



**2012**

# **Annual Report**

*Building the Future Today*

# APEGA EDUCATION FOUNDATION

Annual Report 2012

## **President's Report**

The APEGA Education Foundation (AEF) was established by APEGA in 1996 as a registered charitable organization. It is a vehicle for APEGA members to invest in the future of the engineering and geosciences professions by funding initiatives that;

- a) improve the understanding of the value of the engineering and geoscience profession to society
- b) attract young people to careers in our professions
- c) enhance gender diversity and Aboriginal interest in our professions
- d) remove barriers to post-secondary education by providing financial support

A key priority for the past year has been to ask members to consider their professional responsibility to advance and sustain our professions by giving financial support to the Foundation. Individual member donations totalled \$166,364, a significant increase over the \$133,291 for 2011. This is encouraging and hopefully an indication that the goal of increasing individual member donations to at least \$400,000 annually will soon be achieved.

The Board appreciates the support that APEGA Council and staff have given to these initiatives.

## **By-laws/Objects**

Updated versions of the by-laws and objects of the Foundation have been prepared for approval at the 2013 annual meeting. Provisions for the appointment of an executive director and the use of modern computer based communication technology are provided in the revised by-laws while providing the Board with some more flexibility in how it functions. The following three new objects have been added to the existing objects to enhance the Foundations area of influence;

- a) Support outreach programs that improve the understanding of the value of the engineering and geoscience professions in society and programs that inform young men and women about the opportunities available through an education in engineering or geoscience.
- b) Enhance the quality, quantity and diversity of the members of the engineering and geoscience workforce;
- c) Provide funds for programs that inform the public on matters of relevance to the engineering and geoscience professions;

## **Administration**

Len Shrimpton, MBA, P.Eng., FEC has been appointed to the position of Senior Director Member Services for APEGA. In this new role he will focus on Member Services and the Education Foundation. The role of CEO, as described in the By-Laws, is aligned with what Len is doing and expects to do for the Foundation. Barbara Joslin, Len's Executive Assistance has also provided invaluable service to the Foundation.

The Foundation appreciates this additional assistance from APEGA.

### **Awards, Medals and Outreach**

The Foundation provides over 50 scholarships and bursaries, having a total value of \$181,200 to deserving students. The majority of these support engineering and geoscience students at the University of Alberta, the University of Calgary and Mount Royal University. Endowments totalling over \$1.25M were previously established at these institutions to help fund these awards. The awards include the, new in 2011, seven \$3,000 Merit and six \$5,000 Academic Excellence scholarships for engineering students entering the U of C and the U of A respectively. The Foundations scholarship program also includes ten Millennium scholarships valued at \$3,500 each for children of APEGA members to pursue post-secondary education in any program anywhere in Canada.

Medals for high academic performance at the U of A and the U of C in engineering (16) and geoscience (4) are also awarded by the Foundation.

A list of students who received financial support from the Foundation is included in this report.

The Foundation continues to contribute approximately \$45,000 annually in support of outreach programs at the U of A and the U of C. These programs do invaluable work to attract young men and women into our professions.

### **Fund Raising**

The following three initiatives created the increase in revenue identified in the opening paragraph.

- a) The Foundation has been prominently profiled in each edition of the PEG through ads and articles.
- b) APEGA Council approved the introduction of a voluntary donation of to the Foundation on the APEGA annual invoice which was introduced in November 2012. The initial results are very encouraging.
- c) A successful campaign targeting APEGA Life Members, held in December, was also very successful.

Additional targeted campaigns are planned for 2013 and will include one seeking support from women engineers in conjunction with International Women's Day.

AEF fundraising goals continue to be:

- a) to increase individual Member contributions from \$100,000 to, at least, \$400,000 per year,
- b) to increase corporate donations to, at least, \$100,000 per year,
- c) to have corporations match employee contributions, where applicable
- d) to maintain APEGA's donation from the Summit Award Gala in the \$35,000 range,
- e) to quadruple the number of Members using the BMO Affinity Master Card

AEF goals on the disbursement side continue to be:

- a) to double the endowments at the U of A and U of C,
- b) to at least double the amount and number of scholarships,
- c) to at least double the funding for outreach

## **Financial**

AEF revenues were \$254,956 while disbursements were \$259,557 resulting in a \$4,601 loss. This loss was financed through AEF's assets which totaled \$506,112 at year end. Please refer to the Audited Financial Statements.

Disbursements OF \$176,910 include scholarships directly funded by the Foundation and top-up payments to the U of A, the U of C and Mount Royal University, as the revenue generated from the endowments was not sufficient to underwrite all the awards. This may continue for the next several years until the investment climate improves, AEF is able to increase the endowment levels and/or matching funds are released from the Government of Alberta's Access to the Future Fund.

## **Bridges of Alberta Book Project**

The publisher has decided not to proceed with publishing the book without some restructuring of the manuscript and an additional \$50,000 in funding. The Board is looking at other options including an online version of the book and identifying other corporate sponsors.

## **2012 Scholarship, Bursary and Past Presidents' Medal Winners**

### **Acuren Scholarship in Metallurgical Engineering – valued at \$2500**

Not available at time of publication

### **Alex Hemstock Bursary for Graduate Studies - valued at \$2500**

New in 2012, not yet awarded

### **Millennium Scholarships – valued at \$3,500**

Kai Horner	McGill University
Jenessa Kerr	McGill University
Rachelle Berg	Mount Royal University
Michael Ewanchyna	Queen's University
Chris Fitzgibbon	Queen's University
Kathryn Hamilton	Queen's University
Catherine Wierzba	Queen's University
Lucia Gan	University of Alberta
Evguenia Paramonova	University of BC
Lauren Taylor	University of Calgary

### **Graduate Awards in Integrated Petroleum Geoscience – valued at \$5,000**

Francis Fortin-Morin	University of Alberta
Tristan Hamblin	University of Alberta

### **APEGA Education Foundation Graduate Scholarship – valued at \$5,000**

Madiha Khurshid	University of Calgary
Ryan Lewinson	University of Calgary

### **Undergraduate Scholarships and Bursaries – Valued from \$1,000 to \$5,000**

Christopher Schneider	Undergraduate Entrance Merit Scholarship in Eng	University of Calgary
Jeremy Pires	Undergraduate Entrance Merit Scholarship in Eng	University of Calgary
Mohammed Al Saed	Undergraduate Entrance Merit Scholarship in Eng	University of Calgary
Donna Ng	Undergraduate Entrance Merit Scholarship in Eng	University of Calgary

David Clare	Undergraduate Entrance Merit Scholarship in Eng	University of Calgary
Silar Kovats	Undergraduate Entrance Merit Scholarship in Eng	University of Calgary
Mark Li	Undergraduate Bursary in Engineering	University of Calgary
Yi Zhang	Undergraduate Bursary in Engineering	University of Calgary
Pradeep Shrestha	Undergraduate Bursary in Engineering	University of Calgary
Kihyun Kim	Undergraduate Bursary in Engineering	University of Calgary
Haley Jabusch	Undergraduate Bursary in Science	University of Calgary
Mathew Simmons	Undergraduate Bursary in Science	University of Calgary
Alexandra Thompson	Rising Star Scholarship in Geology or Geophysics	University of Alberta
Ebberly MacLagan	Rising Star Scholarship in Geology or Geophysics	University of Alberta
Sophie Pyo	Rising Star Scholarship in Geology or Geophysics	University of Alberta
Micah Moring	Scholarship in Geophysics	University of Alberta
Kyle Doyle	Academic Excellence Award in Engineering	University of Alberta
Hao Lu	Academic Excellence Award in Engineering	University of Alberta
Jehee Lee	Academic Excellence Award in Engineering	University of Alberta
Leah Grace Goettler	Academic Excellence Award in Engineering	University of Alberta
Jared Daniel Feniak	Academic Excellence Award in Engineering	University of Alberta
Michael Boeske	Academic Excellence Scholarship in Engineering	University of Alberta
Nicholas Kwan-Wong	Academic Excellence Scholarship in Engineering	University of Alberta
Aidan McDermott	Academic Excellence Scholarship in Engineering	University of Alberta
Shannon Hill	Academic Excellence Scholarship in Engineering	University of Alberta
Jia Liang	Academic Excellence Scholarship in Engineering	University of Alberta
Chance Wright	Academic Excellence Scholarship in Engineering	University of Alberta
Kay-Cee Hermanson	Undergrad Scholarship in Geology & Geophysics	University of Alberta
Stepan Lavrinenko	Undergrad Scholarship in Geology & Geophysics	University of Alberta
n/a	Undergrad Scholarship in Geology & Geophysics	University of Alberta
n/a	Undergrad Scholarship in Geology & Geophysics	University of Alberta
Mitchell Grams	HR Webb Memorial Scholarship	University of Alberta
Tyler Warchola	John A. Allan Memorial Schp in Geology	University of Alberta
	Acuren Scholarship	University of Alberta
Ajanta Basak		Mount Royal University

**APEGA Past Presidents' Medals**

Aline Labrie	Medal in Geology & Geophysics	University of Calgary
Andrew Iverson	Medal in Geology & Geophysics	University of Calgary
Brendan Clark	Medal in Engineering	University of Calgary
Grahame Smith	Medal in Engineering	University of Calgary
Jeffrey Lo	Medal in Engineering	University of Calgary

Jordan Woehr	Medal in Engineering	University of Calgary
Kevin Boyd	Medal in Engineering	University of Calgary
Michael Schoenenberger	Medal in Engineering	University of Calgary
Neil Rosychuk	Medal in Chemical Engineering	University of Alberta
Jillian Fritsch	Medal in Civil Engineering	University of Alberta
Timothy Vandekamp	Medal in Computer Engineering	University of Alberta
Mathew Caputo	Medal in Electrical Engineering	University of Alberta
Christopher Rogers	Medal in Engineering Physics	University of Alberta
not awarded	Medal in Mechanical Engineering	University of Alberta
Victoria Chum	Medal in Materials Engineering	University of Alberta
Curtis Steinbach	Medal in Mining Engineering	University of Alberta
Jared Ponto	Medal in Petroleum Engineering	University of Alberta
Matthew Hardman	Medal in Geology	University of Alberta
Lindsey Heagy	Medal in Geophysics	University of Alberta

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**THE APEGA EDUCATION FOUNDATION**  
**Financial Statements**  
**Year Ended December 31, 2012**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The APEGA Education Foundation

We have audited the accompanying financial statements of The APEGA Education Foundation, which comprise the statement of financial position as at December 31, 2012 and the statements of operations, changes in net assets and cash flow 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 qualified audit opinion.

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

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, The APEGA Education Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The APEGA Education Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flow from operations for the year ended December 31, 2012, current assets and net assets as at January 1, 2012 and December 31, 2012.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The APEGA Education Foundation as at December 31, 2012 and the results of its operations and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**Comparative Information**

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that The APEGA Education Foundation adopted Canadian Accounting Standards for Not-for-Profit Organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011 and the statements of operations, changes in net assets and cash flow for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Sherwood Park, Alberta  
March 14, 2013

*Vleeming Vleeming O'Neill LLP*



Vleeming Vleeming O'Neill LLP

**THE APEGA EDUCATION FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2012**

	2012			2011 (revised)
	General fund	Restricted fund	Total	
<b>ASSETS</b>				
Current				
Cash	\$ 149,170	\$ -	\$ 149,170	\$ 151,063
Short term investments (note 4)	337,655	-	337,655	332,550
Contributions receivable (note 5)	18,034	-	18,034	10,358
Goods and Services Tax recoverable	1,253	-	1,253	1,167
Due from (to) other funds	(77,090)	77,090	-	-
	<u>\$ 429,022</u>	<u>\$ 77,090</u>	<u>\$ 506,112</u>	<u>\$ 495,138</u>
<b>LIABILITES</b>				
CURRENT				
Accounts payable and accrued liabilities	\$ 32,477	\$ -	\$ 32,477	\$ 14,862
CONTINGENT LIABILITY (NOTE 6)				
<b>NET ASSETS</b>				
Externally restricted				
Acuren scholarship	-	29,970	29,970	32,010
Gilpin and Chichak book project	-	14,690	14,690	14,690
Hemsock bursary	-	32,430	32,430	32,430
	-	77,090	77,090	79,130
Unrestricted	396,545	-	396,545	401,146
	396,545	77,090	473,635	480,276
	<u>\$ 429,022</u>	<u>\$ 77,090</u>	<u>\$ 506,112</u>	<u>\$ 495,138</u>

See notes to financial statements

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**Vleeming Vleeming O'Neill LLP**  
 Accountants

**THE APEGA EDUCATION FOUNDATION**  
**Statement of Operations**  
**Year Ended December 31, 2012**

	General fund		Restricted fund		Total	
	2012	2011	2012	2011	2012	2011
<b>REVENUE</b>						
General and voluntary Association of Professional Engineers and Geoscientists of Alberta	\$ 191,223	\$ 170,879	\$ 5,000	\$ 32,430	\$ 196,223	\$ 203,309
Summit Awards	34,410	54,900	-	-	34,410	54,900
Interest income	20,500	18,700	-	-	20,500	18,700
Other income	4,145	5,044	960	930	5,105	5,974
Government of Alberta grant	4,678	5,201	-	-	4,678	5,201
Book project grant	-	7,163	-	-	-	7,163
	-	-	-	1,850	-	1,850
	<u>254,956</u>	<u>261,887</u>	<u>5,960</u>	<u>35,210</u>	<u>260,916</u>	<u>297,097</u>
<b>EXPENDITURES</b>						
Grants and scholarships	176,910	185,739	3,000	-	179,910	185,739
Outreach program	-	-	5,000	50,000	5,000	50,000
Office, supplies and software licence	47,130	49,860	-	-	47,130	49,860
Professional fees	35,517	13,176	-	-	35,517	13,176
Book project	-	-	-	14,219	-	14,219
Meetings	-	126	-	-	-	126
	<u>259,557</u>	<u>248,901</u>	<u>8,000</u>	<u>64,219</u>	<u>267,557</u>	<u>313,120</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ (4,601)</b>	<b>\$ 12,986</b>	<b>\$ (2,040)</b>	<b>\$ (29,009)</b>	<b>\$ (6,641)</b>	<b>\$ (16,023)</b>

See notes to financial statements

**THE APEGA EDUCATION FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2012**

	General fund		Restricted fund		Total	
	2012	2011	2012	2011	2012	2011
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 401,146	\$ 388,160	\$ 79,130	\$ 108,139	\$ 480,276	\$ 496,299
Excess of revenue over expenditures	(4,601)	12,986	(2,040)	(29,009)	(6,641)	(16,023)
<b>NET ASSETS - END OF YEAR</b>	\$ 396,545	\$ 401,146	\$ 77,090	\$ 79,130	\$ 473,635	\$ 480,276

See notes to financial statements

**THE APEGA EDUCATION FOUNDATION**  
**Statement of Cash Flow**  
**December 31, 2012**

	2012	2011
<b>OPERATING ACTIVITY</b>		
Excess of revenue over expenditures	\$ (6,641)	\$ (16,023)
Change in non-cash working capital:		
Contributions receivable	(7,676)	(4,024)
Goods and Services Tax recoverable	(86)	290
Accounts payable and accrued liabilities	17,615	9,464
Deferred revenue	-	(7,163)
<b>INCREASE (DECREASE) IN CASH</b>	<b>3,212</b>	<b>(17,456)</b>
Cash - Beginning of year	483,613	501,069
<b>CASH - END OF YEAR</b>	<b>\$ 486,825</b>	<b>\$ 483,613</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 149,170	\$ 151,063
Short-term investments	337,655	332,550
	<b>\$ 486,825</b>	<b>\$ 483,613</b>
<b>CASH FLOW SUPPLEMENTAL INFORMATION</b>		
Interest received	\$ 7,372	\$ 5,820

See notes to financial statements

# THE APEGA EDUCATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2012

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### 1. PURPOSE OF THE FOUNDATION

The APEGA Education Foundation (the "foundation") is incorporated under the Societies Act of Alberta on December 13, 1996 as a not-for-profit organization and is a registered charity under the Income tax Act.

On June 18, 2012, the foundation changed its name from The APEGGA Education Foundation.

The purpose of the foundation is to encourage and assist educational institutions in defining the educational needs of the Profession of Engineering and Geoscience 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.

### 2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the foundation adopted accounting standards for Not-For-Profit Organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on changes in net assets as at January 1, 2011 or operations or cash flow for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

#### Fund accounting

The Unrestricted Fund accounts for the foundation's program delivery and administrative activities

The Restricted Fund reports only restricted resources related to the restricted Acuren Scholarship, Gilpin and Chichak book project, Hemstock bursary and Women's and Aboriginal outreach program.

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# THE APEGA EDUCATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2012

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

The APEGA Education Foundation follows the restricted fund method of accounting for contributions.

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

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

Interest income is recorded over the term of the investment. Restricted investment earnings are recognized as revenue of the restricted fund.

#### Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Investments

Short term investments, which consist of Guaranteed Investment Certificates with original maturities at date of purchase beyond three months, are carried at amortized cost.

#### Cash and cash equivalents

Cash and cash equivalents includes investments in Guaranteed Investment Certificates.

#### 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 instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.



**THE APEGA EDUCATION FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2012**

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**4. SHORT TERM INVESTMENTS**

	<u>2012</u>	<u>2011</u>
Guaranteed Investment Certificates	<u>\$ 337,655</u>	<u>\$ 332,550</u>

Guaranteed Investment Certificates bear interest of between 0.82% and 2.10%, and having varying maturities by June, 2016.

**5. CONTRIBUTIONS RECEIVABLE**

Contributions receivable represent donations made by members and other parties that have been received by the Association of Professional Engineers and Geoscientists of Alberta, and are due to the foundation.

**6. CONTINGENT LIABILITY**

The foundation has not obtained any insurance for its operations.

**7. 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, 2012.

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 receipt of donations and other funding, and payment of scholarships and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the foundation manages exposure through its normal operating and financing activities. The foundation is exposed to interest rate risk primarily through its short-term investments.

**8. PRIOR PERIOD ADJUSTMENT**

Donations made by members and other parties received by the Association of Professional Engineers and Geoscientists of Alberta, and due to the foundation is now presented as contributions receivable. These amounts had previously been included in cash. For the year ended December 31, 2011, cash was decreased by \$10,358, and contributions receivable has increased by \$10,358. This change had no effect on net income or retained earnings of the foundation.

**THE APEGA EDUCATION FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2012**

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**9. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.