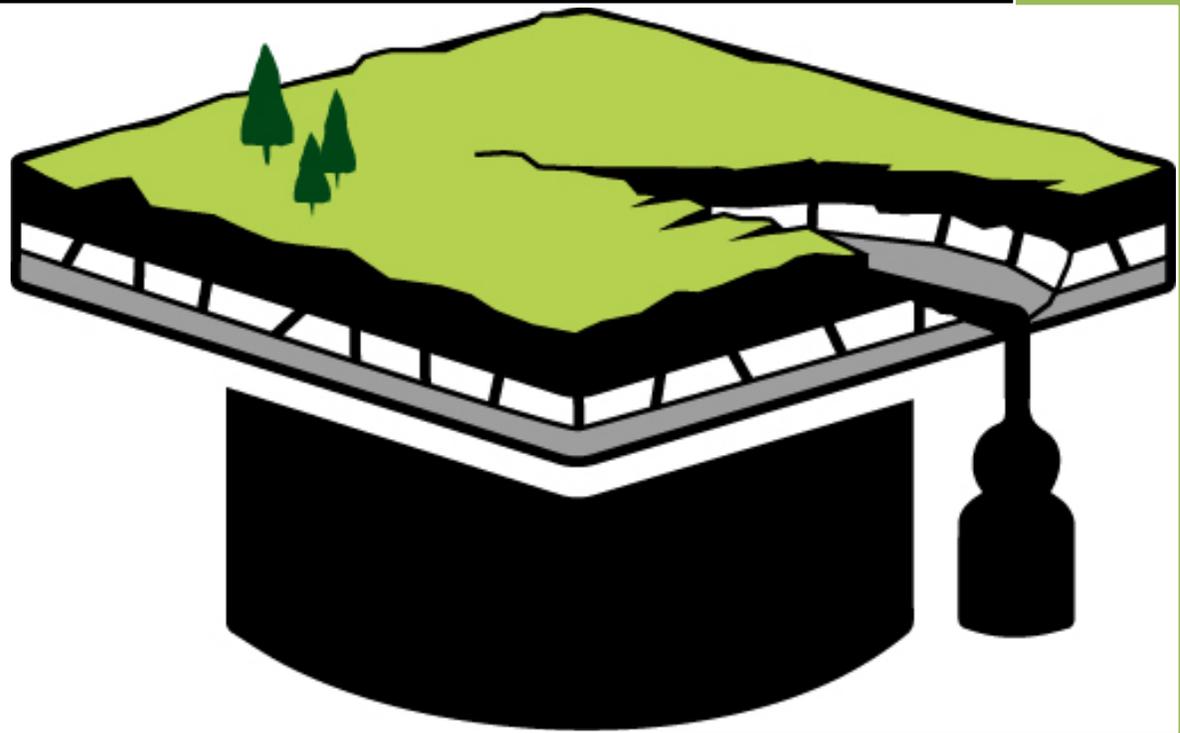


2016

# APGO Education Foundation Annual Report



Prepared by:  
The Board of Directors  
June 8, 2017

## **Our Mission**

*To provide financial and other support to promote a greater understanding of geoscience to the public, support the individuals who study geoscience, and support the practice of professional geoscience.*

**Charitable Registration Number 84604 5052 RR0001**

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## About Us

The APGO Education Foundation (“**the Foundation**”) is a new charitable Foundation for geoscience registered under the Canada Not-for-profit Corporations Act, registration number 84604 5052 RR0001. The purpose of the Foundation is to **advance the education of the public in the area of geoscience by:**

- i) Providing scholarships to post-secondary students for the study of geoscience in a degree program;
- ii) Providing bursaries to immigrants to Canada who are internationally-trained geoscientists and have demonstrated financial need for completion of licensure procedures for registration as a professional geoscientist in Ontario; and
- iii) Holding lectures, presentations, and conferences on geoscience to enhance the knowledge of the general public.

The Foundation was founded by Dr. Bill Pearson, P.Geo., who was the founding President of the Association of Professional Geoscientists of Ontario (APGO). APGO regulates the practice of professional geoscience in Ontario. As a charity, the Foundation has a separate Board and functions independently from APGO.

## *Board*



*Back Row L-R – Kristin Hanson, Nancy McInerney-Lacombe  
Front Row L-R – Neil Westoll, Bill Pearson (Absent – Robert Hodder)*

**Dr. Bill Pearson, P.Geo., FGC Chair** – has over 40 years of experience in the national and international mining industry and has carried out exploration and development programs in 17 countries around the world. He was the founding President of the Association of Professional Geoscientists of Ontario (APGO) from 2000-2003. In 2015 he received the PDAC Distinguished Service Award for his service to Canada’s Mineral and Exploration Industry.

**Dr. Neil Westoll, P.Geo., P.Eng., FGC, FCIM Secretary & Treasurer** - is widely experienced in metal exploration and business development internationally, having spent over 40 years with senior and junior

Canadian and international mining companies in exploration and business development and as an independent consultant to the mining industry. Since 2001, he has focussed on the environmental side of the mining business. He was appointed to the Council of the APGO in 2000, and served from its inception to June 2006, and was Treasurer of the APGO until that time.

**Kristin Hanson, M.Sc., P.Geo, FGC** - is a hydrogeologist with 25 years of experience in the environmental consulting business, where she has developed technical expertise in contaminated site assessment and remediation. Kristin is Vice President of Operations (Ontario) for the Environment & Geoscience group at SNC-Lavalin. In her management role, Kristin focuses on combining technical skills and people skills to solve problems. Valuable experience was gained through her eight years of volunteer work on APGO Council, including serving as Council President in 2011-2012.

**Dr. Robert W. Hodder, P.Geo., P.Eng., CPG** - holds an undergraduate degree from Queen's University, Kingston, Ontario and PhD from the University of California at Berkeley. Robert is registered as a P.Geo, P.Eng, CPG and is a Fellow of GC, SEG, GAG, MAC, as well as a Life member of PDAC, CIM, and AMEBC. He is a recipient of the Duncan Derry Medal of the Geological Association of Canada and the Mentorship Medal of the Canadian Federation of Earth Sciences. He was employed in global mineral exploration for twelve years after graduate studies. In 1970 he was appointed to the faculty of the Geology Department, University of Western Ontario and has been a Professor Emeritus since he retired from the university in 1993.

**Dr. Nancy E. McInerney-Lacombe, DM, MBA, BA (Hons)** – is a senior executive with close to 30 years of domestic and international experience in the financial sector. Nancy's career has spanned three distinct areas including: Senior Vice President, Royal Bank of Canada; Director, Office of the Superintendent of Financial Institutions, Federal Government of Canada; and Financial Sector Specialist in East Africa for The World Bank Group. Nancy also performed an Executive in Residence (EIR) role at the Richard Ivey School of Business 2005 - 2014. She returned to Ivey as an EIR in 2016. She also served as a Board member and Chair of the Advancement Committee, Rosseau Lake College, Muskoka, Ontario 2013 - 2015. Previous public board experience includes Chair of the Audit Committee of Desert Sun Mining Corporation prior to the takeover by Yamana Gold Corp. in 2006.

### ***Management Team***

**Dr. Bill Pearson, P.Geo., Chair**

**Andrea Waldie, P.Geo., FGC Business Manager** - currently consults on matters of professional geoscience and governance, and acts as a project manager through her company Waldie Geo-Governance. She holds a B.Sc. in Earth Science from the University of Waterloo, is a registered professional geoscientist in Ontario, and a Fellow of Geoscientists Canada. Andrea spent over 20 years in the mineral exploration and mining industry consulting for both major and junior mining exploration companies prior to joining the Association of Professional Geoscientists of Ontario (APGO) as the

Executive Director and Registrar from 2007 through 2012. She served as the co-chair of the APGO Registration Committee from 2012 to 2017.

**Bernard Kradjian (APGO), Communications** - has over 10 years of solid experience in communications and marketing including website and social media development. As a consultant, he has developed and branded websites and social media accounts for a number of public and private sector organizations. He has produced and edited videos and has extensive experience on YouTube. Since 2008, he has been the communications manager for APGO and is responsible for their popular “Field Notes” that is distributed to more than 3000 people each week. In addition he develops APGO presentations, writes and edits reports, including the Annual Report, and designs promotional items for tradeshow and the Annual General Meeting.

**Marcia Meyer (APGO), Bookkeeper** – is a graduate of the University of Western Ontario (1977) (now Western University) and since graduation has been involved in various banking and retail financial administration roles. Since 2003 she has been a contract bookkeeper to over 30 small businesses including the Association of Professional Geoscientists of Ontario. She is the bookkeeper for the Foundation, responsible for managing payables and keeping Foundation books, as well as interfacing with auditors in preparation of yearend financial reports.

**Deana Schwarz, Ph.D. Project Manager GeoscienceInfo.com** – received a B.Sc. in biology and a B.Sc. in geology. She also received her M.Sc. and Ph.D. in stable isotope geochemistry at the University of Western Ontario, where she focused on the relationship between living systems and their environment, throughout the geologic past. Deana has developed a deep sense of responsibility in educating others about geology, a sentiment strengthened by her years of teaching to university and college students. She is working hard to continue to make geoscience more accessible, both online and in the field!

## Our Activities

What an exciting 2016! Having set-up our administrative systems for operations and raising initial start-up funding in 2015, the Foundation moved on to fulfilling its mandated purpose. Highlights of 2016 include:

- A total of **\$85,820** in donations and grants were received in 2016
- 3 - \$5000 Scholarships awarded to outstanding geoscience students
- 2 - \$5000 Bursaries awarded to internationally-trained geoscientists on track to becoming P.Geos
- Grant of \$4166 to implement an exciting QR code system at the Metcalfe Geoheritage Park
- Funded and developed the GeoscienceInfo website to provide new and exciting geoscience information for the public.

“2016 was an exciting year as we transitioned to full operations. We were able to raise sufficient funds to advance all three of our major target areas.” said Bill Pearson, Chair, We were delighted with the high quality of the applicants for the scholarships and bursaries. The development of our new website GeoscienceInfo.com advanced considerably and is on track to be launched in June 2017. We thank the generosity of our donors in supporting our vision to better educate the public about geoscience.

### *Donations and Grants*

The Foundation continued to raise funds to support scholarships, bursaries, and public education. During 2016, the Past Presidents’ Bursary was developed in support of internationally trained geoscientists. Past Presidents of the APGO are uniquely positioned to recognize the need the geoscience profession has to incorporate internationally-trained geoscientists into the work force as professional geoscientists. In recognition of the importance of integrating internationally-trained geoscientists and supporting their attainment of the requirements for registration as a P.Geos, the Past Presidents of the APGO have established a Bursary Fund. The funding for the Past President’s bursary is from the APGO Council Past Presidents fundraising efforts.

The Foundation is grateful to the APGO for providing office support including, bookkeeping, management and secretarial services as well as meeting locations. The value of these in-kind services annually are estimated to be \$22,000 which APGO provides at no charge to the Foundation. As the Foundation grows, this will ensure that overhead and administrative costs are kept to a minimum to allow the maximum use of available funds for charitable activities.

## ***2016 Scholarships***

Three scholarships were awarded to outstanding geoscience students who had completed their third year of geoscience degree studies and were on track to fulfilling the requirements to become a registered professional geoscientist. The Foundation congratulates the 2016 Scholarship recipients:

Left to Right:

*Matthew DeGasperis – Western University*

*Erin Gibbons – McMaster University*

*Xueya Lu – University of Toronto*

*(Dr. Bill Pearson – Chair)*



## ***2016 Bursaries***

Two bursaries were awarded to internationally-trained geoscientists who required financial assistance to complete their final requirements to become registered professional geoscientists in Ontario. The Foundation was pleased to be able to support these deserving geoscientists:



*Dr. Aida Biati – June 2016 Recipient*



*Mr. Mehran Rezvani – December 2016 Recipient*

The Foundation wishes the scholarship and bursary recipients every success as they proceed with their careers in geoscience.

## ***Metcalf Geoheritage Park***

In 2016, the Foundation was pleased to provide funding of \$4,166 for an innovative project to establish QR coding of rock samples on display at the new Metcalfe Geoheritage Park in Almonte, Ontario, southeast of Ottawa. The provided funds will allow the Metcalfe Geoheritage Park Committee to develop and implement a QR code system of signage that will enable visitors to the park to digitally access with their mobile devices a wealth of geo-information about the site and the specimens on display. The park officially opened to the public on September 24, 2016 and the QR code system is expected to be launched in the spring of 2017.

It is the Foundation's hope that the QR coding system developed for the park can eventually be used to deliver digital information to the public about all the geoparks in Ontario.



## ***GeoscienceInfo.com***

The new and interactive geoscience information website, [GeoscienceInfo.com](http://GeoscienceInfo.com), designed to engage and inform the public about the wonders of geoscience and the work of professional geoscientists, is fully funded and ready to launch in June of 2017. The website provides interactive virtual geological field-trips in Ontario, Canada; news on the latest discoveries and items of interest in the world of geoscience; and information on resources to find out more about geoscience and the work done by professional geoscientists.

The Foundation is fortunate to have the website managed by Deana Schwarz, Ph.D., a recent geoscience graduate of Western University. Deana may be reached at [manager@geoscienceinfo.com](mailto:manager@geoscienceinfo.com).



### *Outlook for 2017:*

- The web-based and smartphone-friendly GeoscienceInfo.com is ready to launch in June 2017 to distribute geoscience education content to enhance the knowledge of the general public. This new website will deliver:
  - Virtual field-trips throughout Ontario
  - The latest discoveries and news in the world of geoscience, and
  - Interactive geoscience resources.

A prototype of the GeoscienceInfo.com website was displayed at the annual Prospectors & Developers Association (PDAC) Conference held in early March in Toronto. The launch date for the site will be June 8, 2017 at the APGO Annual Meeting. The Foundation has developed a plan that outlines the proposed approach to develop, deliver and grow the Geoscience Education Program. Using this program as a base, it is the longer-term objective of the Foundation to hold public lectures, presentations and conferences to further enhance the knowledge of the general public about geoscience. In addition, the longer term plan also includes a provision for preparing geovideos on key subjects as increased funding is available.

- **Scholarships** support post-secondary students in the third year of a geoscience study program at an Ontario university. Two scholarships of \$5,000 each will be awarded to two students of geoscience who, in Spring of 2017, have met the requirements for advancement into a fourth year that will enable completion of the knowledge requirements for professional registration in the APGO.

The Foundation hopes to have at least two new annual named scholarships in place by the end of 2017.

- **Bursaries** support immigrants to Canada who are internationally-trained geoscientists and have demonstrated financial need for completion of licensure procedures for registration as a professional geoscientist (P.Ge.) in Ontario. The first Past President's Bursary of up to \$5000 will be awarded in 2017 along with the newly established Arsalan Mohajer Bursary of up to \$5,000.

Scholarships and bursaries will be awarded at the Annual Meeting of APGO on June 8, 2017.

### **Donors**

We want to thank the generosity of all our donors and supporters that have made this year very successful and have allowed us to move strongly forward on the Foundation's purpose to advance the education of the public in the area of geoscience.

## Contacts

Dr. Bill Pearson, P.Ge.

Chair

[chair@apgoedfoundation.ca](mailto:chair@apgoedfoundation.ca)

Andrea Waldie, P.Ge.

Business Manager

[manager@apgoedfoundation.ca](mailto:manager@apgoedfoundation.ca)

## IN MEMORIUM

### DR. ROBERT (BOB) HODDER

The board of the **APGO Education Foundation** (“the Foundation”) is saddened by the passing of our friend and Foundation board member **Dr. Robert (Bob) Hodder** on March 26, 2017. Bob had a long and distinguished career as a geoscience educator, most recently as Professor Emeritus, since 1993, at Western University.

Bob has been a valued member of the Foundation board since 2014. He was instrumental in the creation of the Foundation scholarships and bursaries. His dedication to education, geoscience, and professionalism, as well as his knowledge, insight, sense of humor, and friendship will be greatly missed.



**Dr. Robert (Bob) Hodder**  
1932 – 2017

## **LIST OF DONORS**

The APGO Education Foundation is deeply grateful to its Founding Sponsors and all of its donors for their generous support.

### **FOUNDING SPONSORS**

Anonymous

APGO

Bill Pearson

William Pearson Family Fund

### **PAST PRESIDENTS' BURSARY**

Kristin Hanson

David Hunt

Maureen Jensen

Deborah McCombe

William Pearson

Mark Priddle

Stephen Wilson

### **INDIVIDUAL CONTRIBUTORS**

#### **Gold \$100 to \$500**

ARL Groundwater Resources

Alexandra Horwood

Nancy McInerney-Lacombe

Neil Westoll

#### **Friends \$20 to \$99**

Venkata Kopalle

### **IN-KIND CONTRIBUTORS**

Andrea Waldie

## **AUDITED FINANCIAL STATEMENTS**

**APGO EDUCATION FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2016**

**APGO EDUCATION FOUNDATION**

**Index to Financial Statements**

**Year Ended December 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of APGO Education Foundation

We have audited the accompanying financial statements of APGO Education Foundation, which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

Independent Auditor's Report to the Members of APGO Education Foundation *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of APGO Education Foundation as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Bateman Mackay LLP". The signature is written in a cursive, flowing style.

Mississauga, Ontario  
April 3, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

APGO EDUCATION FOUNDATION

Statement of Financial Position

December 31, 2016

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 16,648	\$ 12,410
Marketable securities (Note 2)	22,132	19,864
Harmonized sales tax recoverable	4,454	1,483
Prepaid expenses	1,161	1,061
	<u>\$ 44,395</u>	<u>\$ 34,818</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 4,501	\$ 6,805
DEFERRED CONTRIBUTIONS (Note 3)	<u>8,300</u>	10,000
	12,801	16,805
<b>NET ASSETS</b>		
General fund (Note 4)	31,594	18,013
Scholarship fund (Note 5)	-	-
Bursary fund (Note 5)	-	-
Public education fund (Note 5)	-	-
	<u>\$ 44,395</u>	<u>\$ 34,818</u>

COMMITMENTS (Note 6)

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

**APGO EDUCATION FOUNDATION**  
**Statement of Revenues and Expenditures**  
**For the Year Ended December 31, 2016**

	2016	2015
<b>REVENUE</b>		
Donations	\$ 46,104	\$ 25,841
Scholarships and bursaries (Note 5)	25,000	-
Contributed services (Note 7)	22,500	22,500
Public education (Note 5)	16,416	-
Grants (Note 8)	-	10,000
	<b>110,020</b>	<b>58,341</b>
<b>EXPENDITURES</b>		
General and administrative expenses (Note 7)	22,500	22,500
Legal fees	21,001	9,200
Public education	16,416	-
Scholarships awarded	15,000	-
Bursaries awarded	10,000	-
Website expenses	6,094	2,161
Accounting fees	5,197	4,158
Insurance	1,244	-
Travel	624	-
Administration fees	310	213
Office	276	753
Interest and bank charges	45	43
Professional fees	-	1,164
	<b>98,707</b>	<b>40,192</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<b>11,313</b>	<b>18,149</b>
<b>OTHER INCOME</b>		
Unrealized gain (loss) on marketable securities	1,726	(266)
Dividend income	542	130
	<b>2,268</b>	<b>(136)</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 13,581</b>	<b>\$ 18,013</b>

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

**APGO EDUCATION FOUNDATION**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2016**

	General Fund	Scholarship Fund	Bursary Fund	Public Education Fund	<b>Total 2016</b>	Total 2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 18,013	\$ -	\$ -	\$ -	\$ <b>18,013</b>	\$ -
Excess of revenue over expenditures	13,581	-	-	-	<b>13,581</b>	18,013
Allocation of revenue	(41,416)	15,000	10,000	16,416	-	-
Allocation of expenditures	41,416	(15,000)	(10,000)	(16,416)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 31,594	\$ -	\$ -	\$ -	\$ <b>31,594</b>	\$ 18,013

*The accompanying notes are an integral part of these financial statements.*

**APGO EDUCATION FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess Of Revenue Over Expenditures	\$ 13,581	\$ 18,013
Item not affecting cash:		
Unrealized gain (loss) on marketable securities	<u>(1,726)</u>	266
	<b>11,855</b>	<b>18,279</b>
Changes in non-cash working capital:		
Harmonized sales tax payable	(2,971)	(1,483)
Prepaid expenses	(100)	(1,061)
Accounts payable and accrued liabilities	<u>(2,304)</u>	6,805
	<b>(5,375)</b>	<b>4,261</b>
Cash flow from operating activities	<u>6,480</u>	22,540
<b>INVESTING ACTIVITIES</b>		
Purchase of marketable securities	-	(20,000)
Dividends reinvested	<u>(542)</u>	(130)
Cash flow used by investing activities	<u>(542)</u>	(20,130)
<b>FINANCING ACTIVITY</b>		
Deferred contributions - net	<u>(1,700)</u>	10,000
Cash flow from (used by) financing activity	<u>(1,700)</u>	10,000
<b>INCREASE IN CASH FLOW</b>	<b>4,238</b>	<b>12,410</b>
Cash - beginning of year	<u>12,410</u>	-
<b>CASH - END OF YEAR</b>	<u><b>\$ 16,648</b></u>	<u><b>\$ 12,410</b></u>

*The accompanying notes are an integral part of these financial statements.*

# APGO EDUCATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2016

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### DESCRIPTION OF ACTIVITIES

APGO Education Foundation (the "Foundation") is incorporated under the Canada Corporations Act as a corporation without share capital. It is a registered charity under the Income Tax Act (Canada) and as such is not subject to income tax.

The Foundation's objective is to provide financial and other support to promote a greater understanding of the profession of geoscience, support the individuals who study geoscience, and support the practice of professional geoscience. The purpose of the Foundation is to advance the education of the public in the area of geoscience by:

1. Providing scholarships to post-secondary students for the study of geoscience in a degree program;
2. Providing bursaries to immigrants to Canada who are internationally-trained geoscientists and have demonstrated financial need for completion of licensure procedures for registration as a professional geoscientist in Ontario; and
3. Holding lectures, presentations, conferences on geoscience to enhance the knowledge of the general public.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

#### Revenue recognition

APGO Education Foundation follows the deferral method of accounting for contributions, which includes donations and grants.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Contributed services

Contributed materials and services are recognized only when a fair value can be reasonably estimated, the materials and services are used in the normal course of operations and the materials and services would otherwise have been purchased.

*(continues)*

APGO EDUCATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

*Measurement of financial instruments*

The Company initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include marketable securities.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial statement items subject to significant management judgement include revenue recognition, and the completeness of accounts payable and accrued liabilities.

2. MARKETABLE SECURITIES

	2016		2015	
	Book Value	Fair Value	Book Value	Fair Value
Mutual funds	-	22,132	-	19,864

3. DEFERRED CONTRIBUTIONS

Deferred contributions are donations restricted to be used for the following purposes. The donations will be recognized as revenue in the year the related expenditures are incurred under the deferral method.

	2016	2015
Scholarships	\$ -	\$ 10,000
Past Presidents bursary	8,300	-
	<u>\$ 8,300</u>	<u>\$ 10,000</u>

4. GENERAL FUND

The general fund is used to pay for operating expenses including legal, audit, marketing and administration costs.

# APGO EDUCATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2016

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### 5. RESTRICTED FUNDS

Restricted funds are used to designate donations received for specific purposes. In 2016 the Foundation added an additional restricted fund, the Education Fund, for donor funds designated for geovideos and education of the public. The Foundation now has restricted funds for three designated purposes: scholarships, bursaries and public education. All funds are externally restricted. During the year, there was an additional \$1,416 designated from the General Fund to the Public Education Fund to cover additional expenditures.

Restricted contributions received for which the related expenditure has not yet been incurred are recorded as deferred contributions as described in Note 3.

### 6. COMMITMENTS

The Foundation has pledged to fund an additional \$2,250 upon completion of a public education site currently underway. The expected date of completion is spring 2017.

### 7. CONTRIBUTED SERVICES

The Foundation has a service agreement with the Association of Professional Geoscientists of Ontario (APGO). The agreement is for an initial two year term expiring December 2016 and includes automatic renewals for terms of one year. Under the agreement the APGO provides services including bookkeeping, issuance of charitable receipts, maintenance of website and social media accounts and management of communications.

Additional contributed services from other sources have not been recognized in the financial statements as the fair value of such services can not be reasonably estimated.

### 8. GRANTS

During the prior year the Foundation received a grant from the William Pearson Family Fund through Giffunds Canada to be used for start-up capital. As expenditures related to the grant were incurred and recognized during the year the revenue has been recognized under the deferral method.

### 9. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2016.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. There has been no change to the risk exposures from 2015.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Foundation is mainly exposed to other price risk. There has been no change to the risk exposures from 2015.

*(continues)*

**APGO EDUCATION FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2016**

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9. FINANCIAL INSTRUMENTS *(continued)*

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investment in quoted shares. This risk is reduced to a minimum, since the Foundation mitigates the risk by investing in conservative investments focused on generating income with long term capital appreciation. There has been no change to the risk exposures from 2015.