



ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO



2015 Annual Report

www.apgo.net



Letter to the Minister

of Northern Development and Mines

May 30, 2016

The Honourable Michael Gravelle
Minister of Northern Development and Mines
99 Wellesley Street West
Whitney Block, Room 5630
Toronto, Ontario M7A 1W3

Dear Minister Gravelle:

On behalf of the Council of the Association of Professional Geoscientists of Ontario (APGO), its committees and staff, it gives me great pleasure to present you with the APGO's 2015 Annual Report. This report again demonstrates our unwavering commitment and summarizes our activities that continue to support a strong and sustainable geoscience profession in Ontario.

These commitments and activities remain in line with the goals and objectives of the Ministry of Northern Development and Mines to protect the public, develop the mineral and general geoscience sector and develop the profession. APGO's audited financial report for 2014 and a list of volunteers that contributed to the success of the Association this past year are included in this report. We trust that you will find the APGO continues to meet our mandate, and that the Association is effectively governing the profession of geoscience in Ontario.

The APGO membership has continued to increase with 3,119 members as of December 31, 2015, including 2,064 full or limited P.Geo.'s. We are particularly pleased to report that our efforts to engage Geoscientists-in-Training has met with success (341 compared to 307 in 2014). Our student membership remains high at 619 members, representing a good portion of all university geoscience students in Ontario. This strategic focus contributes to growth of the profession. APGO continues to be the largest geoscience-only regulator in Canada and Ontario maintains the second largest population of professional geoscientists in Canada.

Association staff and volunteers continued to work on various national and international initiatives designed to encourage compliance with, and awareness of, the Act and to facilitate mobility. I would like to take this opportunity to thank you and the staff of your Ministry for working with the Association in 2015 and we look forward to continued relations going forward. The APGO trusts that you find the Annual Report interesting and informative.

Mark Priddle, P.Geo.
President

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Preface

This is the Association of Professional Geoscientists of Ontario's (APGO) 13th Annual Report to the Minister of Northern Development and Mines, the APGO membership, and the Ontario public. The purpose of this report is to present a comprehensive overview of the Association's activities during the past year for the benefit of the identified stakeholders and others.

The Association remained focused on four key areas throughout 2015 as per the 2014-2016 Strategic Plan:

Strategic Goals
Relevant, accessible professional society by increasing membership value.
Foster strong relationships and partnerships.
Work proactively to influence regulations.
Continue to strengthen as a governing body.

The Association continued to fulfill its duties in the areas of Registration, Complaints and Discipline, and Professional Practice.

Applications for registration continued to increase year over year with APGO ending the year with a record number of P.Geo.'s (2013) and Geoscientists-in-Training (341).

The APGO works closely with Geoscientists Canada on national issues and is pleased with the progress of its new strategic plan.

APGO initially signed a bi-lateral agreement on January 1, 2014, with the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) to allow incidental practice between registered members in both provinces. This agreement will be extended effective January 1, 2016.

APGO thanks the Ministry of Northern Development and Mines for their support in working towards amending the Registration Regulation.

APGO remains committed to working with the Office of the Fairness Commission, Ministries of the Environment and Natural Resources as well as strategic partners in order to advance professional geoscientists in Ontario.

Executive Reports

President's Report



During the year APGO continued to make progress on several ongoing fronts, as noted in the report below. In addition we have continued several initiatives to increase outreach to, and enhance the engagement of, our membership. 2015 was another very challenging year for many of our members as a combination of factors have continued to reflect negatively on the world-wide mineral and mining sectors. Despite these difficult times, we are pleased to have been able to increase our membership.

Vision for the APGO

To be acknowledged as a trusted and respected geoscience authority that engages fully qualified geoscience professionals for the benefit of geoscience and society.

Mission

To protect the public by regulating geoscientists in Ontario and advancing professional practice.

Strategic Plan

These vision and mission statements are from our current strategic plan, which guides our activities through 2016. As we evolve and mature as an organization our strategic plan ensures that, carrying out our mandate as a regulator of the geoscience profession (as enacted by the Government of Ontario) is balanced by increased engagement of our members and a leadership role in the geoscience profession across Canada.

Strategic Goals

The four strategic goals under the Strategic Plan are:

1. Become an even more relevant, accessible and professional society by increasing our membership and the value we provide to members through varied initiatives;
2. Foster strong relationships and partnerships to leverage our efforts;
3. Work proactively to influence regulations; and
4. Continue to strengthen as a governing body.

2015 was the year that the APGO surpassed 2000 full practising members. As of December 31, 2015, there was a total of **3,119** members, of which **2,064** were full-practising or limited P. Geos. The number of Geoscientists-in-Training rose from 307 to **341** during the year. Furthermore, there were **619** student members at the end of 2015. The increase in the number of GIT memberships reflect the success of our on-going focus on promoting awareness of the APGO and registration requirements at Ontario

Executive Reports

universities. In addition, 2015 saw the completion of our Pilot Mentoring Program. This program was a tremendous success with the pairing of 12 mentees (GITs) and mentors (P.Geo.'s); it will be expanded in 2016.

Most employers are now requiring geoscience applicants to be registered members of APGO. Work has continued during the year by APGO Council, staff and committee volunteers working with the Ministry of Northern Development and Mines on updated and improved **Regulations** governing APGO. At year end the process was in its final stages and we anticipate these changes will be in effect by mid-2016. In addition, increasing cross-Canada **mobility** for professional geoscientists and increasing the number of incidental practice opportunities remains a long-term goal of APGO. In December of 2015 the two-year trial of our Professional Geoscience Mobility Agreement with the Association of Professional Engineers and Geoscientists of British Columbia was renewed based on the success of the trial. In future we hope that this program will become permanent and that we will be able to extend it to other provinces.

Two main objectives during my time as President have been enhancing engagement with our members and improving council diversity. To this end our councillors and staff have advanced several initiatives for outreach and for encouraging diversity and succession on council. We have continued with our **regional networking events**, both within university settings and to the general membership. Where possible these events combine speakers or workshops, presentations by staff and a reception to encourage networking. These gatherings provide opportunities for members and prospective members to gain knowledge, query our staff and Councillors and network among themselves. We encourage all members to look for notices of upcoming meetings in Field Notes or on our website and to take advantage of our regional gatherings. During the year we have continued to publish more explanatory notes in **Field Notes** and on our website to help answer members' questions and to explain in more detail why we do some of the things we do and why some policies and procedures are in place. Staff continue to field questions about registration requirements and how to apply.

APGO operates with a small but skilled and very efficient team of staff, Council and committees that make our association work and its accomplishments possible. Many thanks to all our staff, committee members and fellow councillors for all your cooperation, hard work and advice during the year. It was a privilege to serve as President during the past year. It has been a pleasure working with many fine people within the Association. During my time on Council and as President, I have met numerous geoscientists from many fields in our profession. Please join me in giving your full support to your new President, Mr. A.R. (Tony) Lotimer, P. Geo.

Mark Priddle, P.Geo.
President

Vice President's Report



It has been acknowledged many times that the APGO relies on the Committees to deliver on its legislative mandate, strategic plan and service to the membership and the public. The committees are run by volunteers who, together with the outstanding staff in the APGO office, work on behalf of the members and the people of Ontario. There were a number of important updates to the APGO Committee structure and function in 2015.

Three committees were retired (Enforcement & Compliance, Northern Ontario, Nominations) as Council concluded that their function was being performed effectively by APGO staff, Regional outreach and the election process for selecting members to council. The Terms of Reference for all of the committees were also updated in 2015 and are now posted on the website. New Chairs were appointed to the Complaints Committee and the Environment Subcommittee (a subcommittee of Professional Practice). All of this contributed to the continuation of a healthy and effective committee system at APGO. On behalf of Council, I thank all committee members for their time and efforts. We are fortunate to have such a dedicated group.

The regional outreach reported on in past years continued in 2015 and was once again a success. The outreach events provide an opportunity for members and students to meet with councillors and staff to discuss issues facing the profession. Despite the difficulties arising from the economy, the APGO membership base remains strong and committed to professionalism, and the responsibility to protect the public. In the coming year we will be continuing with the regional outreach and mentorship initiatives, helping GITS and Students towards becoming practicing geoscientists, and undertaking a review and update to the Strategic Plan. A review of the QP concept and how it is performing in Ontario is also in the works.

A.R. (Tony) Lotimer, M.Sc., P.Geo.
Vice President

CEO's Report



It is the job of the CEO in most private and public to provide leadership of the organization and to implement the direction of the governing Council. CEO's are concerned with growing the organization often by size and by capacity. This certainly has been my objective at the APGO.

The APGO is growing in size and scope coming from newly registered geoscientists and students who are working to become professional geoscientists. As happened in 2014, more experienced P.Geo.'s retired in 2015 due to the depressed commodities sector in Canada and around the world. Younger professionals are filling the gap and registering with APGO at a significant rate.

As a regulator, APGO's responsibilities go beyond registering qualified applicants as P.Geo.'s, it includes holding P.Geo.'s accountable for their actions as professionals. This is an extremely important responsibility for the APGO and for the profession. By having this system of checks and balances we strive to maintain the credibility of the profession.

I am thankful to the membership and their support of our events and activities in 2015. Our President, Mark Priddle has been very supportive of the association and has been a leader in Council. Council has been active and engaged in the responsibilities of governing this association. APGO's staff have shown their commitment and given their best. I appreciate all of this.

It is an honour for me to serve as CEO and I look forward to the coming years and advancing the profession and the opportunities for APGO P.Geo.'s.

Gord White
CEO

Registration

as of December 31, 2014

Membership Class	At December 31, 2015	At December 31, 2014
Full P.Geo.	2013	1951
Temporary P.Geo.	0	0
Limited P.Geo.	51	51
Non-Practising P.Geo.	95	89
Geoscientist-in-Training	341	307
Student	619	839
TOTAL	3119	3237

Number of Certificates of Authorization	
At December 31, 2015	At December 31, 2014
192	196

Committee Reports

Registration Committee

The role of the Registration Committee is to review all applications for registration and determine their acceptability for membership. This Committee also has responsibility for establishing academic standards for admission and the administration of the Professional Practice and Ethics Exam.

The Committee met nine times in 2015 with a total of 273 applications reviewed. A total of 222 applications were accepted including 109 practising, 99 G.I.T.s, 14 Limited members. As of December 31, 2015, APGO's membership breakdown by class was as follows:

- 2013 P.Geo. (Full unrestricted Practising)
- 51 P.Geo. (Limited)
- 95 P.Geo. (Non-practising)
- 341 Geoscientist-in-Training
- 619 Students

The current list of members in good standing and Certificates of Authorization can be searched on the APGO website at: <http://www.apgo.net>.

We are very happy to let everyone know that the process of making changes to Registration Regulation that started in 2013 is nearing completion. At the time of writing, the final draft of the regulation was being prepared by legislative counsel for public posting. Changes to the regulation include, but are not limited, to:

- Removal of old clauses that were used in the startup of APGO but are no longer relevant

- Allowing foreign supervisors to act as references as long as they have credentials similar to Canadian supervisors
- Cleaner definition of Canadian supervisors
- Cleaner definition of geoscience work experience and obtaining experience prior to graduation
- Defining incapacity to ensure applicants are fit to conduct the duties of a professional geoscientist
- Continuing Professional Development will be a condition of membership
- More specific requirements for Limited membership and allowing Limited members to sign reports on their own
- Ensuring that only employees of a company are the responsibility holders for a Certificate of Authorization
- More specific procedures for members that re-join after resigning

One of the big changes that could affect members is annual membership renewal. APGO has been informed that members that do not pay their annual fee by December 31st are legally not members effective January 1st. There will be a grace period until January 15th and a mechanism for lapsed members to renew their memberships.

However, if payment is not received within 60 days a full application to become an APGO will be required.

It is anticipated that the revised regulation will be available for public comment in late spring and it will hopefully come into effect by mid-2016.

Committee Reports

The APGO wishes to express gratitude to the volunteer members of the Registration Committee for their ongoing dedication in assessing applications.

*Ian Macdonald, P.Geo., Co-Chair
Andrea Waldie, P.Geo., Co-Chair
Aftab Khan, P.Geo., Registrar*

Complaints Committee

The Complaints Committee received two complaints in 2015, C115 and C116. C115 is still an open file in progress and C116 has been dismissed with some recommendations to the member.

Milan Situm, P.Geo. is pleased to turn over his position of Chair after 11 years of service to Doug Cater, P.Geo. who will now assume the role.

Milan Situm, P.Geo., Chair

Discipline Committee

The Discipline Committee is responsible for hearing and making determinations on cases of professional misconduct, malpractice, negligence or incompetence, brought against a Member or Certificate holder by a complainant. The Committee convened one Hearing in 2014, resulting in a guilty verdict. Information on Hearing Panel decisions is available on the APGO web site, under 'Discipline'.

Regular meetings of the Discipline Committee continued to be held by teleconference on a quarterly basis. In 2015, the Committee focused on:

- development of a rule for submission to

Council to allow a Hearing Panel to award costs under certain circumstances. This rule was presented and approved by Council in early 2016, and

- continued development of procedural aids for the Committee; particularly, aids for making consistent decisions on penalties.

For the purpose of administration, the Committee Chair and Vice Chair hold two-year positions with the Vice Chair (Brad Leonard, P.Geo.) moving to the Chair position on completion of the current Chair's mandate in June 2016. From its ~20 members currently, the Committee maintains two Standing Hearing Panels, composed of experienced professional and public members, and an alternate Panel, for immediate deployment if the need arises.

During 2015, two of our long-standing members retired from the Committee. Peter Duckworth was a founding member and made many contributions to the Committee, both in formal preparations and in always providing a sound basis for thought and support. Chris Rockingham has been a long-standing member and has participated fully through our fledgling development. Both Peter and Chris' contributions will be missed.

Mike Jones, P.Geo., Chair

Governance Committee

In 2015 the Committee proposed changes to the committee structure which resulted in fewer committees and an expanded role for the Governance Committee to include nominations.

These changes were approved by Council. We updated the terms of references for all

Committee Reports

committees and increased the frequency of governance training for Council members. We conducted a self-assessment survey for Council members to reflect on Council performance and their participation and are currently revising the Council Policy Manual.

Dorene Weston, P.Geo., Chair

Finance Committee

The Finance Committee is a Standing Committee of Council responsible for general oversight of the finances of the Association. This includes ensuring that financial policies and procedures of the Association are followed, overseeing the development and approval of the annual budget and reviewing the financial performance of the Association on an ongoing basis with respect to the annual budget.

In 2015, despite the widespread downturn in the resources sector, enrolment in the Association remained strong. The organization continued with a number of strategic initiatives in communication & outreach, enforcement & compliance, governance and upgrades to the website. The Association realized a net surplus in 2015 and remained in a healthy financial position at the end of the year.

Peter Diorio, P.Geo., Chair/Treasurer

Education Foundation Committee

The APGO Education Foundation Liaison Committee is a Standing Committee of the APGO, reporting to Council. The APGO Education Foundation ("the Foundation") is a

registered charitable organization under the Canada Not-for-profit Corporations Act, registration number 84604 5052 RR0001. The Foundation obtained its registration October 8, 2014. The purpose of the charity 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.

APGO provides important logistical and office support to the Foundation and works cooperatively with the Foundation to advance the goal of educating the public about geoscience and the important work that professional geoscientists carry out. As a charity, the Foundation has a separate Board and functions independently from APGO.

The Education Foundation Liaison Committee is charged with communicating activities of the Foundation. The committee provides input and ideas relating to how APGO members and the association can assist the Foundation through activities relating to informing the public about geosciences within the Province of Ontario including:

- Represents Council at Foundation Board of Directors meetings as required;

Committee Reports

- Communicates activities of the Foundation to Council as required;
- Provides liaison from Council and members of the association for ideas surrounding activities of educating and informing the public on the aspects of geosciences within the Province.

The Education Foundation Liaison Committee was not active in 2015 as the Foundation was in the start-up phase during that year. In late 2015 the Foundation announced that a scholarship and bursary program would be launched in early 2016. In addition it announced a joint venture with Laurentian University to develop short geovideos to educate the public on a wide range of important geoscience topics that is expected to be launched in early 2017. The Education Foundation Committee expects to meet 2 to 4 times per year and will be more actively engaged going forward as the work of the Foundation progresses.

Robert Gordon, P. Eng., Chair

Executive Committee

The Executive Committee is responsible for implementing policy decisions of Council and providing management of the Association on behalf of Council. This committee may take interim action in the event of an emergency where time does not permit the meeting of Council. The Committee is responsible for:

- Initiating proposals for submission to Council and review of budgets and expenditures;
- The annual or periodic review of the CEO (Executive Director), Registrar and/or senior management;
- Appointment of committees to deal with management and administrative related

matters that may arise from time to time;

- Other duties and responsibilities that may be assigned by Council from time to time.

The Committee met approximately every second month in 2015 – months when full Council meetings were not held. Minutes from all Committee meetings were presented to Council for review at the next Council meeting.

Mark Priddle, P.Geo., Chair

Professional Practice Committee

The Professional Practice Committee identified and reviewed the merits of developing a Best Practice document that would aid members tasked with peer reviews or technical reviews of other members' work – this initiative is expected to support fairness and be a leading example of self-regulation in Canada.

The PPC helped advance a strategic goal of educating members including making arrangements with the keynote speaker at the 2015 AGM, Amy Pressman, to explain the obligations that members have when providing expert testimony.

Based on the overwhelmingly positive feedback on the presentation, several follow-up initiatives are being considered, through strategic links with the Ontario Bar Association and/or private law firms to make the obligations more accessible to all members.

Paul Hubley, P. Geo., Chair

Audit Committee

The Audit Committee is a Standing Committee of the APGO, reporting to Council.

The Audit Committee is charged with the oversight of the accountability of financial matters of the Association on behalf of Council. Some aspects of the committee include;

- Represents Council in overseeing the establishment and implementation of appropriate accounting policies and internal financial controls;
- Oversees and assesses the financial risks of the Association;
- Recommends to Council annual appointment of auditors in March of each year for approval by membership in June Annual General Meeting;
- Provides independent oversight of the audit process.

The Audit Committee meets 2 to 4 times per year and met in 2015 in January and February to oversee the process and procedures of the overall audit annual audit for the 2015 financial statements of the Association. The committee follows an established process, procedures and timetable to help ensure a timely audit. Bateman MacKay LLP, headquartered in Burlington with offices in Mississauga, is our auditor this year. At the time of the writing of this the audit of the 2015 financial statements is in midstream and is expected complete by the end of the month of April.

Robert Gordon, P. Eng., Chair

Subcommittee Reports

Geology Subcommittee

The Geology Subcommittee is a subcommittee of the Professional Practice Committee and has six members including the chairman. The Geology Subcommittee's mandate is to support the Professional Practice Committee in fulfilling its mandate with respect to the practice of geology.

The geology subcommittee submitted a report on February 15, 2015 to the chairman of the Professional Practice Committee regarding the applicability of adapting all or parts of the Ordre des Géologues du Québec (OGQ) proposal for a compulsory apprenticeship program for geoscientists-in-training (GIT) in Quebec to Ontario. No further action is contemplated at this time.

The chairman of the Professional Practice Committee asked all subcommittee leaders to consider developing guidelines for peer reviewed documents. Existing documentation prepared by the Professional Engineers of Ontario are currently under examination. Further discussion is pending.

Ben Berger, P.Geo., Chair

Geophysics Subcommittee

The committee did not convene in 2015 as there were no issues that required attention.

Milan Situm, P.Geo., Chair

Environmental Geo. Subcommittee

The Environmental Geoscience Subcommittee reports to the Professional Practice Committee. The mandate of the subcommittee is to support the work of the Professional Practice Committee including developing standards and guidelines for the practice of professional environmental geoscience and undertaking other professional practice matters as may arise from time-to-time. Central to this mandate is liaison work with the Ontario Ministry of the Environment and Climate Change (MOECC) to monitor regulatory changes that affect the practice of environmental geoscience.

In 2015, the subcommittee continued to be involved in reviewing proposed regulatory changes and other initiatives by the MOECC. The key areas of the subcommittee's involvement were:

- Formal commenting on the MOECC EBR registry positing for a planned gap analysis of wells, including the legislative framework concerning Ontario Regulation 903 (wells) of the Ontario Water Resources Act.
- Formal commenting on the MOECC EBR registry posting for changes to the Permit to Take Water (PPTW) approval process through the use of the Environmental Activity and Sector Registry (EASR) approach.
- Ongoing participation in the development of professional practice guidelines for the management of excess fill in Ontario.
- Attendance and participation in meetings hosted by the MOECC's Modernization of Approvals Branch.

- Fielding questions and receiving comments from APGO members about regulatory matters on environmental geoscience.

The subcommittee met via teleconference on a quarterly and as-needed basis.

Ron Ormson, P.Geo., Chair

Student & G.I.T. Subcommittee

The six month trial period involving 11 mentors and 11 mentees is now complete. Surveys were issued to both parties to obtain feedback on the relationships that were developed and how productive the interactions were. The response was extremely positive. As a result the program can now advance to a full program open to all who wish to be mentored and those who wish to volunteer as mentors.

Milan Situm, P.Geo., Chair

APGO Representation on National Committees, Geoscientists Canada (GC)

Geoscientists Canada exists to serve the profession of geoscience in Canada. The organization works on behalf of its members – the nine regulatory bodies that register geoscientists and regulate their practice in Canada's provinces and territories, including Ontario. Internationally, Geoscientists Canada liaises with national organizations for the profession of geoscience in other countries and APGO has been active in these building of relationships.

GC also facilitates and coordinates national projects designed to enhance protection of the public and safeguard public interests as related to geoscience practice. Some of Geoscientists Canada's work includes improving standards of geoscience practise, fostering consistent admissions decisions and setting competency requirements, liaising with Engineers Canada and enhancing national and international mobility for Canada's professional geoscientists. A good example is the renewal of Incidental Practice Agreement between Ontario and British Columbia in 2015.

APGO through GC has been actively involved in the Framework for the Development of Geoscience Professional Practice Guidelines, reviewing Codes of Ethics and a project funded by Employment and Social Development Canada directed at developing admission support tools for the profession which is run by GC.

Mark Priddle, P.Geo., Chair

APGO Council, Committees / In Memoriam 2015-16

APGO Council 2015-16

President

Mark Priddle, P.Geo., McIntosh Perry
Consulting Engineers

Vice President

Tony Lotimer, P.Geo., ARL Groundwater
Resources Ltd.

Past President

David Hunt, P.Geo., Sharpstone
Geoservices Ltd.

Regional Councillors

Central Ontario

Peter Diorio, P.Geo., GeophysicsOne Inc.

North Western Ontario

John McBride, P.Geo., Stillwater Canada Inc.

North Eastern Ontario

Ben Berger, P.Geo., BRB Consulting

South Western Ontario

Doug Cater, P.Geo., Kirkland
Lake Gold

South Eastern Ontario

Zen Keizars, P.Geo., P.Eng.,
Anthropocene Green Inc.

Councillors-at-Large

Shelly Cuddy, P.Geo., Lake Simcoe Region
Conservation Authority
Bob Morrison, P.Geo., Dalradian Resources
Christine Vaillancourt, P.Geo.,

Northern Shield Resources
David Leng, P.Geo., Reaction Geological
Consulting Inc.

Lieutenant Governor-in-Council Appointees (APGO Members)

Brad Leonard, P.Geo., Castle Resources Inc.
John Gartner, P.Geo.

Lieutenant Governor-in-Council Appointee (Non-Member)

Rustam Juma, Deloitte

Public (Non-Member) Appointees

Dorene Weston, Full Circle Consulting
Rob Gordon, MBA, P.Eng., GEM Systems
Don Johnston, Aird & Berlis LLP
Visha Sukdeo, LL.B., Barrister and Solicitor

Council of Chairs of Canadian Earth Science Departments (CCCESD) Rep.

Dr. Robert Linnen, Ph.D., P.Geo.

Committees and Memberships

See the full list of the [2015-16 Committees and Memberships](#).

In Memoriam

- Dr. Eric Laurence Hoffman, P.Geo. (d. July 10, 2015)
- Sean L. Salvatori, P.Geo. (d. August 8, 2015)

Appendix 1

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Financial Statements Year Ended December 31, 2015

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Financial Statements

Year Ended December 31, 2015

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

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Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Association of Professional Geoscientists of Ontario

We have audited the accompanying financial statements of The Association of Professional Geoscientists of Ontario, which comprise the statement of financial position as at December 31, 2015 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 The Association of Professional Geoscientists of Ontario
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Association of Professional Geoscientists of Ontario as at December 31, 2015 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.

Bateman Mackay LLP

Mississauga, Ontario
May 12, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Statement of Financial Position

December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 367,783	\$ 616,911
Short term investments	1,319,137	908,076
Membership fees receivable (Note 2)	335,539	360,064
Prepaid expenses	17,182	17,861
Due from related party (Note 3)	-	5,275
	<u>2,039,641</u>	1,908,187
EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 4)	<u>22,736</u>	26,728
	<u>\$ 2,062,377</u>	<u>\$ 1,934,915</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 30,775	\$ 43,726
Dues received before acceptance for membership	7,340	13,540
Government remittances payable	128,788	125,685
Current portion of obligations under capital lease (Note 5)	-	2,243
Deferred revenues (Note 6)	1,019,741	994,192
	<u>1,186,644</u>	1,179,386
NET ASSETS		
Contingency reserve fund (restricted) (Note 7)	703,297	598,093
Strategic initiatives fund (Note 8)	172,436	157,436
	<u>875,733</u>	755,529
	<u>\$ 2,062,377</u>	<u>\$ 1,934,915</u>

LEASE COMMITMENTS (Note 9)

ON BEHALF OF COUNCIL

Councilor

Councilor

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

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Statement of Revenues and Expenditures

For the Year Ended December 31, 2015

	2015	2014
REVENUE		
Membership dues	\$ 982,270	\$ 966,363
Registration fees	52,814	55,333
Exam fees	33,000	41,350
Interest earned	11,068	13,129
Advertising and sponsorship	9,036	28,459
Stamps and seals	6,444	6,335
Function fees	4,950	13,745
Miscellaneous income	4,474	4,103
	<u>1,104,056</u>	<u>1,128,817</u>
EXPENDITURES		
Administrative wages and benefits	477,852	479,643
Rent	93,611	97,251
CCPG membership	76,751	73,221
Legal, professional and government relations	64,410	99,542
Office and general	34,924	37,958
Interest, credit card and bank charges	32,354	39,083
Travel and accommodation	26,904	36,129
Website	26,748	45,205
Member meetings	25,923	45,964
Accounting and audit	24,070	31,599
Examination services	23,610	17,740
Donations (Note 10)	22,500	250
Communication	21,289	23,600
Liability insurance	17,448	17,649
Amortization	7,133	10,229
Stamps, seals, cards and certificates	4,623	5,972
Advertising and promotion	3,588	6,557
Interest on obligations under capital lease	114	104
	<u>983,852</u>	<u>1,067,696</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 120,204</u>	<u>\$ 61,121</u>

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

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Statement of Changes in Net Assets

Year Ended December 31, 2015

	Contingency Reserve Fund (Restricted)	Strategic Initiatives Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 598,093	\$ 157,436	\$ 755,529	\$ 694,408
Excess of revenue over expenditures	120,204	-	120,204	91,121
Transfer to Strategic Initiatives Fund	(15,000)	-	(15,000)	-
Website	-	(10,000)	(10,000)	(30,000)
Strategic Initiatives	-	25,000	25,000	-
NET ASSETS - END OF YEAR	\$ 703,297	\$ 172,436	\$ 875,733	\$ 755,529

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

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Statement of Cash Flows Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 120,204	\$ 61,121
Item not affecting cash:		
Amortization of equipment and leasehold improvements	7,133	10,229
	<u>127,337</u>	<u>71,350</u>
Changes in non-cash working capital:		
Short term investments	(411,061)	216,871
Membership fees receivable	24,525	(66,736)
Prepaid expenses	679	308
Accounts payable and accrued liabilities	(12,951)	(5,195)
Dues received before acceptance for membership	(6,200)	(1,802)
Government remittances payable	3,103	3,626
Deferred revenues	25,549	30,610
	<u>(376,356)</u>	<u>177,682</u>
Cash flow from (used by) operating activities	<u>(249,019)</u>	<u>249,032</u>
INVESTING ACTIVITY		
Purchase of equipment and leasehold improvements	<u>(3,141)</u>	<u>-</u>
FINANCING ACTIVITIES		
Advances from (to) related party - net	5,275	(5,275)
Repayment of obligations under capital lease	(2,243)	(2,623)
Cash flow from (used by) financing activities	<u>3,032</u>	<u>(7,898)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(249,128)</u>	<u>241,134</u>
Cash - beginning of year	<u>616,911</u>	<u>375,777</u>
CASH - END OF YEAR	<u>\$ 367,783</u>	<u>\$ 616,911</u>

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

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Financial Statements

Year Ended December 31, 2015

STATUS AND PURPOSE OF THE ORGANIZATION

The Association of Professional Geoscientists of Ontario was formed on August 15, 2000 by a proclamation of the Ontario Legislature.

The purpose of the Association of Professional Geoscientists of Ontario is:

- to regulate the practice of professional geoscience.
- to establish and operate a professional association for geoscientists;
- to develop, establish and maintain standards of knowledge and skill, professional qualification, practice and ethics among members of the profession; and
- to share information, promote public awareness of the role of geoscientists and interact on matters relating to professional practice of the geoscientists with registration, licensing or regulatory bodies.

The Association of Professional Geoscientists of Ontario is a tax-exempt, not-for-profit organization.

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 (ASNFP). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Revenue recognition

The Association follows the deferral method of accounting for revenue. Membership and registration fees are recognized as revenue in the year to which they relate. Exam fees are recognized when the respective exams are written. Deferred donations are recognized as revenue when earned under the terms of their designated use. Grant revenue is recognized as related expenses are incurred. Revenue from sales of products or services is recognized when title passes to the customer, which generally coincides with the delivery and acceptance of goods. Interest revenue is recognized when earned based on the terms of the investment agreement.

Financial instruments policy

The Association initially measures its financial assets and 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.

Financial assets subsequently measured at amortized cost include cash, short term investments, membership fees receivable and amounts due from related party.

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

(continues)

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Financial Statements

Year Ended December 31, 2015

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

Equipment and leasehold improvements

Equipment and leasehold improvements are stated at cost or deemed cost less accumulated amortization. Equipment and leasehold improvements are amortized over their estimated useful lives at the following rates and methods:

Furniture and fixtures	20%	declining balance method
Computer equipment	55%	declining balance method
Telephone system	20%	declining balance method
Leasehold improvements	62 months, (term of lease)	straight-line method
Computer software	100%	declining balance method

The Association regularly reviews its equipment and leasehold improvements to eliminate obsolete items. Government grants are treated as a reduction of equipment and leasehold improvements cost.

Equipment and leasehold improvements acquired during the year but not placed into use are not amortized until they are placed into use.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results may differ from estimates.

Financial statement items subject to significant management judgment include revenue recognition, the valuation and estimated useful lives of equipment and leasehold improvements, and the completeness of accounts payable and accrued liabilities.

2. MEMBERSHIP FEES RECEIVABLE

On December 31, 2015, membership in the Association stood at 3,119 (2014 - 3,257), and the applications for memberships that were in process of approval at 242 (2014 - 228). Out of the \$335,539 total membership fees receivable at the end of the year, \$320,305 reflect members that have not paid the 2016 fees as at December 31, 2015. At March 31, 2016 the membership fees receivable had been reduced to \$60,249.

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Financial Statements Year Ended December 31, 2015

3. DUE FROM RELATED PARTY

	<u>2015</u>	<u>2014</u>
Current portion due from related party APGO Education Fund	\$ -	\$ 5,275

The APGO Education Fund was registered as a charitable organization with the Government of Canada effective October 8, 2014 and became the APGO Education Foundation. The amount owed to the Association was repaid in full during the year.

4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and fixtures	\$ 38,575	\$ 24,695	\$ 13,880	\$ 15,090
Computer equipment	48,648	44,778	3,870	4,568
Telephone system	7,833	4,224	3,609	4,512
Leasehold improvements	52,707	51,330	1,377	2,558
Computer software	2,900	2,900	-	-
	<u>\$ 150,663</u>	<u>\$ 127,927</u>	<u>\$ 22,736</u>	<u>\$ 26,728</u>

5. OBLIGATIONS UNDER CAPITAL LEASE

	<u>2015</u>	<u>2014</u>
Cisco lease bearing interest at 2.84% per annum, repayable in monthly blended payments of \$227. The lease was repaid in full during the year.	\$ -	\$ 2,243
Amounts payable within one year	-	(2,243)
	<u>\$ -</u>	<u>\$ -</u>

6. DEFERRED REVENUES

The balances in the deferred revenue accounts are comprised of membership fees billed in October of the current calendar year (2015) for memberships for the following calendar year (2016). The full amount of memberships billed at the end of the year is deferred and will be included as income in the following year.

Deferred revenues also result from exam fees received in advance of the exam date. These are recognized as income as the exams are written.

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Financial Statements

Year Ended December 31, 2015

7. CONTINGENCY RESERVE FUND

The APGO Contingency Reserve Fund (CRF) is intended to ensure the Association has the financial resources to defend legal challenges that it might face. The CRF is maintained in the amount equivalent to at least six (6) months of operating requirements of the Association. Council is to annually review the amount of the CRF, the amount of six (6) months of operating requirements of the Association, and ensure that the annual budget will achieve an appropriate operating surplus to allow the CRF to be appropriately maintained.

Cost of addressing appeals against the Registration Committee's decisions are directly deducted from the CRF. No appeals remain outstanding as at the end of the fiscal year.

8. STRATEGIC INITIATIVES FUND

In 2009, The General Fund was re-named the Strategic Initiatives Fund to better describe its purpose, which is to fund initiatives stemming from implementation of the Strategic Plan.

9. LEASE COMMITMENTS

The Association entered into a new long term lease on October 1, 2012 that expires on November 30, 2017. Under the lease, the Association is required to pay a base annual rent for the five-year term. In addition to the base rent, the Association must pay for its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises. The lease agreement contains a renewal option to extend the term of the lease for five years at the annual market rate rental value effective as of the date of the renewal. Combined base and additional rent for 2016 is \$9,281.02 per month or \$111,372.24 for the year.

Future minimum base lease payments as at year end are as follows:

2016	\$ 48,378
2017	44,346
	<u>\$ 92,724</u>

10. DONATIONS

The Association has a service agreement with the APGO Education Foundation. 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 Association provides services including bookkeeping, issuance of charitable receipts, maintenance of website and social media accounts and management of communications. These services were estimated to have been provided at a fair market value of \$22,500 during the fiscal year broken down as follows:

Administrative wages and benefits	\$ 11,600
Accounting and audit	6,100
Advertising and promotion	2,400
Website	<u>2,400</u>
	<u>\$ 22,500</u>

THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Financial Statements

Year Ended December 31, 2015

11. FINANCIAL INSTRUMENTS

The Association 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 Association's risk exposure and concentration as of December 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from members. Collection is reasonably assured since members need the membership to practice, and there is no history of default. There has been no change to the risk exposures from 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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 Association is mainly exposed to interest rate risk.

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. The Association is not exposed to significant interest rate risk on its cash and guaranteed investment certificates, due to the short-term nature of these investments.

12. COMPARATIVE FIGURES

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