



Annual Report 2008



Message from the President

BY ASHOK SEHGAL P.ENG.
President, APEGGA Education Foundation

Our heartfelt thanks go to the many APEGGA Members who understand and support the objectives of the Foundation. We know that there are other alternatives for allocating your discretionary charitable donations. And many of them are larger, more visible organizations that we see regularly on our TV screens.

We know that your support makes a difference to the professions and the students who benefit from your generosity. Over the next few years we hope you will keep up this support and consider increasing it even further as we embark on a significant fundraising journey. Your financial support will increase dramatically the Foundation's ability to support these worthy students and the education system that is behind them.

The year 2008 was a watershed one for the Foundation, because

- APEGGA approved a major reorganization of the scholarship portfolio that it passed on to the Foundation at its inception in 1996
- APEGGA passed full authority to the Foundation to manage that portfolio to the benefit of Members and students
- APEGGA passed full authority to the Foundation to manage the endowments that were made to the University of Calgary and the University of Alberta in 1988.

The year also marked a milestone in the Foundation's journey, because

- more than \$1 million has been given to students in the form of medals and scholarships since its inception
- a total of \$1 million was endowed to the U of A and the U of C.

The year also saw the development of a five-year plan to see

- Member contributions quadruple
- corporate donations reach \$100,000
- another \$1 million endowed to the U of A and the U of C
- support for scholarships, bursaries and outreach double or even triple.

ENDOWMENTS

Trust agreements were signed with the U of C and the U of A to manage and disburse investment income from two \$500,000 endowments. These are in support of students who have high academic standing or who are in financial need, and in support of outreach to the wider community to encourage students to enter engineering and geoscience.

These agreements were precipitated by matching funds from the Government of Alberta's Access to the Future Fund. Unfortunately, demand for the matching funds and the downturn in the economy has meant that the matching funds may not be forthcoming for five years.

Endowments made by APEGGA in 1988 that have grown to more than \$100,000 each will be blended in with these new endowments.

The investment income generated from these endowments is not sufficient to cover commitments, so the Foundation will top them up annually with revenue generated from Members.

SCHOLARSHIP & BURSARY PORTFOLIO

Our portfolio was reorganized to make our financial support more effective, visible and understandable; to better meet the needs of students; and to simplify administration.

Entrance (entering first year), transfer (transferring from college to second-year engineering), Centennial (undergrad) and education (teaching) scholarships were eliminated. Undergrad and grad scholarships were increased in number and value. The focus changed from rewarding those of high academic standing to those in financial need.

The selection of winners was turned over to the universities except for the Millennium Scholarships, which are awarded to the children of APEGGA members enrolled in any post-secondary program anywhere in Canada. Gold medals are still awarded to the students with highest academic standing in fourth year.

OUTREACH

At the recommendation of the deans of the two universities, the Foundation has extended its reach to include support for the faculties' outreach programs. Our professions are still largely invisible to the public and continued promotion is needed to ensure we have the brightest and best entering geoscience and engineering.

FIVE-YEAR PLAN

The endowment of \$1 million left the Foundation with only \$200,000 in its account. There was an obvious need to build up the assets. The plan sees the current level of donations of \$200,000 rising to \$500,000 within five years.

The money generated above the current \$200,000 annually will be used to augment the current endowments. Over five years this amounts to \$1 million. The baseline donations of \$200,000 will be used to double our short-term funding levels.

HISTORY OF BRIDGES

Begun in 2007, the History of Bridges project saw \$60,000 raised by our historian and much research completed. The Foundation represents the tax deductible vehicle that Members can use to support this important record of bridge building in Alberta.

The goal is to have the manuscript complete by September 2009 for a celebration of the 100th anniversary of the completion of the Lethbridge High Level Bridge.



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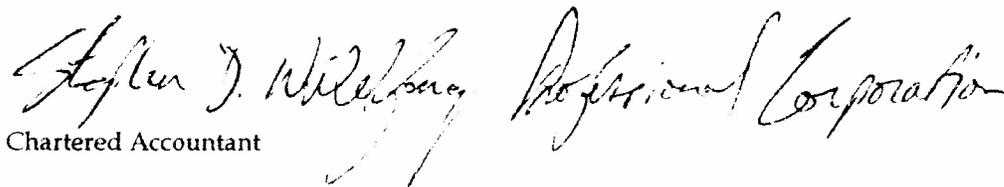
AUDITORS' REPORT TO THE MEMBERS

We have audited the balance sheet of The APEGGA Education Foundation as at December 31, 2008 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, 2008 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 Accountant

Edmonton, Alberta

February 10, 2009

THE APEGGA EDUCATION FOUNDATION

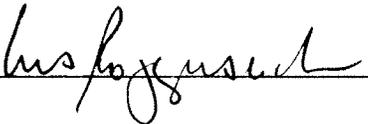
Balance Sheet

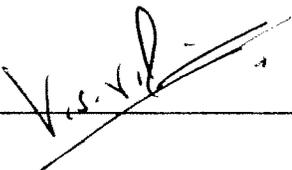
December 31, 2008, with comparative figures for 2007

	2008			2007
	Unrestricted Funds	Restricted Funds	Total	Total
Assets				
Cash	\$ 165,043	11,319	176,362	113,637
Guaranteed investment certificates	51,125	50,914	102,039	579,949
Marketable securities	-	-	-	432,318
Due from (to) other funds	6,478	(6,478)	-	-
	<u>\$ 222,646</u>	<u>55,755</u>	<u>278,401</u>	<u>1,125,904</u>
Liabilities and Fund Balances				
Liabilities:				
Accrued liabilities	\$ 1,581	-	1,581	-
Fund balances:				
Restricted:				
APEGGA Millennium Scholarship (note 2)	-	-	-	40,400
Acuren Scholarship	-	29,296	29,296	28,443
Gilpin and Chichak Book Project	-	26,459	26,459	-
	-	55,755	55,755	68,843
Unrestricted	221,065	-	221,065	1,057,061
	<u>\$ 222,646</u>	<u>55,755</u>	<u>278,401</u>	<u>1,125,904</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director



THE APEGGA EDUCATION FOUNDATION

Statement of Operations

Year ended December 31, 2008, with comparative figures for 2007

	Unrestricted		Restricted		Total	
	Funds		Funds			
	2008	2007	2008	2007	2008	2007
Revenue:						
Contributions:						
APEGGA	\$ 65,150	46,200	-	-	65,150	46,200
Summit Awards	34,300	45,800	-	-	34,300	45,800
Life member campaign	3,800	13,164	-	-	3,800	13,164
General and voluntary	117,123	95,008	-	-	117,123	95,008
Book project grant	-	-	35,000	-	35,000	-
Investments	19,067	30,560	853	2,603	19,920	33,163
	239,440	230,732	35,853	2,603	275,293	233,335
Expenditures:						
Endowment payments	1,000,000	-	-	-	1,000,000	-
Grants and scholarships	107,400	101,470	-	8,000	107,400	109,470
APEGGA Outreach Program	1,240	5,970	-	-	1,240	5,970
Meetings	1,198	412	-	-	1,198	412
Office and supplies	689	3,449	-	-	689	3,449
Book project	-	-	8,541	-	8,541	-
Professional fees	5,309	2,639	-	-	5,309	2,639
	1,115,836	113,940	8,541	8,000	1,124,377	121,940
Excess revenue (expenditures)	\$ (876,396)	116,792	27,312	(5,397)	(849,084)	111,395

See accompanying notes to financial statements.



THE APEGGA EDUCATION FOUNDATION

Statement of Changes in Fund Balances

Year ended December 31, 2008, with comparative figures for 2007

	Unrestricted		Restricted		Total	
	Funds		Funds			
	2008	2007	2008	2007	2008	2007
Balance, beginning of year	\$ 1,057,061	940,269	68,843	74,240	1,125,904	1,014,509
Excess revenue (expenditures)	(876,396)	116,792	27,312	(5,397)	(849,084)	111,395
Inter-fund transfers (note 2)	40,400	-	(40,400)	-	-	-
Balance, end of year	\$ 221,065	1,057,061	55,755	68,843	276,820	1,125,904

See accompanying notes to financial statements.



THE APEGGA EDUCATION FOUNDATION

Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Cash flows from operating activities:		
Restricted funds:		
Receipts from contributions	\$ 35,000	-
Investment earnings received	853	2,603
Scholarships and expenses paid	(8,541)	(8,000)
	27,312	(5,397)
Unrestricted funds:		
Receipts from contributions	220,373	200,172
Investment earnings received	19,067	29,967
Scholarships and expenses paid	(1,114,254)	(129,940)
	(874,814)	100,199
	(847,502)	94,802
Cash flows from investing activities:		
Decrease (increase) in investments	910,227	(122,071)
Increase (decrease) in cash	62,725	(27,269)
Cash, beginning of year	113,637	140,906
Cash, end of year	\$ 176,362	113,637

See accompanying notes to financial statements.



THE APEGGA EDUCATION FOUNDATION

Notes to Financial Statements
Year ended December 31, 2008

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 Acuren Scholarship and Gilpin and Chichak Book Project.

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.



THE APEGGA EDUCATION FOUNDATION

Notes to Financial Statements
Year ended December 31, 2008

1. Significant accounting policies, continued:

(c) Investments:

Investments 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 and guaranteed investment certificates. 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.

2. Inter-fund transfers:

In May 2008, the Association of Professional Engineers, Geologists and Geophysicists of Alberta ("APEGGA") authorized the Foundation's Board of Directors to unrestrict the funds related to the Millennium Scholarship and transfer the balance of \$40,400 to unrestricted assets. All future Millennium Scholarships are to be funded from general revenue.

