Preface

This is the Association of Professional Geoscientists of Ontario’s (APGO) 12th 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 2014 as per the 2014-2016 Strategic Plan:

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<tr>
<th>Strategic Goals</th>
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<tbody>
<tr>
<td>Relevant, accessible professional society by increasing membership value</td>
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<tr>
<td>Foster strong relationships and partnerships</td>
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<tr>
<td>Work proactively to influence regulations</td>
</tr>
<tr>
<td>Continue to strengthen as a governing body</td>
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The Association continued to fulfill its duties in the areas of Registration, Complaints and Discipline, and Professional Practice.

Applications for registration continued to increase over the annual rate for 2013, resulting in an increase of 17% in membership. Especially encouraging is the significant growth in GIT (15%) and Student (85%) memberships. Complaints registered with the Association were either resolved, are currently under review, or have been forwarded to discipline.

The APGO works closely with Geoscientists Canada on national issues and is pleased with the progress of the Admission Support Tools project.

APGO signed a bi-lateral agreement, effective 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. 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.
# Table of Contents

Preface .......................................................................................................................... 2  
Letter to the Minister of Northern Development and Mines ........................................... 4  
Report  
  President’s Report ...................................................................................................... 5  
  Vice President’s Report .............................................................................................. 6  
  CEO’s Report .............................................................................................................. 7  
Registrations as of December 31, 2013 ...................................................................... 8  
Committee Reports  
  Registration ................................................................................................................. 9  
  Complaints .................................................................................................................... 9  
  Discipline ...................................................................................................................... 9  
  Enforcement and Compliance ..................................................................................... 10  
  Governance ................................................................................................................ 11  
  Finance .................................................................................................................... 11  
  Nominations ............................................................................................................... 11  
  Executive .................................................................................................................... 12  
  Non-Members Appointment ...................................................................................... 12  
  Professional Practice Committee ............................................................................. 12  
  Audit Committee ....................................................................................................... 12  
Subcommittee Reports  
  Geology Subcommittee ............................................................................................. 13  
  Geophysics Subcommittee ......................................................................................... 13  
  Student and G.I.T. Mentoring Subcommittee ............................................................ 13  
  APGO Representation on National Committees, Geoscientists Canada (GC) .......... 13  
Members of the 2014-15 APGO Council ..................................................................... 14  
Committees and Memberships .................................................................................. 15  
In Memoriam ............................................................................................................... 16  
Appendix 1 ................................................................................................................... 17  
  Financial Statements Year Ended December 31, 2014 ............................................. 17
Letter to the Minister of Northern Development and Mines

May 30, 2015

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 2014 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. Our 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 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 over 3,237 members as of December 31, 2014, including 2,002 full or limited P.Geo.’s. We are particularly pleased to report that our efforts to engage student and Geoscientists-in-Training has met with success and membership in these categories has increased to 839 (454 in 2013) student membership and 307 (266 in 2013) GiT’s. This strategic focus contributes to growth of the profession. APGO continues to be the largest geoscience-only regulator in Canada and that 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 2014 and we look forward to continued relations going forward. The APGO trusts that you find the Annual Report interesting and informative.

Sincerely yours,

David S. Hunt, B. Sc., P.Geo.
President
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 begun several initiatives to increase outreach to, and enhance the engagement of, our membership.

2014 was another challenging year for many of our members as a combination of factors have continued to reflect negatively on the world-wide mineral sector. We are pleased to have been able to increase our membership during these difficult times.

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.

Total Membership increased by nearly 17% during 2014, mainly due to significant increases in student and GIT members. As of January 8, 2015, there was a total of 3,237 members, comprised of 1,951 full P. Geos, 51 limited members, 89 non-practicing members, 307 GITs and 839 student members. Increases in the number of student and GIT memberships reflect the success of our on-going focus on increasing awareness of the APGO and registration requirements at Ontario universities. In addition, more employers are 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-2015.

Increasing cross-Canada mobility for professional geoscientists and increasing the number of incidental practice opportunities remains a long-term goal of APGO. 2014 was the first full year of a two-year trial of our Professional Geoscience Mobility Agreement with the Association of Professional Engineers and Geoscientists of British Columbia and, by all reports, both parties are pleased with the program so far. In future we hope that this program will become permanent and that we will be able to extend it to other provinces.

One of my main objectives during my time as President has been to work towards enhancing engagement with our members. To this end our councilors and staff have advanced several initiatives.

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 Councilors 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.

Updating and redesign of our website was completed during the fall of 2014. The new site has been simplified and made more user-friendly, and is now fully functional on tablets and smart phones.

During the year we have published 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. As well, Council meeting minutes are now being published on our website, beginning with the November 2014 meeting, and made available to members. I believe that explaining the reasoning behind what we do will lead to more engagement of our membership.

APGO operates with a small but skilled and very efficient team of staff, Council and committees that make our association work and make our accomplishments possible. Many thanks to all our staff, committee members and councilors for all your cooperation, hard work and advice during the year.

It was a privilege to serve as President during the past year. I’ve worked with some fine people and have met and held discussions with many members from many fields of our profession.

Please join me in giving your full support to your new President, Mr. Mark Priddle, P. Geo.

David S. Hunt, B. Sc., P.Geo.
President

Vice President’s Report

Along with the great staff at the Office in Toronto, the APGO relies on committees to operate. Strong committees run by volunteers are essential to APGO’s effective operation. Without our many committees, registrations would take much longer, complaints would not be followed up and best practice guidelines would not be written. Last year, approximately 150 councillors and volunteers serve on our 18 committees, sub-committees and a task force, assisting us in carrying out our mandate. I wish to thank all committee members for their invaluable assistance. Short reports from each of the committees are presented below.

Starting in 2013, we began to increase our presence throughout the Province by participating in more regional events where geoscientists (and others) were able to gather, listen to interesting speakers and enjoy a meal together. More of these regional gatherings were held in 2014 to provide our members with a chance to network and meet with our regional councillors and staff to discuss issues of importance. We plan to continue this regional outreach in 2015 and future years.

Over the past couple of years we have noticed a decrease in diversity on the APGO Council. The composition of Council is now less reflective of the geoscience profession as whole. We are stepping up efforts to change this in 2015.

Finally, all staff and councillors have been very pleased to see the almost exponential increase in student memberships during the past year. This increase has been due, in large part, to the efforts of all staff and regional councillors who have worked closely with universities to bring young geoscientists on board. These young members will benefit from the increased knowledge and networking opportunities provided by APGO and will hopefully became fully-engaged practising members in the near future. It has been noted that student membership provides more favourable employment opportunities. In the coming year,
we plan to increase our formal and informal mentoring opportunities for these students and GITs who will be our future professional geoscientists.

Mark Priddle, P.Geo.
Vice President

CEO’s Report

My thanks to APGO Council President David Hunt and Vice President Mark Priddle who reported on the activities of the organization both as a regulator and as a professional association.

The Association is growing in size and in scope seeing much of this growth coming from newly registered geoscientists and students who are working to become professional geoscientists. Many long-term P.Geo.’s retired in 2014 due to the depressed exploration sector in Canada and around the world. However, APGO’s membership continued to increase as the result of younger people deciding they want to have a career as a Professional Geoscientist. I think this bodes well for the future of the profession.

APGO has created opportunities for members to network through a series of local events. This will continue to be a focus for the Association as it creates a sense of community for geoscientists, which benefits all.

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. Responding to complaints involving APGO members and conducting discipline procedures keeps the profession accountable and credible. This is an extremely important responsibility for the APGO.

Moving forward, APGO will seek to have a more diverse governing Council and will invite our membership to help with this. We will advocate for updated legislation and regulations that will allow the association to be more effective in our core functions. We will continue to bring our membership together to learn and to network. In 2015 we will create a mentorship program that will continue to build professional networks and contacts within our membership.

I am thankful to the membership and their support of our events and activities in 2014. Our President, David Hunt has given a lot of his time and abilities this year and I appreciate his leadership of Council and his support. 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 a privilege 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
### Registrations as of December 31, 2013

<table>
<thead>
<tr>
<th>Membership Class</th>
<th>At December 31, 2014</th>
<th>At December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full P.Geo.</td>
<td>1951</td>
<td>1947</td>
</tr>
<tr>
<td>Temporary P.Geo.</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Limited P.Geo.</td>
<td>51</td>
<td>47</td>
</tr>
<tr>
<td>Non-Practising P.Geo.</td>
<td>89</td>
<td>61</td>
</tr>
<tr>
<td>Geoscientist-in-Training</td>
<td>307</td>
<td>266</td>
</tr>
<tr>
<td>Student</td>
<td>839</td>
<td>454</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3237</strong></td>
<td><strong>2777</strong></td>
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### Number of Certificates of Authorization

<table>
<thead>
<tr>
<th>At December 31, 2014</th>
<th>At December 31, 2013</th>
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</thead>
<tbody>
<tr>
<td>196</td>
<td>189</td>
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</table>
Committee Reports

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

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 10 times in 2014 to handle the volume of applications being received. As of December 31, 2014, APGO’s membership breakdown by class was as follows:

- 1951 P.Geo. (Full unrestricted Practising)
- 51 P.Geo. (Limited)
- 0 P.Geo. (Temporary)
- 89 P.Geo. (Non-practising)
- 307 Geoscientist-in-Training
- 839 Students

This represents a total increase in membership of 548 from 2013. The APGO also issued 196 Certificates of Authorization in 2014, an increase of 7 from 2013. The current list of members in good standing and Certificates of Authorization can be searched on the APGO website at: http://www.apgo.net.

Most universities in Ontario are now well aware of the academic requirements to become members of APGO. We are very happy to see that several institutions continue to contact APGO in advance of anticipated course changes to ensure that knowledge requirements are still being met. However, keep in mind that the APGO does not formally endorse courses or specific programs but rather we can comment to specific questions raised by the university.

The process of making changes to Registration Regulation continued in 2014 and there appears to be a light at the end of the tunnel. The overall process was much more extensive than originally anticipated. Not only will there be extensive changes to the regulation but the structure has also been overhauled. These changes 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

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-2015. Your comments would be very welcomed.

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

Complaints
Milan Situm, P. Geo. – Chair

Alan Aubut has stepped down as chair and Milan Situm has resumed chairmanship. One complaint was investigated and dismissed, C113, for the year 2014. There were no changes to the terms of reference and the manual.

Discipline
Mike Jones, M.Sc., P.Geo. – Chair

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 was not called upon to convene any Hearings in 2014, although one case has been scheduled for early 2015. 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 2014, the Committee focussed on:

- development of a Policies and Procedures for Discipline Hearings document, which was approved by APGO Council in November 2014;
- development of a draft rule for submission to Council to allow a Hearing Panel to award costs under certain circumstances, and
- continued development of procedural aids for the Committee; particularly, aids for making consistent decisions on penalties.

A training session was held on March 5, 2014 in Toronto. This session involved presentations by Carol Street and Izaak de Rijcke on the Hearing process, with reference to the process used by the Association of Ontario Land Surveyors. The session was attended by most members of the Discipline Committee.

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 a Standing Hearing Panel, composed of experienced professional and public members, and an alternate Panel, for immediate deployment if the need arises.

A note of appreciation goes to Wayne Caston, our past Chair, for his organization and service. Wayne continues as an active member of the Committee.

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**Enforcement and Compliance**

Stephen Wilson, P.Geo. – Chair

The Enforcement and Compliance Committee is responsible for working with the CEO, Registrar and APGO staff to ensure that the practicing geoscientists and firms offering geoscience services to the public in Ontario are appropriately licensed to do so. The committee’s primary function is to provide policy and guidance to the Registrar and staff of the Association. The Registrar is an ex-officio member of the committee. The committee reports to Council.

The Association’s Enforcement and Compliance policies and procedures were established in the period 2003 to 2005, and since that time the main focus of the committee has been to work with APGO staff on specific compliance issues. The APGO’s enforcement and compliance efforts have increased since 2008 as a result of the focus brought to bear on this issue via the APGO strategic plan and through the efforts of the Registrar. The enforcement and compliance efforts have directly resulted in an increase in applications and membership, furthering the Association’s mandate of public and environment protection through the registration of qualified individuals as geoscience professionals.

In previous years, the committee has assisted the Registrar with the review of specific compliance files, and made recommendations to staff as to the next steps for the APGO to consider in regards to the individual files. These steps include potential legal action against non-compliant practitioners.

In recent years, the Registrar has been able to undertake these specific enforcement and compliance duties without assistance of the committee, and no Committee meetings were held in 2014.

In 2015, the Committee will meet as required to assist staff to determine the appropriate response of the Association to chronic offenders, complicated files and for those instances of noncompliance that pose a serious or immediate risk to the public and/or the environment.
Governance
Dorene Weston – Chair

The mandate of the Governance Committee is to monitor the overall function of Council and the Association to ensure compliance with the Act, Regulations and By-laws. In 2014 the Committee proposed by-law amendments which were approved by the membership at the Annual General Meeting. We also conducted a self-assessment survey for Council members to reflect on Council performance and their participation.

Finance
A.R. (Tony) Lotimer, M.Sc., P.Geo. – Chair/Treasurer

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, on an ongoing basis, the financial performance of the Association with respect to the annual budget.

In 2014, the Association 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 2014 and remained in a healthy financial position at the end of the year.

Nominations
Andrew Cheatle, P.Geo., MBA – Chair

The APGO Council will be conducting an election for four new members to serve a three-year term on the APGO Council. The nomination period was from March 25 to April 25, 2015. Candidates apply by completing a nomination form and having 10 APGO member P.Geo.’s endorse the nomination. The on-line voting was open from April 29 to May 27. All candidates submit a brief bio and statement that is included in a package to all eligible voting members of the Association.

The APGO Council is a 20 member board of directors that was created and defined by the Professional Geoscientists Act, 2000. The Council governs the activities of the APGO, by planning and setting directions and expectations for the Association, monitoring progress, lending their advisory expertise to the issues of the day, and supporting the role of the Association as the professional regulator for geoscientists in Ontario.

Here are the pertinent facts:
- 6-7 Council meetings per year, held in Toronto – usually on Thursdays starting at 9 am
- Meetings usually last between 4-5 hours
- Council members can participate in meetings by webinar if necessary
- Travel expenses for meetings are reimbursed by APGO
- Term is 3 years starting in June 2015
- Orientation and governance training is provided
- Time spent at Council meetings can be counted as Continuous Professional Development hours

The Council positions available starting in 2015:
- North West Regional Councillor – must reside in north western Ontario, only APGO members in the north west vote for this position
- Vice President – all APGO members vote
- 2 Councillor at Large Positions – all APGO members vote

Over the history of the APGO, many of our members have volunteered to serve on Council and their experiences were positive. We ask that you give up some of your time and your talent and join your colleagues in serving this important Association.

APGO Council has set a priority on increasing the gender diversity in its representation. To this end, APGO strongly encourages women to come forward and submit their nomination forms. Of course, all members are encouraged to run for these available positions.
Executive
David S. Hunt, B. Sc., P.Geo. – Chair

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 every second month in 2014 – months when Council meetings were not held. Minutes from all Committee meetings were presented to Council for review at the next Council meeting.

Non-Member Appointment Committee
Visha Sukdeo, LL.B. - Chair

The non-APGO member public appointees contribute to Council through sharing their diverse insights and their wealth of experience in sectors and professions outside of geoscience. By fulfilling this role, the non-member public appointees represent the viewpoint of the public of Ontario on Council.

The Act stipulates that public appointees participate on key APGO Committees including the Complaints Committee, Discipline Committee, and the Executive Committee as well as on special panels required to review registration appeals. Non-member public appointees have satisfied this mandate during the 2014 year.

Professional Practice
Paul Hubley, P.Geo. - Chair

The Professional Practice Committee continued to evaluate relevant procedures and protocols with the aim of determining whether the guidance document(s) developed in other jurisdictions may be appropriate to adopt in Ontario, given the different regulatory regimes. The review of documents that are published in other jurisdictions is important, because adopting similar approaches promotes consistency, mobility and transparency within the practice - these are fundamental tenants of Geoscientists Canada, and in this way is also important to support the professional practice of APGO members practicing throughout Canada. This year the PPC has focused specifically upon the evaluation of tools for guiding the apprenticeship of junior geologists developed in the Province of Quebec. The PPC has evaluated the merits of the document to protect public safety and develop a “path to competency” for junior geoscientists. A report to Council describing the findings of the PPC is being developed for early March 2015.

Audit Committee
Robert Gordon , P.Eng., MBA - Chair

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 this year in January and February to oversee the process and procedures of the overall audit annual audit for the 2014 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 is in midstream and is expected complete by the end of the month of April.

Subcommittee Reports

**Geology Subcommittee**
Ben Berger, P.Geo. - Chair

The Geology Subcommittee is a sub-committee of the Professional Practice Committee. 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 has been asked by council to review and comment on the Ordre des Géologues du Québec (OGQ) proposal for compulsory apprenticeship program for geoscientists-in-training (GIT) in Quebec. APGO council thought it prudent to examine the OGQ proposal to determine if all or parts of the document could be adapted to Ontario. A final report is being prepared for submission to the Professional Practice Committee for presentation to council at the March 5, 2015 meeting. No other actions are pending.

**Geophysics Subcommittee**
Milan Situm, P.Geo. - Chair

The Committee did not convene in 2014 as there were no issues regarding professional practice, as it pertains to geophysics that required attention.

**Student & G.I.T. Mentoring Subcommittee**
Milan Situm, P.Geo. – Chair

Several options were studied as to whether the administration of the program should be handled internally or by an outside online subcontractor. It was decided that the small initial group of less than 20 could best be handled internally. There were several meetings conducted to finalize the forms that would be used by the mentors and mentees. The program’s full launch will take place before April and will include the links to the program through the APGO website. There were no changes to the terms of reference. required attention.

APGO Representation on National Committees, Geoscientists Canada (GC)
Andrew Cheatle, P.Geo. – Chair

Geoscientists Canada exists to serve the profession of geoscience in Canada. The organization works on behalf of its members – the 9 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 practice, fostering consistent admissions decisions and setting competency requirements, and enhancing national and international mobility for Canada’s professional geoscientists. A good example is the on-going trial period of Incidental Practice between Ontario and British Columbia.

APGO has been actively involved in the Framework for the Development of Geoscience Professional Practice Guidelines and a project funded by Employment and Social Development Canada directed at developing admission support tools for the profession.
Members of the 2014-2015
APGO Council

President
Dave Hunt, P.Geo., Sharpstone Geoservices Ltd.

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

Past President
Andrew Cheatle, P.Geo., Prospectors and Developers Association of Canada

Regional Councillors
North Eastern Ontario
Ben Berger, P.Geo., BRB Consulting

South Western Ontario
Doug Cater, P.Geo., St. Andrew Goldfields Ltd.

Central Ontario
Peter Diorio, P.Geo., GeophysicsOne Inc.

South Eastern Ontario

Councillors-at-Large
Bob Morrison, P.Geo., Dalradian Resources
Milan Situm, P.Geo., Geophysics GPR International Inc.
Tony Lotimer, P.Geo., ARL Groundwater Resources Ltd.
Wallie Rayner, P.Geo.

Lieutenant Governor-in-Council Appointees (APGO Members)
Brad Leonard, Castle Resources
John Gartner

Lieutenant Governor-in-Council Appointee (Non-Member)
Rustam Juma, Deloitte

Public (Non-Member) Appointees
Dorene Weston, Full Circle Consulting
Rob Gordon, MBA, P.Eng., Caracle Creek International Consulting Inc.
Don Johnston, Aird & Berlis LLP
Visha Sukdeo, LL.B., Barrister and Solicitor

Council of Chairs of Canadian Earth Science Departments (CCCESD) Representative
Dr. Robert Linnen, Ph.D., P.Geo.
Committees and Memberships

Statutory Committees

Discipline Committee
The Discipline Committee is responsible for hearing and determining on cases of professional misconduct, negligence or incompetence, brought against a member or certificate holder. Committee to be comprised of (but not limited to) 1) 2 councillors who are sitting as elected councillors; 2) 2 councillors who are non-member appointees; and 3) 5 members from the membership at large.

Chair – Mike Jones, P.Geo., Azimuth Environmental Consulting Ltd.

Complaints Committee
The Complaints Committee is responsible for receiving and investigating complaints against members of APGO. Committee to be comprised of (but not limited to) 1) 2 councillors who are sitting as elected councillors; 2) 2 councillors who are non-member appointees; and 3) 5 members from the membership at large.

Chair – Milan Situm, P. Geo., Geophysics GPR International Inc.
Vice Chair – Doug Cater, P.Geo., St. Andrew Goldfields Ltd.

Registration
The Registration Committee reviews all applications for registration and determines their acceptability for membership. Responsibilities of this committee also include the establishment of academic standards for admission, establishment of work experience standards and administration of examinations including the Professional Practice and Ethics Exam (PPE). Committee to be comprised of 1) not less than 3 members of Council; 2) not less than 2 practising members of the Association who are not members of Council; 3) the chair of the Council of University Departments of Geoscience of Ontario (CUDGO) or a designate appointed by CUDGO who is a member of the Association; and 4) the Registrar (sitting ex-officio).

Co-Chair – Ian Macdonald, P.Geo., WESA – BluMetric Environmental Inc.
Co-Chair - Andrea Waldie, P.Geo., Waldie Geo-Governance

Standing Committees

APGO has seven standing committees as outlined in By-law No. 7 – Standing Committees of Council. These committees are required to conduct all business in accordance with By-law No. 1 - Business.

Executive Committee
This committee is responsible for implementing policy decisions of Council and providing management of the Association on behalf of Council. This committee meets regularly and may take interim action in the event of an emergency where time does not permit the meeting of Council. Committee to be comprised of (but not limited to) 1) the president; 2) the vice president; 3) the past president; 4) the treasurer; 5) on councillor who is a non-member appointee; and 6) the executive director (sitting as ex-officio)

Chair – Dave Hunt, P.Geo., Sharpstone Geoservices Ltd.

Finance Committee
The primary functions of the Finance Committee are to ensure that the financial policies and procedures of the Association are followed and to review operating costs and performance of the Association against its budget and expenditure projections. Committee to be comprised of (but not limited to) 1) one elected councillor; 2) one councillor who is a non-member appointee; and 3) the treasurer (to be the chair).

The Finance Committee has two subcommittees – the Audit and Compensation Subcommittee and the Budget Subcommittee.

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

Audit Committee
Chair – Rob Gordon, MBA, P.Eng., Caracle Creek International Consulting Inc.

Governance Committee
This Committee is responsible for monitoring the overall function of Council and the Association to ensure compliance with the Act, Regulations and By-laws and that it adheres to all other pertinent standards and practices expected of a self-regulating professional association. Committee to be comprised of (but not limited to) 1) 2 elected councillors; 2) one councillor who is a non-member appointee; and 3) the president (sitting as ex-officio).

Chair – Dorene Weston, Full Circle Consulting (LGA)

Professional Practice Committee
The Professional Practice Committee is responsible for providing guidance and advise to Council, other APGO Committees and the members and Certificate of Authorization holders, on issues of professional practice. The Professional Practice Committee also develops guidelines for the practice of professional geoscience and oversees the Association’s program of Continuing Professional Development. Committee to be comprised of (but not limited to) 1) the past president; 2) one elected councillor; 3) 2 members of the Association who are not councillors; and 4) the registrar (sitting as ex-officio).

Chair - Paul Hubley, P.Geo.
Environmental Geoscience Subcommittee
Chair - Ed Rodrigues, P.Geo., URS Canada Inc.

Geology Subcommittee
Ben Berger, P.Geo.

Geophysics Subcommittee
Chair - Milan Situm, P.Geo., Geophysics GPR International Inc.

Other Committees

Enforcement and Compliance Committee
The Enforcement and Compliance Committee is responsible for working with the Executive Director/Registrar to ensure that the Act is enforced and that all practicing geoscientists and firms offering or providing geoscience services in Ontario are appropriately licensed to do so.

Chair - Steve Wilson, P.Geo., Golder Associates Ltd.
Co-Chair - Andrea Waldie, P.Geo., Waldie Geo-Governance

Student and G.I.T. Mentoring Subcommittee
Chair - Milan Situm, P.Geo., Geophysics GPR International Inc.

Past Presidents Advisory Committee
Andrew Cheatle, P.Geo., Unigold Inc.

APGO Representation on National Committees
Geoscientists Canada ("GC")
GC Director-Ontario - Andrew Cheatle, P.Geo., Unigold Inc.

Canadian Geoscience Standards Board ("CGSB")
CGSB Ontario Board Member - Greg Finn, Ph.D., P.Geo.

National Professional Practice and Ethics Exam
Advisory Committee ("NPPEAC")
Aftab Khan, P.Geo., Registrar, APGO

Council of Chairs of Canadian Earth Science Departments / Conférence des Directeurs de Département de Géologie du Canada
Dr. Robert Linnen, Ph.D., P.Geo.

*****

In Memoriam

APGO would like to honour the passing of:

Jacque Samson, P.Geo. (d. October 1, 2014)
Ulrich Kretschmar, P.Geo. (d. December 16, 2014)
Appendix 1

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Financial Statements Year Ended December 31, 2014
<table>
<thead>
<tr>
<th>INDEPENDENT AUDITOR'S REPORT</th>
<th>1 - 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Revenues and Expenditures</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Changes in Net Assets</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Cash Flow</td>
<td>6</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>7 - 11</td>
</tr>
</tbody>
</table>
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, 2014 and the statements of revenues and expenditures, 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 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, 2014 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.

Mississauga, Ontario
May 14, 2015

Bateman Mackay LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants
THE ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO  
Statement of Financial Position  
December 31, 2014  

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$616,911</td>
<td>$375,777</td>
</tr>
<tr>
<td>Short term investments</td>
<td>908,076</td>
<td>1,124,947</td>
</tr>
<tr>
<td>Membership fees receivable <em>(Note 2)</em></td>
<td>360,064</td>
<td>293,328</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>17,861</td>
<td>18,169</td>
</tr>
<tr>
<td>Due from related party <em>(Note 3)</em></td>
<td>5,275</td>
<td>-</td>
</tr>
<tr>
<td><strong>1,908,187</strong></td>
<td></td>
<td>1,812,221</td>
</tr>
<tr>
<td>EQUIPMENT AND LEASEHOLD IMPROVEMENTS <em>(Note 4)</em></td>
<td>26,728</td>
<td>36,957</td>
</tr>
<tr>
<td><strong>$1,934,915</strong></td>
<td></td>
<td>$1,849,178</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$43,726</td>
<td>$48,921</td>
</tr>
<tr>
<td>Dues received before acceptance for membership</td>
<td>13,540</td>
<td>15,342</td>
</tr>
<tr>
<td>Government remittances payable</td>
<td>125,685</td>
<td>122,059</td>
</tr>
<tr>
<td>Current portion of obligations under capital lease <em>(Note 5)</em></td>
<td>2,243</td>
<td>2,623</td>
</tr>
<tr>
<td>Deferred revenues <em>(Note 6)</em></td>
<td>994,192</td>
<td>963,582</td>
</tr>
<tr>
<td><strong>1,179,386</strong></td>
<td></td>
<td>1,152,527</td>
</tr>
<tr>
<td>OBLIGATIONS UNDER CAPITAL LEASE <em>(Note 5)</em></td>
<td>-</td>
<td>2,243</td>
</tr>
<tr>
<td><strong>1,179,386</strong></td>
<td></td>
<td>1,154,770</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency reserve fund (restricted) <em>(Note 7)</em></td>
<td>598,093</td>
<td>506,972</td>
</tr>
<tr>
<td>Strategic initiatives fund <em>(Note 8)</em></td>
<td>157,436</td>
<td>187,436</td>
</tr>
<tr>
<td><strong>755,529</strong></td>
<td></td>
<td>694,408</td>
</tr>
<tr>
<td><strong>$1,934,915</strong></td>
<td></td>
<td>$1,849,178</td>
</tr>
</tbody>
</table>

**LEASE COMMITMENTS *(Note 9)***  

**ON BEHALF OF COUNCIL**  

_______________________________ Councilor  
_______________________________ Councilor  

*The accompanying notes are an integral part of these financial statements.*
## Statement of Revenues and Expenditures

Year Ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>$966,363</td>
<td>$948,612</td>
</tr>
<tr>
<td>Registration fees</td>
<td>55,333</td>
<td>60,641</td>
</tr>
<tr>
<td>Exam fees</td>
<td>41,350</td>
<td>42,800</td>
</tr>
<tr>
<td>Advertising and sponsorship</td>
<td>28,459</td>
<td>16,460</td>
</tr>
<tr>
<td>Function fees</td>
<td>13,745</td>
<td>9,320</td>
</tr>
<tr>
<td>Interest earned</td>
<td>13,129</td>
<td>19,110</td>
</tr>
<tr>
<td>Stamps and seals</td>
<td>6,335</td>
<td>7,334</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>4,103</td>
<td>5,127</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,128,817</td>
<td>1,109,404</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative wages and benefits</td>
<td>479,643</td>
<td>460,546</td>
</tr>
<tr>
<td>Communication</td>
<td>103,612</td>
<td>127,195</td>
</tr>
<tr>
<td>Legal, professional and government relations <em>(Note 10)</em></td>
<td>99,542</td>
<td>123,264</td>
</tr>
<tr>
<td>Rent</td>
<td>97,251</td>
<td>99,585</td>
</tr>
<tr>
<td>CCPG membership</td>
<td>73,221</td>
<td>67,201</td>
</tr>
<tr>
<td>Interest, credit card and bank charges</td>
<td>39,082</td>
<td>36,593</td>
</tr>
<tr>
<td>Office and general</td>
<td>37,958</td>
<td>42,932</td>
</tr>
<tr>
<td>Travel and accommodation</td>
<td>36,129</td>
<td>28,874</td>
</tr>
<tr>
<td>Accounting and audit</td>
<td>31,599</td>
<td>35,060</td>
</tr>
<tr>
<td>Examination services</td>
<td>17,740</td>
<td>21,220</td>
</tr>
<tr>
<td>Liability insurance</td>
<td>17,649</td>
<td>16,417</td>
</tr>
<tr>
<td>Amortization</td>
<td>10,229</td>
<td>10,161</td>
</tr>
<tr>
<td>Postage and photocopying</td>
<td>9,766</td>
<td>9,588</td>
</tr>
<tr>
<td>Telephone and fax</td>
<td>7,949</td>
<td>7,861</td>
</tr>
<tr>
<td>Stamps, seals, cards and certificates</td>
<td>5,972</td>
<td>5,477</td>
</tr>
<tr>
<td>Donations</td>
<td>250</td>
<td>1,600</td>
</tr>
<tr>
<td>Interest on obligations under capital lease</td>
<td>104</td>
<td>177</td>
</tr>
<tr>
<td>Appeals</td>
<td>-</td>
<td>7,936</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>1,067,696</td>
<td>1,101,687</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENDITURES</strong></td>
<td>$61,121</td>
<td>$7,717</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## Statement of Changes in Net Assets
### Year Ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>Contingency Reserve Fund (Restricted)</th>
<th>Strategic Initiatives Fund</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET ASSETS - BEGINNING OF YEAR</td>
<td>$ 506,972</td>
<td>$ 187,436</td>
<td>$ 694,408</td>
<td>$ 686,691</td>
</tr>
<tr>
<td>Excess of revenue over expenditures</td>
<td>91,121</td>
<td>-</td>
<td>91,121</td>
<td>7,717</td>
</tr>
<tr>
<td>Website</td>
<td>-</td>
<td>(30,000)</td>
<td>(30,000)</td>
<td>-</td>
</tr>
<tr>
<td>NET ASSETS - END OF YEAR</td>
<td>$ 598,093</td>
<td>$ 157,436</td>
<td>$ 755,529</td>
<td>$ 694,408</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## Statement of Cash Flow

Year Ended December 31, 2014

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of revenue over expenditures</td>
<td>$ 61,121</td>
<td>$ 7,717</td>
</tr>
<tr>
<td>Item not affecting cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of equipment and leasehold improvements</td>
<td>10,229</td>
<td>10,161</td>
</tr>
<tr>
<td></td>
<td>71,350</td>
<td>17,878</td>
</tr>
<tr>
<td>Changes in non-cash working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term investments</td>
<td>216,871</td>
<td>155,928</td>
</tr>
<tr>
<td>Membership fees receivable</td>
<td>(66,736)</td>
<td>(56,833)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>308</td>
<td>9,149</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(5,195)</td>
<td>(51,592)</td>
</tr>
<tr>
<td>Dues received before acceptance for membership</td>
<td>(1,802)</td>
<td>(3,334)</td>
</tr>
<tr>
<td>Government remittances payable</td>
<td>3,626</td>
<td>17,363</td>
</tr>
<tr>
<td>Deferred donation; education fund</td>
<td>-</td>
<td>(1,530)</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>30,610</td>
<td>40,896</td>
</tr>
<tr>
<td></td>
<td>177,682</td>
<td>110,047</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>249,032</td>
<td>127,925</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTING ACTIVITY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment leasehold improvements</td>
<td>-</td>
<td>(13,532)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to related party - net</td>
<td>(5,275)</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of obligations under capital lease</td>
<td>(2,623)</td>
<td>(2,549)</td>
</tr>
<tr>
<td>Cash flow used by financing activities</td>
<td>(7,898)</td>
<td>(2,549)</td>
</tr>
</tbody>
</table>

## INCREASE IN CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - beginning of year</td>
<td>375,777</td>
<td>263,933</td>
</tr>
<tr>
<td><strong>CASH - END OF YEAR</strong></td>
<td>$ 616,911</td>
<td>$ 375,777</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements.*
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 (ASNFPO). 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)
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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortization Rate</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>20%</td>
<td>declining balance method</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>55%</td>
<td>declining balance method</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>62 months, (term of lease)</td>
<td>straight-line method</td>
</tr>
<tr>
<td>Computer software</td>
<td>100%</td>
<td>declining balance method</td>
</tr>
</tbody>
</table>

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.

**Assets under capital leases**

Assets under capital leases are stated at cost less accumulated amortization. Assets under capital leases are amortized over their estimated useful lives at the following rates and methods:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortization Rate</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone system</td>
<td>20%</td>
<td>declining balance method</td>
</tr>
</tbody>
</table>

Assets under capital leases 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, 2014, membership in the Association stood at 3,257 (2013 - 2,777), and the applications for memberships that were in process of approval at 228 (2013 - 277). Out of the $360,064 total membership fees receivable at the end of the year, $348,990 reflect members that have not paid the 2015 fees as at December 31, 2014. At March 31, 2015 the membership fees receivable had been reduced to $47,346.
3. DUE FROM RELATED PARTY

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>from related party</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APGO Education Fund</td>
<td>5,275</td>
<td>-</td>
</tr>
</tbody>
</table>

The APGO Education Fund was registered as charitable organization with the Government of Canada effective October 8, 2014. The above balance relates to legal costs paid by the Association on behalf of the APGO Education Fund for its set up and registration.

Advances to related party are unsecured, non interest bearing and have no set repayment terms. Accordingly, the amount due from related party has been classified as a current asset.

4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Amortization</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>37,936</td>
<td>22,846</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>46,145</td>
<td>41,577</td>
</tr>
<tr>
<td>Telephone system</td>
<td>7,833</td>
<td>3,321</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>52,707</td>
<td>50,149</td>
</tr>
<tr>
<td>Computer software</td>
<td>2,900</td>
<td>2,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>147,521</td>
<td>120,793</td>
</tr>
</tbody>
</table>

The following assets included above are held under capital lease Note 5:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Amortization</td>
</tr>
<tr>
<td>Telephone system</td>
<td>7,833</td>
<td>3,321</td>
</tr>
</tbody>
</table>

5. OBLIGATIONS UNDER CAPITAL LEASE

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cisco lease bearing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest at 2.84% per annum, repayable in monthly blended payments of $227. The lease matures on October 1, 2015 and is secured by the telephone system.</td>
<td>$2,243</td>
<td>$4,866</td>
</tr>
<tr>
<td>Amounts payable within one year</td>
<td>(2,243)</td>
<td>(2,623)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$-</td>
<td>$2,243</td>
</tr>
</tbody>
</table>

(continues)
5. **OBLIGATIONS UNDER CAPITAL LEASE (continued)**

Total payments of obligations under capital leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$2,243</td>
<td>$29</td>
<td>$2,272</td>
</tr>
</tbody>
</table>

6. **DEFERRED REVENUES**

The balances in the deferred revenue accounts are comprised of membership fees billed in October of the current calendar year (2014) for memberships for the following calendar year (2015). 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.

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 2015 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:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$48,378</td>
</tr>
<tr>
<td>2016</td>
<td>48,378</td>
</tr>
<tr>
<td>2017</td>
<td>44,346</td>
</tr>
</tbody>
</table>

$141,102
10. SUBSEQUENT EVENTS

A total of $32,653 of legal expenses for the current fiscal year relate to one appeal brought to judicial review in the Divisional Court. Subsequent to year end the Divisional Court decided the case in favour of the Association, as a result, $5,000 of the legal fees incurred by the Association are to be reimbursed. This amount has been recorded as a reduction of the legal expenses for the current year.

It is the insurance provider's opinion that a portion of the legal costs will be covered under the insurance policy. The exact amount of the reimbursement is yet to be determined as at the date of these financial statements and therefore has not been accrued.

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.

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 of membership fees is reasonably assured since members need the membership to practice, and there is no history of default.

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 and obligations under capital lease. There has been no change to the risk exposures from 2013. The Association monitors its cash balance and cash flows from operations to ensure that it has sufficient liquidity to meet its liabilities when due.

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.