

## President's Report 2007 | Dave Devenny

This has been a banner year for the APEGGA Education Foundation.

### 1. Achieving our goals through University Trusts

We donate about \$100,000 per year to universities to support the education of engineers, geologists and geophysicists. Our long term business plan was to double the size of our capital reserves of \$1 million. At today's interest rates, we need to double our capital reserve if interest is to sustain our programs. As a result our long term business plan was to double our capital reserve. We found a way to achieve that goal with University Trusts.

With University Trusts we transfer our capital reserve to a university trust in our name. We designate how interest earned by the funds should be used. Naturally our choice is to continue our programs.

In return the universities manage investment of our funds. They will apply interest earned to fund programs and grow the endowment. The programs funded will reflect our direction and will bear our name. The universities will also seek matching funds from the Alberta Access to the Future Fund to effectively double our endowment in about five year's time.

Negotiations to enter the Trust agreements are well advanced with the University of Alberta and the University of Calgary.

### 2. Revamp Awards Programs

We reviewed all our programs in consultation with the universities, the APEGGA Honours and Awards Committee and others. Our award programs are being reshaped to focused, effective programs that reflect community need that will attract donations. The main programs include Student Achievement Awards (Gold Medals), Bursaries, and Outreach Programs that focus on making young Albertans aware of careers in engineering, geology and geophysics.

### 3. Coordination with APEGGA

As a charity the Foundation must act as an independent organization. However, to facilitate understanding, we keep the APEGGA Honours and Awards Committee and APEGGA Council aware of our activities. Both support our initiatives. We are also seeking legal confirmation of our actions.

### 4. Bylaw Changes

Historically, only APEGGA could nominate new Members to the APEGGA Education Foundation.

We are changing our bylaws to allow the Foundation and APEGGA Council to nominate Foundation Members with agreement to support each other's nominations. That should facilitate the growth of the Foundation Membership.

### 5. Aid to the History Project

Efforts are underway to create books on Bridges in Alberta and the History of APEGGA. The Foundation facilitates the history effort without funding its activities.

### 6. Upgrading the Foundation website

We are upgrading the Foundation website to better communicate the goals and activities of AEF. That should aid further fund raising activities.

### 7. Team Effort

Progress in the past year was due to a great team effort by the Foundation Board of Directors with support from APEGGA staff

## EDUCATION FOUNDATION 2007 BOARD OF DIRECTORS

### Executive

Dr. David Devenny, P.Eng., P.Geol. *President*

Andrew Gilliland, P.Eng. *Past President*

Ashok Sehgal, P.Eng. *Vice-President*

Dr. Varagur Srinivasa Vaikunta (Raj) Rajan, P.Eng. *Secretary-Treasurer*

### Directors

Dr. R.P.W. (Ron) Lawson, P.Eng.

Peggy Simons, P.Eng.

Dave Stelck, P.Geol.

H. Neil Windsor, P.Eng.

### APEGGA Support

Len Shrimpton, P.Eng., MBA *Director, Internal Affairs*

Sandy Roth

## Auditor's Report to the Members

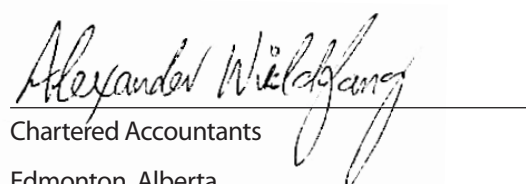
We have audited the balance sheet of The APEGGA Education Foundation as at December 31, 2007 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from voluntary cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine

whether any adjustments might be necessary to contributions, excess revenue, assets and fund balances.

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations, cash flows and changes in fund balances for the period then ended in accordance with Canadian generally accepted accounting principles.

  
Chartered Accountants

Edmonton, Alberta  
February 7, 2008



## FINANCIAL STATEMENTS | Balance Sheet

December 31, 2007, with comparative figures for 2006

	2007			2006
	Unrestricted Funds	Restricted Funds	Total	Total
<b>Assets</b>				
Cash	\$ 95,708	17,929	113,637	140,906
Guaranteed investment certificates	529,035	50,914	579,949	673,631
Marketable securities, quoted market value \$433,476 (2006 - \$206,433)	432,318	—	432,318	207,972
	<b>\$ 1,057,061</b>	<b>68,843</b>	<b>1,125,904</b>	<b>1,022,509</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accrued liabilities	\$ —	—	—	8,000
Fund balances:				
Restricted:				
APEGGA Millennium Scholarship	—	40,400	40,400	46,625
Acuren Scholarship	—	28,443	28,443	27,615
	—	68,843	68,843	74,240
Unrestricted	1,057,061	—	1,057,061	940,269
	<b>\$ 1,057,061</b>	<b>68,843</b>	<b>1,125,904</b>	<b>1,022,509</b>

See accompanying notes to financial statements.

# Financial Statements ... continued

## Statement of Operations

Year ended December 31, 2007, with comparative figures for 2006

	Unrestricted Funds		Restricted Funds		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenue:</b>						
Contributions:						
APEGGA	\$ 46,200	40,250	–	–	46,200	40,250
Summit Awards	45,800	44,300	–	–	45,800	44,300
Life member campaign	13,164	12,005	–	–	13,164	12,005
General and voluntary	95,008	86,443	–	–	95,008	86,443
Investments	30,560	24,048	2,603	3,429	33,163	27,477
	<b>230,732</b>	<b>207,046</b>	<b>2,603</b>	<b>3,429</b>	<b>233,335</b>	<b>210,475</b>
<b>Expenditures:</b>						
Grants and scholarships						
Universities and colleges	101,470	86,524	8,000	6,000	109,470	92,524
APEGGA Outreach Program	5,970	8,000	–	–	5,970	8,000
Meetings	412	467	–	–	412	467
Office and supplies	3,449	2,173	–	–	3,449	2,173
Events	–	1,649	–	–	–	1,649
Professional fees	2,639	2,102	–	–	2,639	2,102
	<b>113,940</b>	<b>100,915</b>	<b>8,000</b>	<b>6,000</b>	<b>121,940</b>	<b>106,915</b>
<b>Excess revenue (expenditures)</b>	<b>\$ 116,792</b>	<b>106,131</b>	<b>(5,397)</b>	<b>(2,571)</b>	<b>111,395</b>	<b>103,560</b>

See accompanying notes to financial statements.

## Statement of Changes in Fund Balance

Year ended December 31, 2007, with comparative figures for 2006

	Unrestricted Funds		Restricted Funds		Total	
	2007	2006	2007	2006	2007	2006
Balance, beginning of year	\$ 940,269	834,138	74,240	76,811	1,014,509	910,949
Excess revenue (expenditures)	116,792	106,131	(5,397)	(2,571)	111,395	103,560
<b>Balance, end of year</b>	<b>\$ 1,057,061</b>	<b>940,269</b>	<b>68,843</b>	<b>74,240</b>	<b>1,125,904</b>	<b>1,014,509</b>

See accompanying notes to financial statements.

## Statement of Cash Flows

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Cash flows from operating activities:		
Restricted funds:		
Receipts from contributions	\$ –	–
Investment earnings received	2,603	3,429
Scholarships paid	(8,000)	(6,000)
	(5,397)	(2,571)
Unrestricted funds:		
Receipts from contributions	200,172	367,463
Investment earnings received	29,967	27,799
Scholarships and expenses paid	(129,940)	(92,915)
	100,199	302,347
	<b>94,802</b>	<b>299,776</b>
Cash flows from investing activities:		
Increase in investments	(122,071)	(316,646)
Decrease in cash	(27,269)	(16,870)
Cash, beginning of year	140,906	157,776
<b>Cash, end of year</b>	<b>\$ 113,637</b>	<b>140,906</b>

See accompanying notes to financial statements.

## Notes to Financial Statements

Year ended December 31, 2007

The APEGGA Education Foundation is incorporated without share capital as a non-profit organization under the Societies Act of the Province of Alberta. The Foundation was established on December 13, 1996 to encourage and assist educational institutions in defining the educational needs of the Professions of Engineering, Geology and Geophysics and developing and delivering educational programs, by providing financial assistance and awards, and to encourage and assist interaction between industry and educational institutions at both a corporate and individual level.

The Foundation is a charitable organization registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

### 1. Significant accounting policies:

#### (a) Measurement uncertainty:

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgement. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

#### (b) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions. Unrestricted funds accounts for the Foundation's general programs and administrative activities, including unrestricted assets, liabilities, contributions and expenses.

Restricted funds report the assets, liabilities, revenue and expenses related to the restricted Millennium Scholarship and Acuren Scholarship.

Restricted contributions related to general operations are recognized as revenue of Unrestricted Funds in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Funds.

Unrestricted contributions are recognized as revenue of Unrestricted Funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment earnings include interest and dividend earnings and realized and unrealized investment gains and losses on held for trading financial assets.

Restricted investment earnings are recognized as revenue of the Restricted Funds when earned. Unrestricted investment earnings are recognized as revenue of the Unrestricted Funds when earned.

#### (c) Investments:

Investments, comprised of guaranteed investment certificates and marketable securities, are classified as held for trading financial assets and are recorded at market value.

#### (d) Financial instruments:

The Foundation's financial instruments consist mainly of cash, guaranteed investment certificates and marketable securities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### (e) Contributed goods and services:

The Foundation is dependent on contributed operational and volunteer services. Contributions of these items are not recognized in the financial statements.