public protections of licensure as well as encouraging them to pursue licensure before and after graduation—specifically through the NCEES Engineering and Surveying Education awards.

The Engineering Education Award recognizes engineering programs that encourage collaborations between college students and professional engineers. The University of Wisconsin–Madison Department of Civil and Environmental Engineering won the \$25,000 grand prize, and seven additional programs received \$10,000 awards.

The Surveying Education Award recognizes surveying and geomatics programs that best reflect the NCEES mission of advancing licensure for surveyors in order to safeguard the health, safety, and welfare of the public. The Idaho State University College of Technology won the \$25,000 grand prize. Three additional programs received \$15,000 awards, and three received \$10,000 awards.

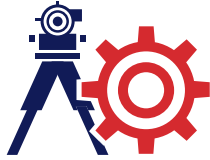
In 2023–24, NCEES continued connecting with students, educators, and professionals through exhibitions, conferences, and competitions, including the National Society of Black



Campus aerials of NCEES Education awards winners: the University of Wisconsin–Madison (top) won the \$25,000 Engineering Education Award grand prize, and Idaho State University (bottom) won the \$25,000 Surveying Education Award grand prize.

Engineers annual convention, the American Society for Engineering Education annual conference, the National Society of Professional Surveyors Student Competition, and the Society for Women Engineers annual conference, among others. At these outreach opportunities, NCEES representatives explained the benefits and responsibilities of licensure to attendees and answered questions about the process.

2024
Education
award
winners



Engineering

\$25,000 grand prize

University of Wisconsin–Madison

\$10,000 prize winners

Arizona State University

Dartmouth College

George Mason University

Lawrence Technological University

Seattle University

University of Nebraska–Lincoln

University of Wisconsin–Madison

Surveying

\$25,000 grand prize

Idaho State University

\$15,000 prize winners

Ferris State University

Florida Atlantic University

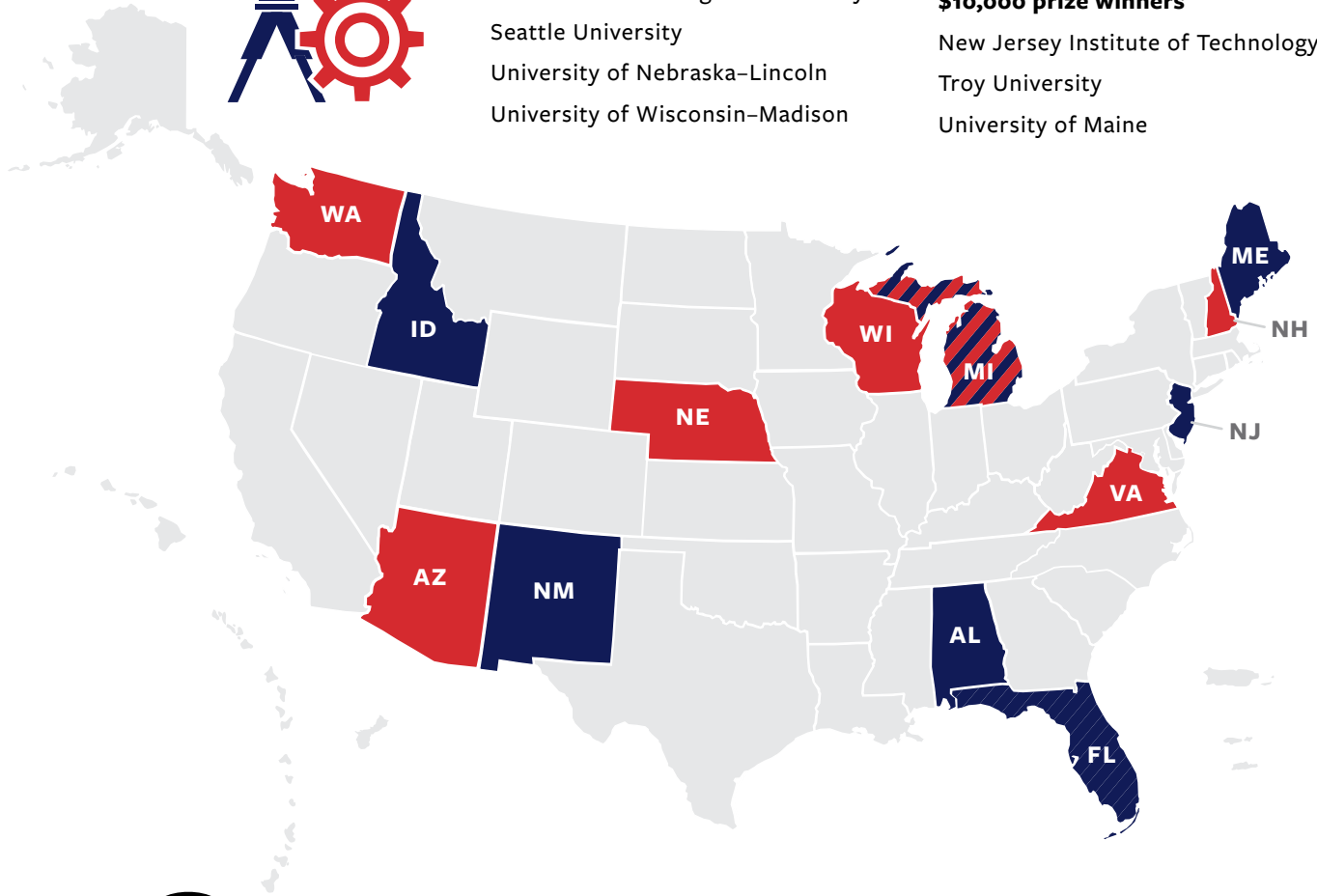
New Mexico State University

\$10,000 prize winners

New Jersey Institute of Technology

Troy University

University of Maine



Education
award
impact

Engineering

(SINCE 2009)

\$1,132,500

Prize money

92 Awards



Surveying

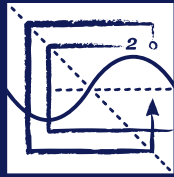
(SINCE 2016)

\$800,000

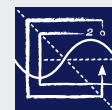
Prize money

59 Awards





NCEES
foundation



NCEES
foundation

Promoting licensure with mission initiatives

NCEES is committed to reaching the next generation of engineers and surveyors through enhancing and expanding its mission initiatives. To further support these programs, the organization officially launched its new philanthropic arm, the NCEES Foundation, in March 2024. The Foundation is designed to formalize funding requests and financial contributions that will advance the organization's mission while allowing the NCEES board of directors to remain focused on Council business.

In November 2023, NCEES requested applications for the Foundation board of directors. Almost 60 applicants were vetted by the board at its February 2024 meeting.

The following six were selected to establish the inaugural Foundation board of directors:

- **Dale Jans, P.E.**, chair, is an emeritus member of the South Dakota State Board of Technical Professions. He was NCEES president in 2011–12 and has served on numerous task forces and committees in his 30-plus years with NCEES.
- **Brian Hanson, P.E.**, vice chair, is an emeritus member of the Alaska State Board of Registration for Architects, Engineers, and Land Surveyors. He served as NCEES Western Zone vice president from 2016 to 2018 and has served on numerous NCEES committees since 2013.
- **Ia Hall, P.S.M.**, treasurer, is vice chair of the Florida Board of Professional Surveyors and Mappers. She has served on the NCEES Committee on Uniform Procedures and Legislative Guidelines since 2020 and as chair since 2022.



NCEES

advancing licensure for
engineers and surveyors

The NCEES Foundation board of directors met for board orientation at headquarters in Greenville, South Carolina, in September 2024.



- **Sina Nejad, P.E.**, is chair of the Texas Board of Professional Engineers and Land Surveyors. He has served as chair of the NCEES Committee on Education since 2022.

- **Rita Perea, Ed.S.**, is a public member of the Iowa Engineering and Land Surveying Examining Board.

- **Paul Tyrell, P.E., P.L.S.**, is chair of the Massachusetts Board of Registration of Professional Engineers and Professional Land Surveyors. In addition to serving on several NCEES committees since 2012, he served as NCEES treasurer from 2020 to 2023 and Northeast Zone vice president from 2017 to 2019.



The Foundation's funding cycle will run from October to September in conjunction with the fiscal year— with its first cycle beginning October 2024.



NCEES FE Ambassadors participate in on-campus events to educate fellow students on the importance of the FE exam and licensure’s public protections.

In 2023, the board of directors approved a partnership with the American Council of Engineering Companies (ACEC) to create an NCEES scholarship program. The program awards a \$5,000 scholarship to an engineering or surveying student in each state. The first round of scholarships was awarded in August 2024 for the 2024–25 academic year.

In 2024, NCEES expanded its FE Ambassador Program, in which student ambassadors serve as peer-to-peer influencers responsible for promoting licensure and the FE exam on their respective campuses to their fellow students. The 2023–24 FE Ambassadors included eight students from four universities: Clemson University, Kennesaw State University, North Carolina A&T University, and the University of North Carolina Charlotte. The 2024–25 program expanded to applicants from three additional schools: Campbell University, the University of Georgia, and the University of South Carolina.

Current engineering and surveying students who pass the FE or FS exam before their graduation from an ABET-

2024 ACEC scholarships

NCEES awarded \$245,000 in scholarships to students in 48 states and the District of Columbia in partnership with the ACEC Research Institute.



accredited program are eligible to receive a free NCEES honor cord to wear at their graduation ceremony. During the 2023–24 fiscal year, more than 8,000 honor cords were distributed for spring and summer graduation ceremonies at more than 200 institutions.



ncees.org/exams/fe-exam

NCEES exam badges

Students who pass the FE or FS exam can display their accomplishment through digital Credly badges.



NCEES continued to promote the FE and FS exams with digital badges. Through a partnership with Credly, individuals who pass the FE or FS exam can display a corresponding digital badge through their social media accounts and other electronic platforms to signify that they have passed the exam. The badge is a clickable link to information on the significance of passing that exam and the value of licensure. From October 1, 2023, to September 30, 2024, more than 33,100 individuals requested a badge.

NCEES has partnered with the American Society of Civil Engineers (ASCE) to serve as its National Education Sponsor through 2025. Part of this partnership supports ASCE's new

IMAX film, *Cities of the Future*, narrated by John Krasinski. The film imagines smart, sustainable cities of the future that engineers are already working on today, and its streaming version, which includes a short introduction on NCEES and the value of licensure, is being featured through campus-wide hosting events for students throughout the country.

Beyond the film, this partnership is helping NCEES reach ASCE's student members through hosted webinars, student-focused competitions, and on-campus chapter activities.



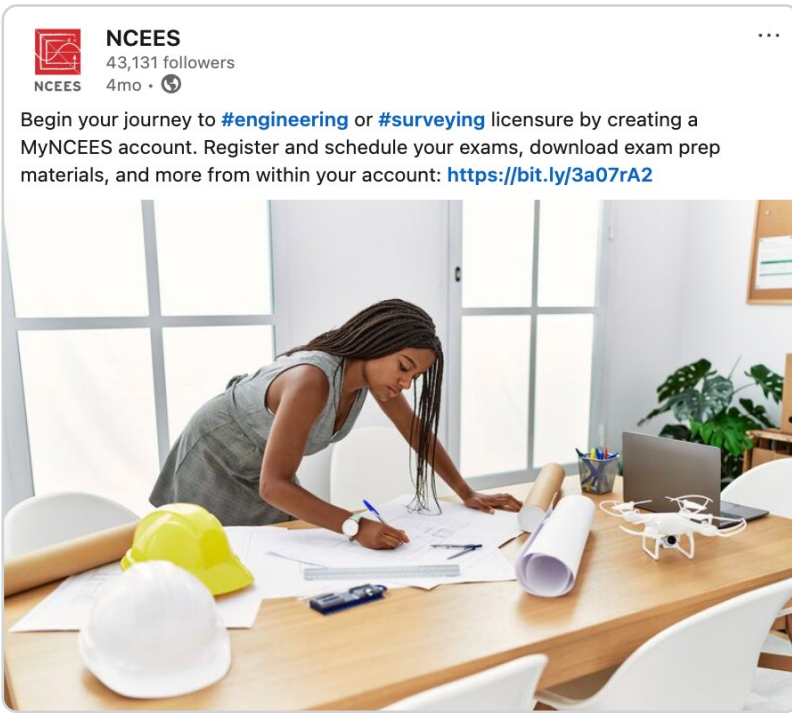
Darrell Krueger, P.E., on the job as assistant director of technical research and development at BNSF Railway, where he develops new systems and technologies to improve railroad safety and efficiency. Krueger was featured as a P.E. Profile on the NCEES website in spring 2024.

Sharing licensure's public protections

As part of its virtual outreach programming, NCEES completed the fourth year of its podcast series. Hosted by NCEES Chief Operating Officer Davy McDowell, P.E., *Advance: An NCEES Podcast Series* highlights professional engineers and surveyors across the country and covers relevant topics and current issues in engineering and surveying.

This year, *Advance* featured Jason Gamble, P.E., NCEES Chief Officer of Examinations, who shared important exam updates, including information about the revised format for the PE Civil exam implemented in April 2024.

NCEES also continued its P.E. and P.S. Profiles. In this series, NCEES interviews professional engineers and surveyors and explores their individual experiences with licensure and how they are working daily to safeguard the health, safety, and welfare of the public. The profiles were featured on the NCEES website and social media channels.



2023–24 Social campaigns

6,000,000+
Impressions

80,000
Clicks to NCEES
website



Broadening reach with social campaigns

Social media campaigns as well as digital and print advertisements promoted NCEES services and licensure’s public protections in 2023–24.

Paid social media campaigns throughout the year on LinkedIn, Instagram, Facebook, and YouTube focused on the FE exam, the Engineering and Surveying Education awards, the FE Ambassador Program, and the value of licensure. These campaigns delivered 6 million impressions, which is the number of times that social media users were shown this content. They generated 80,000 clicks to the NCEES website.

In addition to the paid campaigns, NCEES promoted licensure through its social media pages. The messages focused on ethics, NCEES services, and the pathways to and benefits of licensure.



2024-25

LEADERSHIP AND SENIOR STAFF





Chris
916.444.1111

Michael
916.444.1111



NCEES board of directors



PRESIDENT
Laura Sievers, P.E.



PRESIDENT-ELECT
**Andrew Zoutewelle,
P.L.S.**



IMMEDIATE
PAST PRESIDENT
**Christopher Duhamel,
P.E., P.L.S.**



TREASURER
Karl Tonander, P.E.



CENTRAL ZONE
VICE PRESIDENT
Jan Bostelman, P.E.



NORTHEAST ZONE
VICE PRESIDENT
**Samuel Wilson,
DBA, P.E.**



SOUTHERN ZONE
VICE PRESIDENT
James Kelly, P.E.



WESTERN ZONE
VICE PRESIDENT
**Mohammad Qureshi,
Ph.D., P.E.**



Zone assistant vice presidents

CENTRAL ZONE

Ryan Callaghan, P.E.

NORTHEAST ZONE

Michael Brinkash, P.L.S.

SOUTHERN ZONE

Chimin (Jimmy) Chao, P.E.

WESTERN ZONE

Elizabeth Beckett Johnston, P.E.

Zone secretaries

CENTRAL ZONE

Jason Suelter, P.E., S.E.

NORTHEAST ZONE

Azuanuka (Azu) Etoniru, P.E., P.L.S.

SOUTHERN ZONE

Linda Bergeron, P.E.

WESTERN ZONE

David Peden, P.E., S.E.

Executive staff

CHIEF EXECUTIVE OFFICER

David Cox

CHIEF OPERATING OFFICER

Davy McDowell, P.E.

Senior leadership

CHIEF COMMUNICATIONS OFFICER

Nina Norris

CHIEF FINANCIAL OFFICER

Joe Scheving, CPA

CHIEF HUMAN RESOURCES OFFICER

Donna Moss, SHRM-CP, PHR

CHIEF OFFICER OF EXAMINATIONS

Jason Gamble, P.E.

CHIEF OFFICER OF MEMBER SERVICES

Stef Goodenow

CHIEF TECHNOLOGY AND

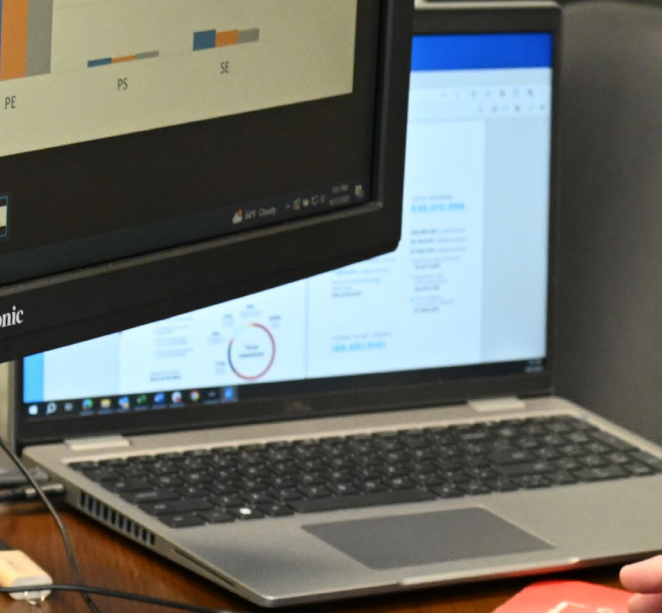
STRATEGY OFFICER

Steven Matthews



NCEES
advancing licensure for
engineers and surveyors

ViewSonic





FINANCIAL STATEMENTS



2023-24

Revenue and expense summary

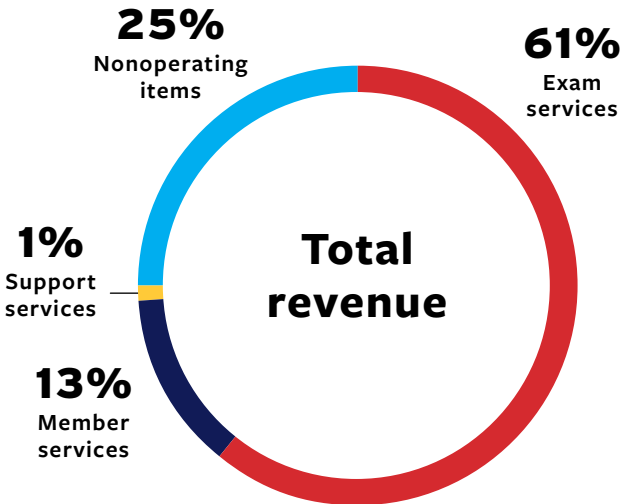
TOTAL REVENUE

\$50,001,982

Revenue from operations
\$37,744,713

- **\$30,719,664** | Exam services
- **\$6,462,320** | Member services
- **\$562,729** | Support services

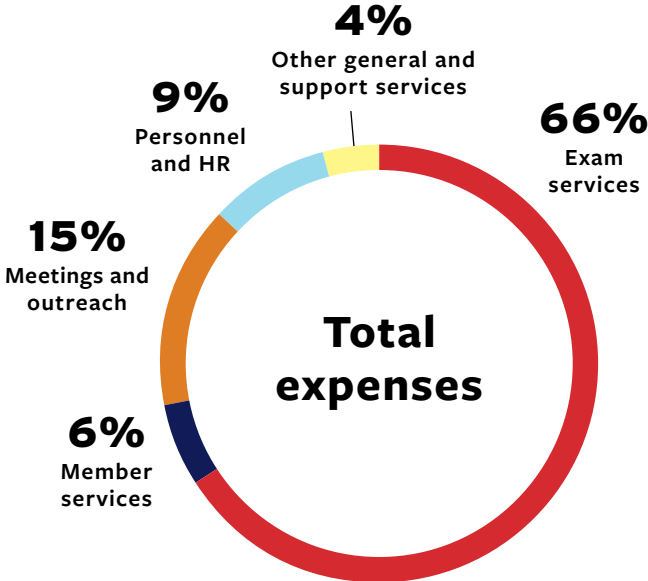
Revenue from nonoperating items
\$12,257,269



TOTAL EXPENSES

\$37,745,512

- **\$24,764,658** | Exam services
- **\$2,281,140** | Member services
- **\$10,699,714** | Support services
- **\$5,614,480** | Meetings and outreach
- **\$3,550,315** | Personnel and human resources
- **\$1,534,919** | Other general and support services



CHANGE IN NET ASSETS

\$12,256,470

Report of management

The management of NCEES is responsible for the preparation, integrity, and objectivity of the financial statements included in this annual report. We have reviewed this report, and the financial statements and other financial information fairly represent, in all material respects, the financial condition and results of operations of NCEES for the 2023–24 fiscal year. They have been prepared in accordance with U.S. generally accepted accounting principles applied on a consistent basis. Based on our knowledge, the report contains no untrue statements of material fact and omits no material facts needed to keep the statements from being misleading.

NCEES management has established and maintains internal controls designed to give reasonable assurance of the integrity and objectivity of financial reporting, to safeguard assets, and to carry out and properly record transactions. These internal controls include the careful selection of employees, proper segregation of duties, and the communication and application of formal policies and procedures that are consistent with high standards of accounting and administrative practices. NCEES has adopted and monitors personnel policies designed to ensure that NCEES employees and directors are free from conflicts of interest.

The board of directors reviews financial and accounting policies, practices, and reports through the NCEES financial Audit Committee and the Committee on Finances. The Audit Committee identifies and employs the auditors, oversees the scope and results of independent audits,

and addresses any comments on the adequacy of internal controls and quality of financial reporting.

The Committee on Finances studies the financial needs of the Council, recommends sources of income and ways and means of securing adequate funds for the proper operation of the Council, and assists the board of directors in financial matters. The independent auditors render an objective, impartial opinion on management’s financial statements and have direct access to the Audit Committee with and without the presence of management.



B. David Cox
NCEES Chief Executive Officer



Joe Scheving, CPA
NCEES Chief Financial Officer

Report of Independent Auditor

To the Board of Directors
National Council of Examiners for Engineering and Surveying
Greenville, South Carolina

Opinion

We have audited the accompanying consolidated financial statements of National Council of Examiners for Engineering and Surveying (the “Council”) (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Council as of September 30, 2024 and 2023, and the changes in its 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 *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Council's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Other Information Included in the Council's Annual Report

Management is responsible for the other information included in the Council's annual report. The other information comprises statistical information regarding operations, revenue, and expense summary, and management's report, but it does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Cherry Bekaert LLP

Greenville, South Carolina
January 13, 2025

National Council of Examiners for Engineering and Surveying
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,268,455	\$ 13,327,511
Certificates of deposit	1,325,920	1,780,098
Accounts receivable, net	269,975	218,214
Current portion of other receivable	100,000	100,000
Prepaid expenses	569,686	611,159
Total current assets	<u>14,534,036</u>	<u>16,036,982</u>
Noncurrent assets:		
Other receivable, net of current portion	100,000	200,000
Investments	74,771,275	59,214,817
Finance right-of-use assets	234,803	383,549
Operating right-of-use assets	61,667	83,412
Property and equipment, net	14,924,149	15,539,527
Total noncurrent assets	<u>90,091,894</u>	<u>75,421,305</u>
Total assets	<u>\$ 104,625,930</u>	<u>\$ 91,458,287</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and other accrued expenses	\$ 1,728,290	\$ 3,035,099
Accrued wages and payroll taxes	161,529	31,315
Accrued retirement plan contribution	500,068	424,555
Customer prepayments	12,397,416	10,202,843
Deferred membership fees	104,838	104,838
Current maturities of finance lease liabilities	158,173	189,499
Current maturities of operating lease liabilities	39,123	46,604
Total current liabilities	<u>15,089,437</u>	<u>14,034,753</u>
Noncurrent liabilities:		
Finance lease liabilities, less current maturities	100,532	229,374
Operating lease liabilities, less current maturities	22,252	36,921
Total noncurrent liabilities	<u>122,784</u>	<u>266,295</u>
Total liabilities	<u>15,212,221</u>	<u>14,301,048</u>
Net assets without donor restrictions:		
Undesignated	82,813,709	70,157,239
Board designated	6,600,000	7,000,000
Total net assets without donor restrictions	<u>89,413,709</u>	<u>77,157,239</u>
Total liabilities and net assets	<u>\$ 104,625,930</u>	<u>\$ 91,458,287</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

National Council of Examiners for Engineering and Surveying
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended September 30, 2024 and 2023

	2024	2023
Operating revenues without donor restrictions:		
Examination services	\$ 30,719,664	\$ 25,752,588
Member services	6,462,320	6,131,720
Support services	562,729	546,918
Total operating revenues without donor restrictions	<u>37,744,713</u>	<u>32,431,226</u>
Direct expenses without donor restrictions:		
Examination services	24,764,658	23,393,820
Member services	2,281,140	2,498,624
Total direct expenses without donor restrictions	<u>27,045,798</u>	<u>25,892,444</u>
Operating revenues in excess of direct expenses	<u>10,698,915</u>	<u>6,538,782</u>
General and administrative support services expenses:		
Meetings and outreach	5,614,480	4,845,690
Personnel and human resources	3,550,315	3,252,129
Occupancy expense	178,000	173,251
Administrative expense	98,031	60,779
Technology services	337,722	331,512
Professional services	311,123	310,450
Depreciation and interest	452,100	489,271
Other	157,943	134,620
Total general and administrative support services expenses	<u>10,699,714</u>	<u>9,597,702</u>
Change in net assets from operations without donor restrictions	<u>(799)</u>	<u>(3,058,920)</u>
Nonoperating items without donor restrictions:		
Investment return, net of fees	12,253,194	5,552,600
Loss on disposal of property and equipment	-	(880)
Other income	4,075	-
Total nonoperating items without donor restrictions	<u>12,257,269</u>	<u>5,551,720</u>
Change in net assets without donor restrictions	12,256,470	2,492,800
Net assets without donor restrictions, beginning of year	<u>77,157,239</u>	<u>74,664,439</u>
Net assets without donor restrictions, end of year	<u>\$ 89,413,709</u>	<u>\$ 77,157,239</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

National Council of Examiners for Engineering and Surveying
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 12,256,470	\$ 2,492,800
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	679,829	830,962
Amortiation of finance right-of-use assets	177,743	108,917
Noncash lease expense	(405)	10,491
Loss on disposal of property and equipment	-	880
Unrealized gains on investments	(9,898,747)	(5,584,870)
Realized (gains) losses on investments	(327,672)	1,312,979
Net changes in operating assets and liabilities:		
Accounts receivable, net	(51,761)	(47,962)
Other receivable	100,000	100,000
Prepaid expenses	41,473	(106,590)
Accounts payable and accrued expenses	(1,101,082)	1,558,647
Customer prepayments	2,194,573	826,727
Deferred compensation	-	(30,789)
Net cash flows from operating activities	<u>4,070,421</u>	<u>1,472,192</u>
Cash flows from investing activities:		
Purchase of property and equipment	(64,451)	(23,689)
Proceeds from sale of property	-	32,818
Purchase of investments	(29,848,044)	(27,604,945)
Proceeds from sale of investments	24,518,005	22,747,232
Maturities of certificates of deposit, net of purchases	454,178	2,692,239
Net cash flows from investing activities	<u>(4,940,312)</u>	<u>(2,156,345)</u>
Cash flows from financing activities:		
Payments on finance lease liabilities	(189,165)	(175,940)
Net cash flows from financing activities	<u>(189,165)</u>	<u>(175,940)</u>
Net change in cash and cash equivalents	(1,059,056)	(860,093)
Cash and cash equivalents, beginning of year	13,327,511	14,187,604
Cash and cash equivalents, end of year	<u>\$ 12,268,455</u>	<u>\$ 13,327,511</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 11,949</u>	<u>\$ 12,327</u>
Capital leases converted to finance leases	<u>\$ 418,873</u>	<u>\$ 91,969</u>
Equipment acquired through finance lease	<u>\$ 28,997</u>	<u>\$ 492,466</u>
Equipment acquired through operating lease	<u>\$ 26,910</u>	<u>\$ 128,254</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

National Council of Examiners for Engineering and Surveying
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024 and 2023

Note 1—Nature of operations and summary of significant accounting policies

Nature of business—National Council of Examiners for Engineering and Surveying (“NCEES”) was incorporated under the laws of the state of South Carolina in 1938, being formed for the purpose of promoting enactment and administration of uniform state laws for the licensure of professional engineers and land surveyors, functioning as a clearinghouse for matters pertaining to licensure of engineers, certifying professional records of engineers and surveyors, publishing proceedings, and administering uniform examinations for licensure of engineers and land surveyors. Effective October 1, 2023, the NCEES Foundation (the “Foundation”) was incorporated to support the activities, vision, and mission of NCEES. NCEES is the sole member of the Foundation.

Financial statement presentation—The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under these standards, the Council groups its net assets into two classifications: net assets without donor restrictions and net assets with donor restrictions.

- *Net assets without donor restrictions*—Net assets that are not subject to donor-imposed restrictions. Net assets without restrictions may be designated for specific purposes by the Council or may otherwise be limited by contractual agreements with outside parties.
- *Net assets with donor restrictions*—Net assets whose use by the Council is subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that can be fulfilled by actions of the Council pursuant to those stipulations or that expire by the passage of time. Other donor-imposed restrictions are perpetual in nature, such as those that may be maintained in perpetuity by the Council. The Council does not have any net assets with donor restrictions at September 30, 2024 or 2023.

Basis of Consolidation—The consolidated financial statements include the accounts of NCEES and the Foundation, collectively referred to as the “Council”.

The Organizations have common control because the NCEES is the Foundation’s sole member and the NCEES’s Board of Directors appoint the Foundation’s Board of Directors. There is also an element of economic interest since the Foundation holds significant resources that must be used only for purposes of NCEES. All material intra-entity transactions have been eliminated.

Cash and cash equivalents—The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Council places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts. The Council from time to time may have amounts on deposit in excess of the insured limits.

Certificates of deposit—Certificates of deposit at September 30, 2024 and 2023 have varying interest rates and maturity dates and are carried at cost plus accrued interest. At times throughout the year, the Council may have balances in excess of FDIC insured amounts. Certificates of deposit with maturity dates greater than one year at September 30, 2024 and 2023 are included in investments on the statements of consolidated financial position.

Accounts receivable—Accounts receivable, consisting of membership fees, are recorded at net realizable value, and the Council grants credit to customers on an unsecured basis. The Council records an allowance for credit losses accounts based on its historical collection experience coupled with a review of its current receivables. The allowance for credit losses was \$5,000 at September 30, 2024 and 2023.

Investments—Investments are stated at fair value. Changes in fair value during the year are included in the consolidated statements of activities as investment return net of fees.

National Council of Examiners for Engineering and Surveying
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024 and 2023

Property and equipment—Property and equipment is stated at cost less accumulated depreciation. Expenditures which substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs are expensed as incurred. The Council generally capitalizes property and equipment acquisitions which exceed a \$5,000 threshold. Depreciation of property and equipment and amortization of assets recorded as capital leases are computed using the straight-line method, based on estimated useful lives as follows:

■ Buildings	39 years
■ Building improvements	7–15 years
■ Land improvements	5–15 years
■ Furniture and equipment	3–15 years

Depreciation expense for the years ended September 30, 2024 and 2023 totaled \$679,829 and \$830,962, respectively.

Customer prepayments—The Council receives prepayments for exams that occur at a future date in the form of registration fees. Registration fees are not earned until the earlier of the exam being administered or the terms and conditions related to the fee have occurred; therefore, those fees are deferred until the exam date or the terms and conditions of the fees are met.

Paid time-off policy—The Council’s vacation accrual policy is a Flexible Paid Time Off Policy. Under the policy, eligible employees would have access to as much paid leave as needed for illness, vacation, or to care for family members with the expectation that employees take a minimum of 15 days off per year.

Revenue recognition—The Council accounts for its revenue in accordance with the provisions of Financial Accounting Standards Board’s (“FASB”) Accounting Standard Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers*.

Revenues primarily include performance obligations satisfied by: delivery of professional examination, forfeiture of fees in accordance with terms of registration, shipment of study materials, professional record transmittal, and evaluation of the candidate’s college transcripts with educational standards. With the exception of membership fee revenue (described below), all of the Council’s revenue streams have performance obligations that are satisfied at a point in time and are based on fixed prices.

Deferred membership fee revenue—Collection of annual dues for membership in the Council are based on the calendar year. The Council records deferred membership fees as annual dues are received but not earned. The performance obligations associated with membership dues are considered to be earned ratably over the term of the membership with the Council having a stand-ready obligation to provide the benefits of membership to dues paying members of the Council. Each member of the Council is able to participate in regional and annual Council meetings, can elect to utilize the Council’s centralized records management program, and can participate in access to Council experts on examination standards and licensure processing.

Income taxes—The Council has been granted exemption from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Council has determined there are no material unrecognized tax benefits or obligations as of September 30, 2024 or 2023.

Use of estimates—The preparation of consolidated 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 at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period.

Recently issued accounting pronouncement adopted—In June 2016, FASB issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (Topic 326) and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. The Council adopted this new accounting standard effective October 1, 2023. There was no significant impact to the Council’s operating results for the current period due to this standard update.

National Council of Examiners for Engineering and Surveying
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024 and 2023

Note 2—Liquidity and availability of resources

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Council considers all expenditures related to program and supporting services to be general expenditures. Financial assets available within one year as of September 30, without donor or other restrictions limiting their use, comprise the following:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 12,264,458	\$ 13,327,511
Accounts receivable, net	269,975	218,214
Other receivable	100,000	100,000
Investments and certificates of deposit	76,097,195	60,994,915
	<u>88,731,628</u>	<u>74,640,640</u>
Less amounts not available to be used for general expenditures within one year:		
Board-designated funds set aside for specific uses		
	<u>(6,600,000)</u>	<u>(7,000,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 82,131,628</u>	<u>\$ 67,640,640</u>

The Council's undesignated net assets consist of board-designated funds. The board has designated financial assets of \$6,600,000 and \$7,000,000 at September 30, 2024 and 2023, respectively, be set aside to be available should an engineering or surveying fundamentals exam or professional exam become compromised. These board-designated funds were decreased by \$400,000 during the year ended September 30, 2024 at the board's discretion. The funds are designated to develop new exams to replace the compromised exams. As part of the Council's liquidity management, it has a policy to structure its financial assets to be available to meet its general expenditures, liabilities, and other obligations as they come due. In addition, the Council invests excess cash in short-term and long-term investments. The Council does not intend to, or anticipate having to, liquidate long-term investment securities to fund its general expenditures within one year of September 30, 2024.

Note 3—Investments and certificates of deposit

Investments by category at September 30 are summarized as follows:

	2024	2023
Mutual funds	\$ 38,164,545	\$ 26,359,926
Fixed income	36,606,730	32,854,891
Certificates of deposit with maturities less than a year	1,325,920	1,780,098
	<u>\$ 76,097,195</u>	<u>\$ 60,994,915</u>

Certificates of deposit included above consist primarily of short-term deposits, maturing through June 2025. The Council's intent is to reinvest the funds in similar deposits upon maturity or to invest in the Council's investment portfolio.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Investment returns, net for the years ended September 30 are summarized as follows:

	2024	2023
Interest and dividend income	\$ 2,413,877	\$ 1,558,936
Net realized and unrealized gains	10,226,419	4,271,891
Investment management fees	(387,102)	(278,227)
Total investment return, net of fees	<u>\$ 12,253,194</u>	<u>\$ 5,552,600</u>

Note 4—Property and equipment, net

Property and equipment, net, at September 30 are summarized as follows:

	2024	2023
Buildings and building improvements	\$ 14,775,616	\$ 14,775,616
Land and land improvements	1,584,923	1,584,923
Furniture and equipment	2,076,587	1,962,957
Total property and equipment	18,437,126	18,323,496
Less accumulated depreciation	(3,512,977)	(2,783,969)
Property and equipment, net	<u>\$ 14,924,149</u>	<u>\$ 15,539,527</u>

Note 5—Right-of-use assets and lease liabilities

The Council leases certain equipment. The Council determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property or equipment for a period of time in exchange for consideration. The Council has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on relative stand-alone prices.

The right-of-use (“ROU”) assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by the Council.

Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, the Council uses the implicit rate when it is readily determinable. As most of the Council’s leases do not provide an implicit rate, management uses the U.S. Treasury’s risk-free rate at lease commencement to determine the present value of lease payments.

The Council’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Council does not have leases where it is involved with the construction or design of an underlying asset. The Council has no material obligation for leases signed but not yet commenced as of September 30, 2024.

The Council has elected to utilize the risk-free discount rate to measure lease assets and liabilities in instances where the rate implicit in the lease is not reasonably identifiable.

Total lease expense recognized is included in the consolidated statement of activities as of September 30, 2024 as follows:

	2024	2023
Operating:		
Operating leases, included in operating expenses	\$ 53,257	\$ 49,110

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	2024	2023
Finance:		
Amortization of assets, included in depreciation and amortization	177,743	108,917
Interest, included in interest expense	11,949	10,378
Net operating and finance lease cost	<u>\$ 242,949</u>	<u>\$ 168,405</u>
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:	2024	2023
Operating cash flows from operating leases	\$ 52,107	\$ 48,997
Operating cash flows from finance leases	13,553	6,250
Financing cash flows from finance leases	187,562	77,720
Lease assets obtained in exchange for lease liabilities:		
Operating leases	26,910	128,254
Finance leases	28,997	492,466
Lease term and discount rate:		
Weighted average remaining lease term—operating leases	2.26 years	1.81 years
Weighted average remaining lease term—financing leases	1.61 years	2.38 years
Weighted average discount rate—operating leases	3.98%	4.11%
Weighted average discount rate—financing leases	3.93%	3.97%

Aggregate maturities of lease obligations for each of the subsequent years as of September 30, 2023 are as follows:

	Finance	Operating
2025	\$ 163,980	\$ 40,505
2026	101,490	9,460
2027	-	6,220
2028	-	6,220
2029	-	1,555
Total undiscounted cash flows	265,470	63,960
Less present value discount	(6,765)	(2,585)
Total lease liabilities	<u>\$ 258,705</u>	<u>\$ 61,375</u>

Note 6—Retirement plan

The Council sponsors a qualified profit sharing plan with a 401(k) deferred compensation provision. All employees are eligible to participate in the Council's profit sharing plan and 401(k) plan upon reaching age 21 and having completed three months of employment. The profit sharing plan and 401(k) plan provide for employer contributions by the Council at the Board of Director's discretion.

The expense charged to operations for the plans was \$868,931 and \$745,214 for the years ended September 30, 2024 and 2023, respectively. As of September 30, 2024 and 2023, \$500,068 and \$424,555, respectively, was accrued as accrued retirement plan contribution on the statements of consolidated financial position.

Note 7—Designated net assets

As the Council is providing licensure examinations to professionals entering the engineering and land surveying professions, it is essential these exams remain adequately safeguarded to ensure the integrity of the examinations. Although the Council has gone to great measures to protect the examinations from being compromised either through inadvertent error or deliberate theft, the Council's Board of Directors has recognized the potential exists for the safeguards to be breached resulting in the need for the creation of new examination questions to replenish those that have been compromised.

The Council has no appreciable history in this area and, as such, it is difficult to assess what the true cost would be to the Council should they be forced to recreate a bank of questions over a relatively short period of time. As the potential costs are not measurable, no liability has been accrued in the accompanying consolidated financial statements to account for such a contingency. Instead, the Council's Board of Directors has designated a portion of the Council's unrestricted net assets to provide for such an event should it occur in the future. The amount designated was \$6,600,000 and \$7,000,000 at September 30, 2024 and 2023, respectively.

Note 8—Commitments and contingencies

The Council is not currently involved in litigation related to professional liability claims. Management believes if claims occur in the future, they will be settled within the limits of coverage, which is on a claims-made basis, with insurance limits of \$1,000,000 in the aggregate. The Council's professional liability insurance is a claims-made policy. Should this policy lapse and not be replaced with equivalent coverage, claims based upon occurrence during its term, but reported subsequent thereto, will be uninsured.

Note 9—Fair value disclosures

FASB issued a statement that defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest

priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

Level 2—Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 or 2023:

Fixed income bonds—These investments are valued at the closing price reported on the active market on which the individual securities are traded. These are classified within Level 1 of the valuation hierarchy.

Mutual funds—These investments are readily determinable investment vehicles valued using the unadjusted quoted market prices found on a securities exchange. These are classified within Level 1 of the valuation hierarchy.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024 and 2023

Note 9—Fair value disclosures (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy of the Council's investments accounted for at fair value on a recurring basis as of September 30, 2024:

Investments at fair value at September 30, 2024

	Total	Level 1	Level 2	Level 3
Fixed income:				
Intermediate term bonds	\$ 29,413,953	\$ 29,413,953	\$ —	\$ —
U.S. treasury bonds	6,974,622	6,974,622	—	—
High yield bonds	218,155	218,155	—	—
Total fixed income	<u>36,606,730</u>	<u>36,606,730</u>	<u>—</u>	<u>—</u>
Mutual funds:				
U.S. large cap	26,338,004	26,338,004	—	—
U.S. small/mid cap	5,556,881	5,556,881	—	—
Emerging markets	1,325,508	1,325,508	—	—
Foreign large blend	3,100,123	3,100,123	—	—
Liquid alternatives	264,527	264,527	—	—
Real estate	1,579,502	1,579,502	—	—
Total mutual funds	<u>38,164,545</u>	<u>38,164,545</u>	<u>—</u>	<u>—</u>
Total investments	<u>\$ 74,771,275</u>	<u>\$ 74,771,275</u>	<u>\$ —</u>	<u>\$ —</u>

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The following table sets forth by level within the fair value hierarchy of the Council's investments accounted for at fair value on a recurring basis as of September 30, 2023:

Investments at fair value at September 30, 2023

	Total	Level 1	Level 2	Level 3
Fixed income:				
Intermediate term bonds	\$ 22,239,741	\$ 22,239,741	\$ -	\$ -
U.S. treasury bonds	6,881,696	6,881,696	-	-
High yield bonds	3,733,454	3,733,454	-	-
Total fixed income	<u>32,854,891</u>	<u>32,854,891</u>	<u>-</u>	<u>-</u>
Mutual funds:				
U.S. large cap	13,201,158	13,201,158	-	-
U.S. small/mid cap	5,678,497	5,678,497	-	-
Emerging markets	1,668,169	1,668,169	-	-
Foreign large blend	3,219,832	3,219,832	-	-
Liquid alternatives	545,910	545,910	-	-
Real estate	2,046,360	2,046,360	-	-
Total mutual funds	<u>26,359,926</u>	<u>26,359,926</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 59,214,817</u>	<u>\$ 59,214,817</u>	<u>\$ -</u>	<u>\$ -</u>

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September 30, 2024 and 2023

Note 10—Functional expenses

Expenses by function and natural classification consist of the following for the years ended September 30, 2024 and 2023:

2024				
Program expenses				
	Examination services	Member services	Administrative support services	Total
Meetings and outreach	\$ 2,405,080	\$ 81,463	\$ 5,614,480	\$ 8,101,023
Personnel and human resources	4,444,241	1,742,869	3,550,315	9,737,425
Occupancy expense	162,720	39,635	178,000	380,355
Administrative expense	1,043,291	173,413	98,031	1,314,735
Technology services	229,699	103,050	337,722	670,471
Professional services	16,116,241	15,047	311,123	16,442,411
Depreciation and interest	353,151	121,861	452,100	927,112
Other	10,235	3,802	157,943	171,980
Total expenses	<u>\$ 24,764,658</u>	<u>\$ 2,281,140</u>	<u>\$ 10,699,714</u>	<u>\$ 37,745,512</u>

2023				
Program expenses				
	Examination services	Member services	Administrative support services	Total
Meetings and outreach	\$ 2,084,921	\$ 97,765	\$ 4,845,690	\$ 7,028,376
Personnel and human resources	3,989,601	1,552,241	3,252,129	8,793,971
Occupancy expense	158,379	38,578	173,251	370,208
Administrative expense	948,474	163,234	60,779	1,172,487
Technology services	232,215	98,158	331,512	661,885
Professional services	15,586,429	414,719	310,450	16,311,598
Depreciation and interest	384,413	130,544	489,271	1,004,228
Other	9,388	3,385	134,620	147,393
Total expenses	<u>\$ 23,393,820</u>	<u>\$ 2,498,624</u>	<u>\$ 9,597,702</u>	<u>\$ 35,490,146</u>

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The costs of providing the various programs have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. Management utilized a variety of metrics in order to estimate on an accurate basis how to allocate expenses amongst more than one program or supporting function. The expenses that are allocated include the following:

Expense	Method of allocation
Meetings and outreach	Number of meetings, time and effort
Personnel and human resources	Time and effort
Occupancy expense	Full time equivalent
Administrative expense	Full time equivalent
Technology services	Full time equivalent
Professional services	Full time equivalent
Depreciation and interest	Square footage, full time equivalent
Other	Full time equivalent, square footage

Metrics used generally include space occupied on a square footage basis, time incurred for employees, number of full-time equivalent employees, number of full-time equivalent volunteers, or number of meetings held.

Note 11—Subsequent events

The Council evaluated the effect subsequent events would have on the consolidated financial statements through January 13, 2025, which is the date the consolidated financial statements were available to be issued.

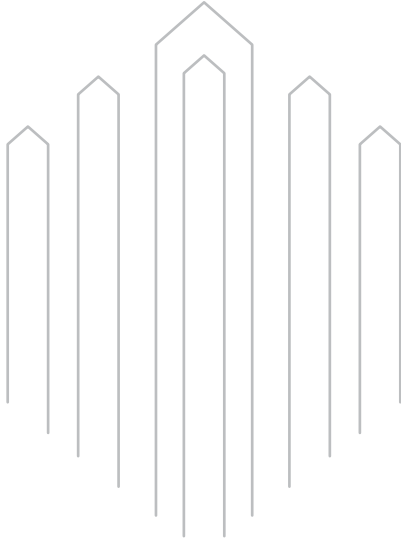




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Today	74° (66°)
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Saturday	72° (64°)
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