



ANNUAL REPORT 2018

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WINNER OF THE 2018 APGO PHOTO CONTEST

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APGO COUNCIL 2018

President

Zen Keizars,
P.Geo.

Vice President

Milan Situm,
P.Geo.

Past President

Christine
Vaillancourt,
P.Geo.

Regional Councillors

Central Ontario

Francoise
Campbell, P.Geo.

North Western Ontario

John McBride,
P.Geo.

North Eastern Ontario

Renee-Luce
Simard, P.Geo.

South Western Ontario

David Leng,
P.Geo.

South Eastern Ontario

Paul Hubley,
P.Geo.

Councillors-at- Large

Tafa Gomwe,
P.Geo.

Bronwyn Azar,
P.Geo.

Roger Phillips,
P.Geo.

Lieutenant Governor-in- Council

Appointees
Brad Leonard,
P.Geo.

Nicole
Januszczak,
P.Geo.

Public (Non- Member)

Appointees

Paul Connor
Don Johnston,
LL.B.

Susan Carlyle,
LL.B.

Marco Simone,
CPA, CA

Treasurer

Shelly Cuddy,
P.Geo.

Council of University Departments of Geoscience of Ontario (CUDGO)

Dr. David Good,
Ph.D., P.Geo.



**PROTECTING THE
PUBLIC INTEREST,
EARNING THE
PUBLIC'S TRUST.**

MISSION

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

VISION

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



Letter to the Minister

The Honourable Minister Greg Rickford

Minister of Energy, Northern Development and Mines
159 Cedar Street
Sudbury, Ontario P3E 6A5

Dear Minister Greg Rickford:

On behalf of the Council of the Association of Professional Geoscientists of Ontario (APGO), its staff and volunteers, I present to you our 2018 Annual Report. This report includes financial and audit reports for the 2018 year, as well as summaries of the achievements, activities, and varied tasks carried out by the APGO, further substantiating our continued commitment to the responsible governance of the geoscience profession in Ontario.

The APGO is constantly striving to improve upon our past successes in carrying out our Mission and Objectives, and to keep abreast with the constantly developing world of geoscience. Our membership continued to grow steadily in 2018, with over 3,600 members, including fully practicing or limited geoscientists and geoscientists-in-training, and 623 student members (data: December, 2018). It is also of important note to myself that diversity within our membership continues to approach balance; student membership, as an example, being comprised of 50:50 male/female representation today, a greater balance from the 2016 ratio of 60:40, male/female representation in 2016. As in years previous, these numbers reflect the success of the APGO at promoting the importance of geoscience regulation, but also demonstrates the growing positive culture in geoscience that recognizes best scientific practice, strong ethics, and evidence-based decision making as the standards of responsible geoscience.

We put great value on the essential contribution that your support, and that of your staff at the Ministry of Energy, Northern Development and Mines, plays in fulfilling our Mission and Objectives. We look forward to another year of growing collaboration and provide this report in hope that its content will help you assess the APGO's annual accomplishments and establish how our contribution towards the Ministry's success in achieving its goals and objectives can continue to grow.

Sincerely,



Zen Keizars, P.Geo.
President



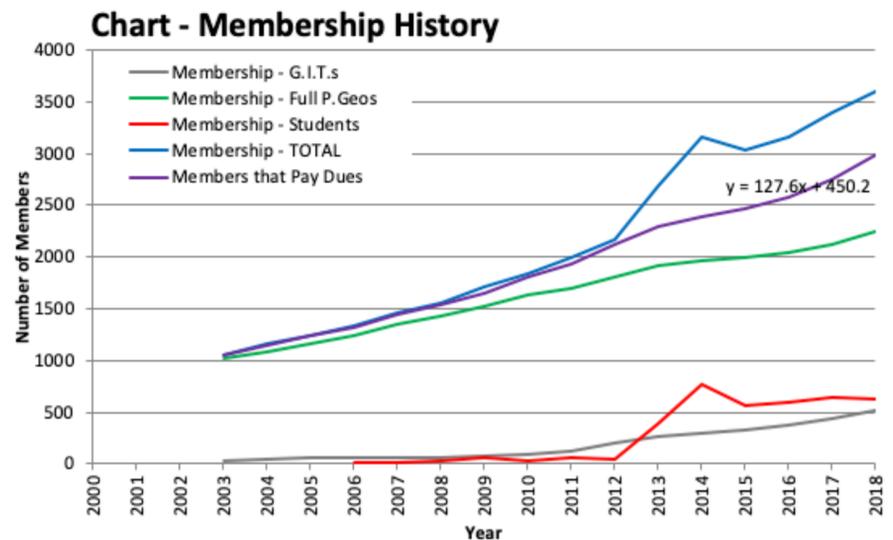
President's Message

As the Vice-President for the 2017/2018 term, I was witness to such an unparalleled amount of change within the APGO that it was impossible to contain within a single year without losing an understanding of the context. Much of what has been smouldering for the past three-year Strategic Plan term is coming to fruit within my period of Presidency, but none of the work that we are accomplishing in the 2018/2019 year would have been possible without the solid platform of tireless work that Christine and the 2017/2018 Council carried out. This year, as the torch was passed to the 2018/2019 Council, it was apparent that our succession needed to ensure that the torch was not dropped, and the inertia of the passed couple years was carried forward to best advantage.

In a brief departure from tradition, and in effort to avoid overlap with the CEO Report, I would like to take this opportunity to provide a narrative of the past couple years, and summarize some trends that capture the context of what has been ongoing during this term of our current Strategic Plan.

To begin with, the APGO is growing -- and has been growing since the establishment of the Professional Geoscientists Act -- at a generalized net rate of approximately 128 dues-paying members a year. This general growth average was broken in 2013 and 2014 by a deluge of students, after which time, the Total Membership and the Members with Dues have never reconciled.

This growth alone required change, adaptation and consolidation. 2017/2018 was a 'humpyear' in the term



of the current Strategic Plan, being the middle year, and Council's eyes were on the trends of the past few years. Our Mandate has always been to protect the public; and with the approaching 'Student Member Boom' presumed to be 4 years after 2013/2014 (re: Chart), we were risking becoming victims of our own success. With this mindset of the humpyear, we were proactively approaching the last year of the current Strategic Plan. Which brings us to the 2018/2019 year. With the dynamic changes occurring in the industrial and political environments, and the approaching 2013/2014 Student Member Boom maturing into full P.Geo.'s, the challenges we had given ourselves in the 2016 Strategic Plan were making more questions:

1. How are we as the APGO recognized by our members?

2. How are we relevant to our Membership?

3. How are we as the APGO recognized by the general public?

As promised at the last AGM, 2018/2019 has been a year of proactive consolidation and preparation toward a new Strategic Plan; changes that will set us up for the next three years. As such, it has been a year of proactively updating and consolidating our internal policies, guidelines and by-laws, as well as making introductions with the new government and reconnecting with our municipalities.

These positive relationships renew our recognition as qualified paladins of public safety to all stakeholders and rightsholders. Further, our answer to those three questions was to directly survey our membership, which over 30% of you completed. As discussed further in the CEO Report (below), assimilating the survey results, as well as the overall question of recognition, will also be a large part of our Strategic Plan renewal (this March, 2019), with the results/findings to be revealed at the coming AGM.

I wish to close this Message by personally acknowledging the time, dedication, and outstanding work by our staff and many volunteers on APGO's Council and on our various Committees.

Their collective effort has allowed the term of our current Strategic Plan to be carried out with such great efficacy and professionalism; without which we would not have such a fortunate problem as success.

Nominations for Council and Committee roles will be coming out in the next month or so. I encourage you to keep an eye out if you are looking for a challenge -- that with hard work can lead to a legitimate contribution to Ontario's public safety and the environment. We are looking forward to seeing you all in June at the upcoming Annual General Meeting, where we can summarize the findings of our upcoming Strategic Plan, discuss the Membership Survey in greater detail, unveil the results of our rebranding efforts, and raise a glass (figuratively referring to unspecified content) to my good friend Milan Situm on his new role as President.

Sincerely,



Zen Keizars, P.Geo.
President





CEO's Message

It is a pleasure for me to provide you with my first contribution to the APGO Annual Report. I joined the organization as your new CEO on October 31, 2018, and look forward to providing support and leadership to the APGO, based on my background as a geoscientist and my 24 years prior experience as CEO of the Prospectors and Developers Association of Canada (PDAC), from 1987 to 2011.

First I would like to acknowledge the leadership of Roger Woeller, who was interim CEO for a good portion of 2018 and paved the way for a very smooth orientation to the APGO for me and the highly dedicated and professional APGO staff, who not only maintained efficient operations but also introduced a number of administrative innovations in 2018, in spite of challenging times. An example of this is the transformation of our entire administrative process to paperless, which we hope to complete by the 2nd quarter of 2019.

Our long-term trend of steadily increasing membership continued through 2018. Increases were experienced in all membership categories contributing to an overall membership increase from 3389 in 2017 to 3603 in 2018. Significantly, the number of Geoscientists in Training (GITs) jumped from 437 in 2017 to 513 in 2018. An important part of the APGO mandate is the identification of geoscientists practicing in Ontario who are not registered members of APGO. As of December, 2017, we had accumulated 577 active files of practising geoscientists who were not registered members. By the end of 2018 and due to the hard work of our Registrar, this number had been reduced to 535, with 22% of

these files transformed into new registered members. This important work will continue as a high priority.

A significant part of our mandate is facilitating the process of continuing professional development for you our members. In addition to networking events, webinars and short courses, APGO hosted training sessions developed by the Ministry of Environment Conservation and Parks (MECP), promoting greater clarity of the Ministry's expectations of submissions made by Qualified Persons (QPs), and a round-table session on Record Site Condition submissions, with a focus on understanding issues faced by QPs.

Another one of our important activities is continual liaison with the Ontario government, maintaining a constructive working relationship at both the political level and with senior officials within key departments, including engagement with key decision-makers on relevant regulatory matters affecting professional geoscience in Ontario. Last year we saw the election of a new Conservative government in Ontario and as of writing the APGO was continuing a series of meetings with key Ministers and political staff of the new government for the purpose of introducing ourselves and providing information regarding APGO's regulatory function of protecting the public, and the contribution of professional geoscience to sustainable economic development, environmental integrity, ecosystem function, stability and safety of infrastructure developments and the health of humans and other species.

During 2018, APGO engaged the Ontario government regarding a number of emerging regulatory issues, in particular, those affecting the practice of environmental geoscience, details of which may be found below under the report of the Environmental Geoscience Subcommittee.

In July of last year we conducted a survey of our members for the purpose of soliciting feedback on our performance in fulfilling our mandate, improving communications with our membership and overall quality of service. You provided us with a 31% response rate, which is very high for surveys of this type, along

with excellent feedback on our current performance and ways to improve. The survey report was shared with you all in October, 2018 and since that time we have been implementing improvements in a number of areas following your recommendations. A more detailed report to you on these initiatives is planned for later in 2019.

The member survey will provide a critical source of information on member views to a strategic planning process for the APGO, preparation for which commenced in January, 2019. In early April, APGO Council Members, Committee Chairs, recent Past Presidents and Staff will come together to identify opportunities and challenges and to set strategic

priorities for the coming 3 - 5 years. Annual operational plans will flow from this strategic plan over the ensuing years. We will be ready to report to you about our new strategic priorities during our upcoming AGM scheduled for June, 2019.



Dr. Tony Andrews
CEO

“Diversity within our membership continues to approach balance.”

Today, student membership is comprised of 50:50 male/female representation.





Executive Committee

Zen Keizars, P.Geo., Chair

The Executive Committee is comprised of the President, Vice-President, Past-President, Treasurer, an appointed non-member, and the CEO (sitting as ex-officio). The Executive Committee implements policy decisions and provides management duties on behalf of the Council, and may take interim action in the event of an emergency where time does not permit the meeting of Council.

During the 2018/2019 term, there has been no reason for interim action to date. As such, no Executive Committee meetings were held. Meetings of General Purpose were instead held on the fourth Thursday of July, August, October, and February, with a last Meeting of General Purpose proposed for the upcoming fourth Thursday of April.

A Meeting of General Purpose welcomes the Executive and all interested Council and Committee members to attend, with the purpose of promoting the exchange of opinions on select 'hot topics', increasing general inclusiveness, and upward understanding of Council processes.

To promote open discourse, discussion at the Meetings of General Purpose are unrecorded, but have included the following topics:

- General item progress as per the President's GANTT;
- ED/CEO hiring progress news;
- APGO Student Chapters – progress in establishing;
- Establishing a Council Secretary position;

- APGO Events – What is it appropriate to charge attendees;
- Developing APGO policies;
- Improving the Member Affinity Programme; and,
- Discussions around the findings of the Membership Survey.

A Meeting of General Purpose promotes the exchange of opinions on select 'hot topics', increasing general inclusiveness, and upward understanding of Council processes.



Registration Committee

John Ryder, P.Geo., 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 which are held five times a year. In 2018 one hundred and twenty (120) wrote the exam with one hundred and ten (110) passing.

In recent years the Registrar and regional councillors have been active on two fronts:

1. in reaching out to educational institutions to ensure that they are aware of the academic requirements for licensure for professional geoscience in Ontario.
2. the Registrar has been active in Enforcement and Compliance (E & C) with two hundred and forty-four (244) individuals added to the E & C list in 2018.

The Registration Committee met eight (8) times in 2018 and reviewed 345 applications. At year end membership stood at 2,980, an increase of 230 over 2017 with membership increasing in all categories as seen in the table above.

Certificates of Authorization decreased slightly from 212 in 2017 to 206 in 2018. The current list of members in good standing and Certificates of Authorization can be searched on the APGO website at <http://www.apgo.net>.

The makeup of the APGO membership by type geosciences practice is shown below.

	2017	2018	CHANGE
FULL P.GEO	2,125	2,249	124
LIMITED P.GEO	65	70	5
NON-PRACTISING	123	148	25
GIT	437	513	76
TOTAL	2,750	2,980	230
STUDENTS	639	623	-16
RESIGNED/RETIRED	41	49	8
DECEASED	3	4	1

- 27% Environmental Geoscience

The makeup of the APGO membership by gender is shown below:

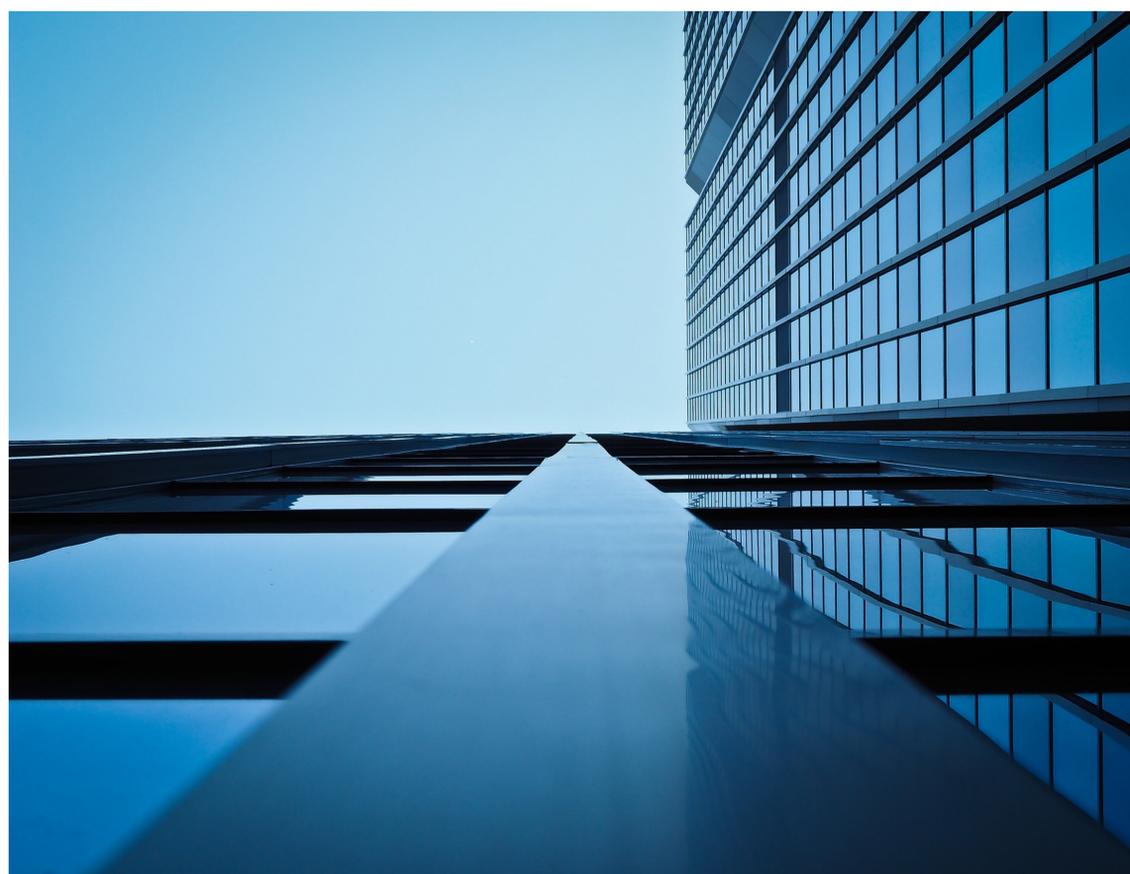
Practicing Members (P. Geo):

- 77% Male
- 23% Female

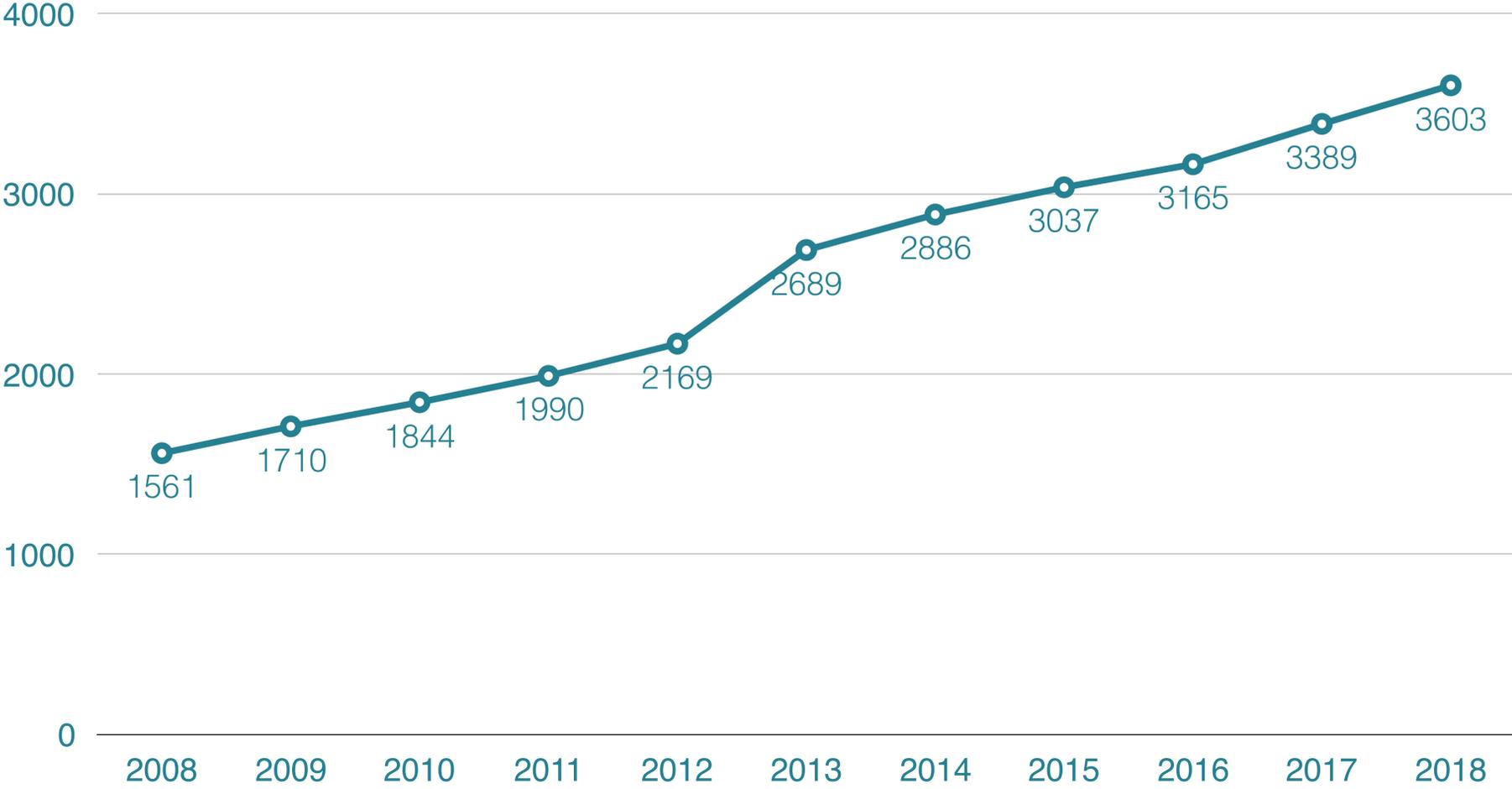
Geoscientist in Training (GIT):

- 60% Male
- 40% Female

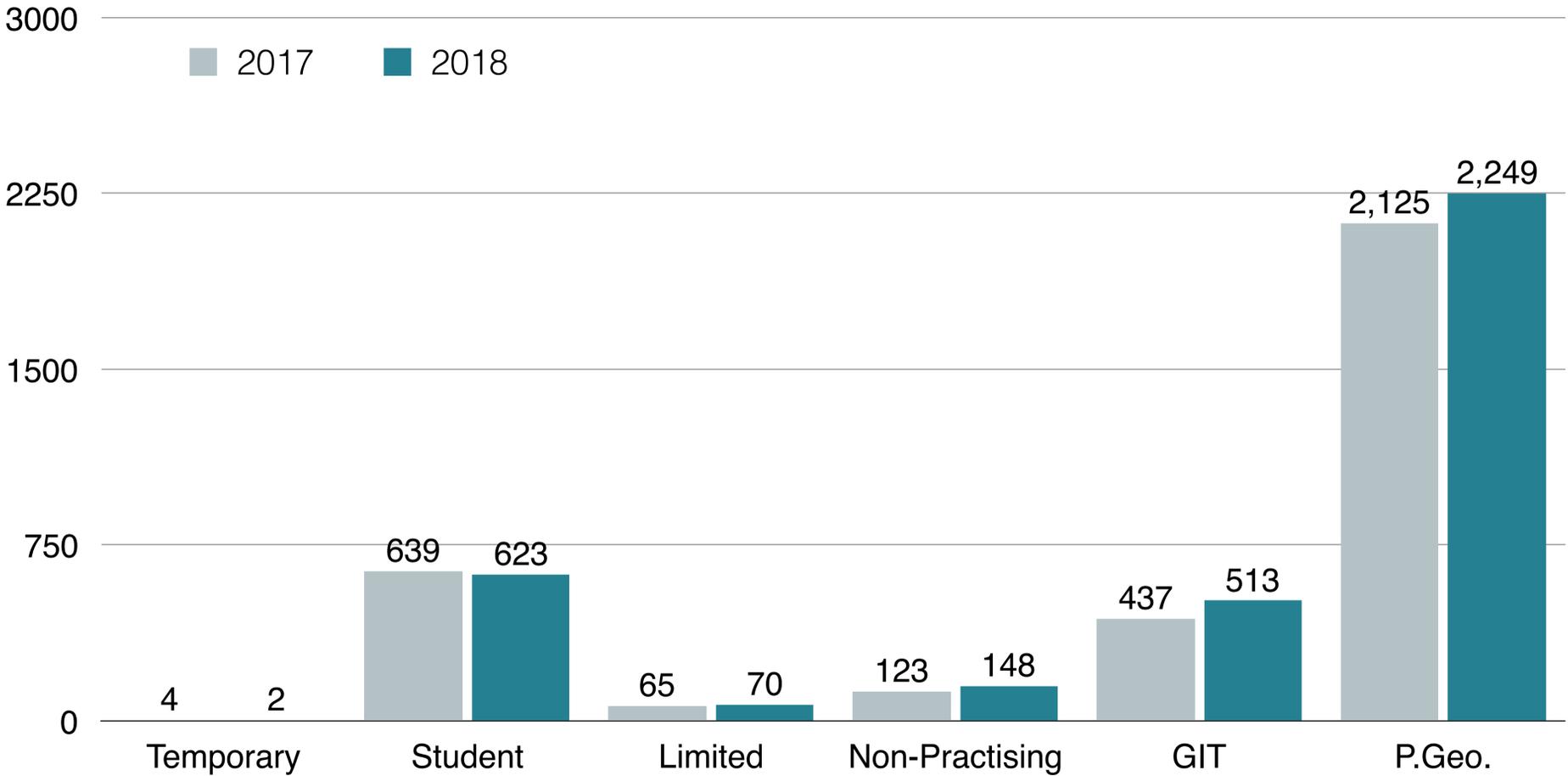
The APGO wishes to express gratitude to the volunteer members of the Registration Committee for their ongoing dedication in assessing applications. The staff continues to be amazing and is the backbone of the Committee.



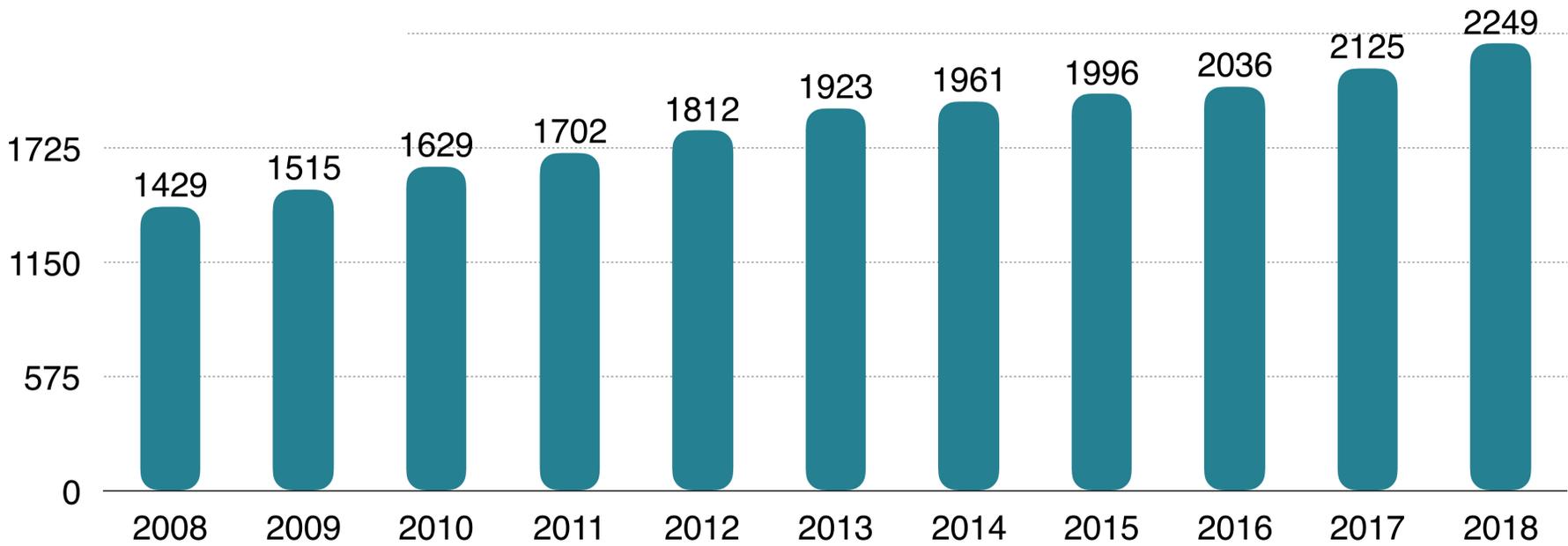
TOTAL MEMBERS



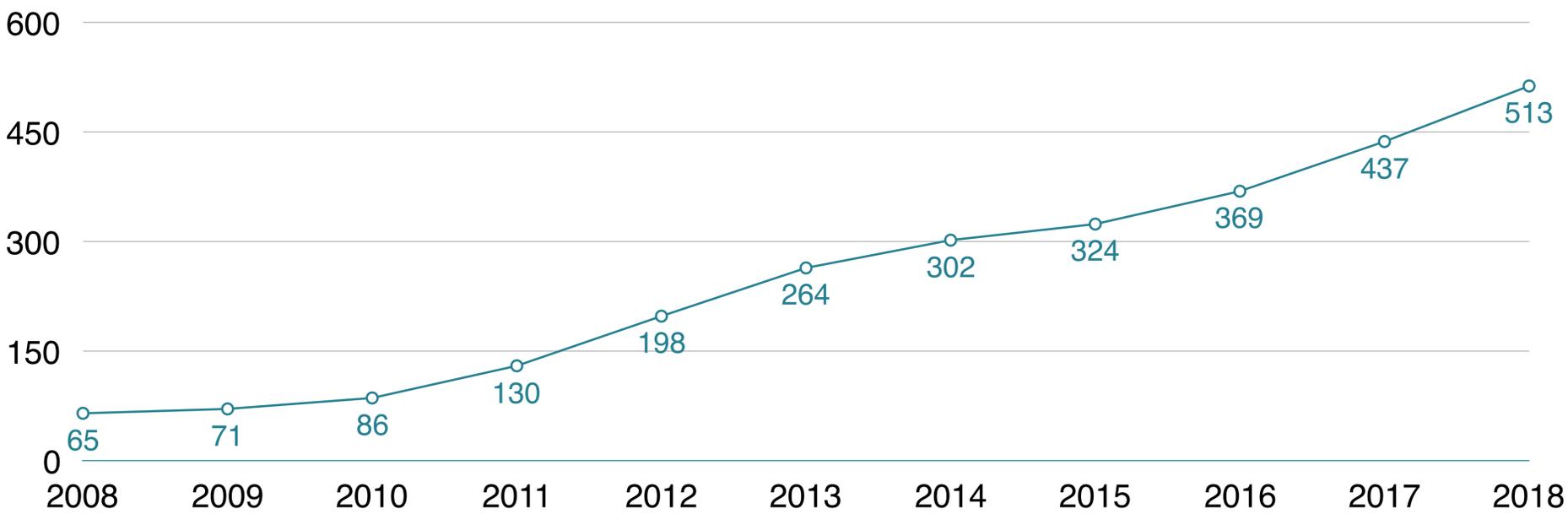
MEMBERSHIP BY TYPE



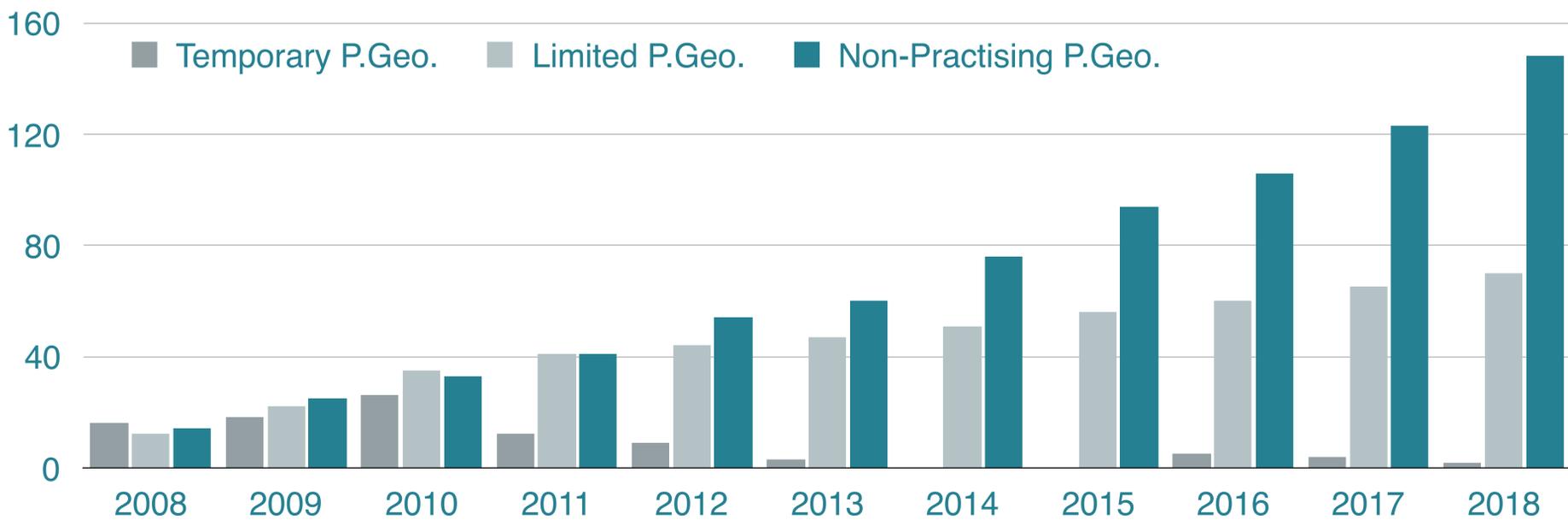
FULL P.GEO.



GEOSCIENTIST-IN-TRAINING



OTHERS





Discipline Committee

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 convened one hearings in 2018 and one case was sent to Discipline from the Complaints Committee in December 2018. A Panel has been convened and the hearing will take place in 2019.

Regular meetings of the Discipline Committee continued to be held by teleconference on a quarterly basis.

For the purpose of administration, the Committee Chair and Vice Chair hold two-year positions with the Vice Chair (Tammy Middleton, M.Sc., P.Geo.) moving to the Chair position on completion of the current Chair's mandate in June 2019.

From its 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.

Steven Usher, a long-standing member has resigned from the DC committee. He has been part of two Disciplinary panels and his contributions and humour will be missed.



Finance Committee

Shelly Cuddy, P.Geo., Chair

Our Finance Committee works hard to make sure that the APGO stays on target for the future.

The Finance Committee is a Standing Committee of Council responsible for overseeing the finances for the Association.

This includes ensuring that financial policies and procedures for the Association are followed in day to day activities, monitoring the financial performance of the Association on an ongoing basis, overseeing the development and approval of the annual budget, and providing periodic reports and recommendations to Council as required.

In 2018, the income from membership and enrolment in the Association remained strong.

The organization continued with a number of strategic initiatives in communication and outreach, enforcement & compliance, and governance.

In addition, technical improvements allowed for operational efficiencies through a new paperless system, saving everyone time and money.

The Association realized a number of one-time expenses in 2018 but remained in a healthy financial position at the end of the year.

Audit Committee

Dennis Waddington, P.Geo., Chair

The Audit Committee is a Standing Committee of the APGO, reporting to Council to assist Council in fulfilling its responsibilities regarding APGO's financial affairs by overseeing the independent audit process, recommending the annual financial statements for approval by Council, and managing the relationship with the external auditors. The committee comprises three APGO members and one non-member, all independent from involvement in the daily accounting functions of APGO.

The Audit Committee meets as needed during the year, mainly in the first few months to plan the audit and review audited financial statements for approval by Council. In 2018 it met on several occasions by conference call with and without the auditors and/or management to oversee the annual audit process of the 2017 financial statements. It also began a review of its Terms of Reference in conjunction with overall APGO governance activity. Bateman MacKay LLP, headquartered in Burlington with offices in Mississauga, is the Association's auditor. At the time of the writing, the audit of 2018 is getting underway and is expected to be completed for presentation to Council at its May meeting.



APGO protects the public and investors by admitting only qualified persons.



Professional Practice Committee

Paul Hubley, P.Ge., Chair

The Professional Practice Committee has a mandate to develop guidelines for practicing Geoscientists, contributing to professional development activities, maintaining standards of ethics, and overseeing the four member subcommittees (Geology, Geophysics, Environmental and Geomorphology). In the past year the PPC provided support to subcommittees, improved participation in Continuing Professional Development (CPD) for the membership, participated in an audit of CPD hours, identified opportunities for additional CPD hours for members and conducted a review of existing guidelines with the aim of prioritizing revisions where applicable, to ensure that APGO guidelines remain relevant to members.

Governance Committee

David M. Leng, P.Ge., Chair

The Governance Committee is a Standing Committee of Council which is responsible for monitoring the overall function of Council and the Association. It develops and presents a governance model for APGO for adoption by Council and ratification by the membership.

The committee monitors the overall function of Council and the Association to ensure compliance with the Professional Geoscientist Act (2000), Regulations and By-laws and that it adheres to all other pertinent standards and practices expected of a self-regulating professional associations.

The committee receives nominations for elections to Council per By-law 8. It also recruits and recommends non-member appointments to Council.



Geology Subcommittee

John McBride, P.Ge., Chair

The Geology Subcommittee is a subcommittee of the Professional Practice Committee and has seven 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 convened once in 2018 to evaluate changing the committee's name.





Environmental Geoscience Subcommittee

Ron Ormson, P.Geo., Chair

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. Central to this mandate is liaison work with the Ontario Ministry of the Environment and Conservation and Parks (MECP) to monitor regulatory changes that affect the practice of environmental geoscience. In 2018, the subcommittee and its members continued to interact with the MECP on various regulatory changes and policy initiatives.

Highlights of the subcommittee's activities over the past year include:

- Formal commenting on the proposed Excess Soil Management Draft Regulation and associated amendments to O.Reg. 347 (Waste) and O.Reg. 153/04 (Records of Site Condition) posted on the Provincial Environmental Registry.
- Meetings with senior MECP staff to reinforce the role of Qualified Professionals (QPs) and compliance with O.Reg.153/04 (Records of Site Condition) of the Environmental Protection Act.
- Ongoing participation/representation with the MECP Water Quantity Protection External Working Group.

- Outreach to post-secondary institutions including the University of Waterloo and Conestoga College.
- Consideration of joint commenting submissions with the Professional Engineers of Ontario (PEO).
- Collaboration with the APGO's Record of Site Condition Working Group on a proposed conceptual site model template.

The subcommittee communicates via electronic mail and meets as-required through teleconferencing.



Geophysics Subcommittee

Luc Lafrenière, P.Geo., Chair

The Geophysics Subcommittee is a subcommittee of the Professional Practice Committee, a Standing Committee of Council.

The mandate of the Geophysics Subcommittee is to support the Professional Practice Committee in fulfilling its mandate, with respect to the practice of Geophysics, including developing standards and guidelines for the practice of professional geophysics and undertaking other professional practice matters as may arise from time to time.



Geomorphology Subcommittee

Roger T.J. Phillips, P.Geo. – Chair

The Geomorphology Subcommittee supports the work of the Professional Practice Committee, including the development of standards and guidelines for professional practice in geoscience, and for applied geomorphology specifically.

In 2018 the subcommittee continued to advance a position statement recommending a comprehensive

definition of applied geomorphology to reinforce its foundations in geoscience. As a working reference for the Professional Practice and Registration committees, the position statement outlines criteria to distinguish geomorphology in interdisciplinary work and recommends standard knowledge and experience expectations for Qualified Geomorphologists, with special consideration of geoscience practices in fluvial geomorphology.

To advance this initiative, outreach activities by the subcommittee have included engagement at industry conferences relevant to applied geomorphology in Ontario.

The Geomorphology Subcommittee was an exhibitor at the TRIECA conference in Brampton (March 2018) and participated in a panel discussion about advancing professional regulation at the Natural Channel Systems conference in Guelph (May 2018).

During 2018, APGO engaged the Ontario government regarding a number of emerging regulatory issues, in particular, those affecting the practice of environmental geoscience.





Geoscientists Canada facilitates national projects designed to enhance protection of the public and safeguard public interests.



APGO Representation on National Committees Geoscientists Canada ("GC")

Mark Priddle, P.Geo., FGC – Director

Geoscientists Canada exists to serve the profession of geoscience in Canada. The organization works on behalf of its members – nine regulatory bodies that register geoscientists and regulate their practice in Canada's provinces and territories. GC also facilitates and coordinates national projects designed to enhance protection of the public and safeguard public interests as related to geoscience practice.

GC spent the second half of 2018 developing Phase 2 of the admission support tools (AST) for the profession. Funding was again provided by Employment and Social Development Canada.

The Canadian Geoscience Standards Council of GC completed a review of the General Knowledge and Experience requirements to ensure that they are up-to-date. Another initiative being embarked upon is a review of all professional practice guidelines for geoscience that are available in Canada. GC jointly published a document entitled Geoscience and Canada Understanding our Earth: The Vital Role of Canada's geoscientists.

GC is close to having Professional Geoscientist and P.Geo. registered as certification marks, thanks to the APGO (supporting Association).

GC continues to represent geoscientists in the international sphere, having recently signed an MoU with the International Association for Promoting Geoethics (IAPG).

In late 2018, APGO and our other Constituent Association members provided input on the "implementation table" which will give GC a mandate for ongoing initiatives in the coming years.

APGO acknowledges contributors to its Professional Development Program

In 2018, APGO was able to provide a number of continuing professional development (CPD) events to help members fulfill their CPD requirements. APGO member volunteers, in close collaboration with staff, brought in leading experts to present on timely topics aimed to support members' efforts to maintain competence and to keep current in their respective areas of practice.

APGO gratefully acknowledges the following speakers who contributed significantly to the Continuing Professional Development Program in 2018:

- The Ministry of Environment Conservation and Parks (MECP) for partnering with us to host the Modified Generic Risk Assessment (MGRA) Approved Model Version 2 Training Sessions in Ontario;
- Dr. Stewart Hamilton, Ph.D., P.Geo., speaker at our networking events in South East Region;
- Dr. Eric Grunsky, Ph.D., P.Geo., speaker at our networking event in South West Region;
- Bill Leedham, P.Geo. and Dave Wade, P.Geo., instructors, APGO's workshop on Record Site Condition;
- Lynda Bloom, P.Geo., instructor, APGO workshop on assay quality control; and,
- RPA Inc's team – David Ross, P.Geo., Sean Horan, P.Geo., Valerie Wilson, P.Geo., Luke Evans, P.Eng. and Jason Cox, P.Eng. – Course on Fundamentals of Mineral Resource Estimation in Toronto and Sudbury.

APGO Webinar Speakers:

- Marc Tassé and Patrice Poitevin, Canadian Centre of Excellence for Anti-Corruption on "How to mitigate reputational risk resulting from bribery and corruption"
- Dr. Karl Skogstad, Lakehead University on "A digital gold rush: The impact of Bitcoins and Blockchains on Ontario's mining sector"
- Carl Friesen, Thought Leadership Resources on "Stand out and get noticed for your expertise"
- Robert S. Wilson, and Candace Pietras, Form Sinclair Professional – A Hub International Company on "National Secondary Professional Liability Insurance Program"
- Dr. Christopher De Sousa, School of Urban & Regional Planning, Ryerson University on "The management of brownfields in Ontario: A comprehensive review of remediation and reuse characteristics, trends, and outcomes"

- Marilen Miguel, Director of Stakeholder Relations



FINANCIAL STATEMENTS

YEAR END DECEMBER 31, 2018

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Audited Financial Statements

Year Ended December 31, 2018

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Association of Professional Geoscientists of Ontario

Opinion

We have audited the audited financial statements of Association of Professional Geoscientists of Ontario (the Association), which comprise the audited statement of financial position as at December 31, 2018, and the audited statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the audited financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying audited financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Audited Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the audited financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Audited Financial Statements

Management is responsible for the preparation and fair presentation of the audited 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 audited financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the audited financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Audited Financial Statements

Our objectives are to obtain reasonable assurance about whether the audited financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these audited financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the audited financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the audited financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the audited financial statements, including the disclosures, and whether the audited financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bateman Mackay LLP

Mississauga, Ontario
June 6, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Audited Statement of Financial Position

December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 860,181	\$ 944,549
Short term investments (Note 2)	237,740	119,988
Membership fees receivable (Note 3)	241,350	266,864
Prepaid expenses	18,991	21,990
	1,358,262	1,353,391
PROPERTY AND EQUIPMENT (Note 4)	32,791	28,839
RESTRICTED RESERVE FUND INVESTMENTS (Note 2)	1,042,501	1,042,501
	\$ 2,433,554	\$ 2,424,731
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 53,842	\$ 42,411
Dues received before acceptance for membership	-	5,474
HST and payroll taxes payable	141,376	140,033
Deferred revenues (Note 5)	1,135,720	1,080,176
	1,330,938	1,268,094
NET ASSETS		
Operating fund (unrestricted) (Note 6)	60,115	114,136
Contingency reserve fund (internally restricted) (Note 6)	878,940	878,940
Strategic initiatives fund (internally restricted) (Note 6)	163,561	163,561
	1,102,616	1,156,637
	\$ 2,433,554	\$ 2,424,731

LEASE COMMITMENTS (Note 7)

ON BEHALF OF THE BOARD



Councilor



Councilor

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

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**Audited Statement of Revenues and Expenditures****Year Ended December 31, 2018**

	2018	2017
REVENUES		
Membership dues	\$ 1,095,433	\$ 1,050,913
Registration fees	66,604	70,450
Professional development revenue	29,579	18,743
Interest earned	17,756	8,843
Exam fees	10,000	9,600
Advertising and sponsorship	6,026	9,442
Other income	5,074	-
Stamps and seals	2,357	7,375
Function fees	160	3,636
Administration fees	5	491
	<u>1,232,994</u>	<u>1,179,493</u>
EXPENDITURES		
Administrative wages and benefits	632,400	507,842
Legal, professional and government relations	147,915	81,709
Occupancy costs	104,232	98,366
CCPG (Geoscientists Canada) membership	86,806	81,196
Office and general	50,782	34,343
Travel and accommodation	44,202	36,137
Website	35,063	29,750
Accounting and audit	34,962	33,680
Interest, credit card and bank charges	32,780	30,670
Professional development	29,576	19,728
Communication	26,992	24,757
Liability insurance	15,546	16,439
Member meetings	12,298	28,026
Amortization	11,798	6,867
Examination services	7,512	8,641
Donations	5,900	100
Advertising and promotion	3,606	5,596
Stamps, seals, cards and certificates	3,090	7,312
Foundation support	1,555	14,198
	<u>1,287,015</u>	<u>1,065,357</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (54,021)</u>	<u>\$ 114,136</u>

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

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Audited Statement of Changes in Net Assets

Year Ended December 31, 2018

	Operating Fund (unrestricted)	Contingency Reserve Fund (Internally Restricted)	Strategic Initiatives Fund (Internally Restricted)	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 114,136	\$ 878,940	\$ 163,561	\$ 1,156,637	\$ 1,042,501
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(54,021)</u>	-	-	<u>(54,021)</u>	114,136
NET ASSETS - END OF YEAR	<u>\$ 60,115</u>	<u>\$ 878,940</u>	<u>\$ 163,561</u>	<u>\$ 1,102,616</u>	<u>\$ 1,156,637</u>

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

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**Audited Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (54,021)	\$ 114,136
Item not affecting cash:		
Amortization of property and equipment	11,798	6,867
	<u>(42,223)</u>	<u>121,003</u>
Changes in non-cash working capital:		
Membership fees receivable	25,514	(37,936)
Prepaid expenses	2,999	(4,417)
Accounts payable and accrued liabilities	11,431	(7,870)
Dues received before acceptance for membership	(5,474)	(61)
HST and payroll taxes payable	1,343	6,121
Deferred revenues	55,544	63,892
	<u>91,357</u>	<u>19,729</u>
Cash flows from operating activities	<u>49,134</u>	<u>140,732</u>
INVESTING ACTIVITIES		
Purchases of equipment	(15,750)	(16,232)
Short term investments	(117,752)	1,033,658
Restricted reserve fund investments	-	(1,042,501)
	<u>(133,502)</u>	<u>(25,075)</u>
Cash flows used by investing activities	<u>(133,502)</u>	<u>(25,075)</u>
INCREASE (DECREASE) IN CASH FLOW	(84,368)	115,657
Cash - beginning of year	<u>944,549</u>	<u>828,892</u>
CASH - END OF YEAR	\$ 860,181	\$ 944,549

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

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Audited Financial Statements

Year Ended December 31, 2018

STATUS AND PURPOSE OF THE ORGANIZATION

The Association of Professional Geoscientists of Ontario is incorporated under the laws of the Province of Ontario.

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

- to regulate the practice of professional geoscience.
- 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 Audited 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 revenues. 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. Revenues 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 and membership fees receivable.

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

(continues)

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Audited Financial Statements

Year Ended December 31, 2018

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

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful life at the following rates and methods:

Furniture and fixtures	20%	declining balance method
Computer software	55%	declining balance method
Computer equipment	55%	declining balance method
Telephone system	20%	declining balance method
Leasehold improvements	60 months, (term of lease)	straight-line method

The Association regularly reviews its property and equipment to eliminate obsolete items.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Leases

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.

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. Actual results may differ from estimates.

2. INVESTMENTS

	<u>2018</u>	<u>2017</u>
<u>Short term investments</u>		
Money market mutual funds	\$ 237,740	\$ 119,988
<u>Restricted reserve fund investments</u>		
Money market mutual funds	<u>1,042,501</u>	1,042,501
	<u>\$ 1,280,241</u>	<u>\$ 1,162,489</u>

3. MEMBERSHIP FEES RECEIVABLE

Both newly accepted members and continuing members are expected to pay membership fees by January 1, 2019 for the upcoming fiscal 2019 year. As APGO accepts members prior to the upcoming year, unpaid fees are recorded as member fee receivable as at December 31, 2018 until payment is received in January 2019. On December 31, 2018, the number of fee paying members was 2,936 (2017 - 2,754), and the number of applications for memberships that were in process of approval was 334 (2017 - 303). Out of the \$241,350 total membership fees receivable at the end of the year, \$221,966 reflect members that have not paid the 2019 fees as at December 31, 2018.

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Audited Financial Statements

Year Ended December 31, 2018

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value
Furniture and fixtures	\$ 46,219	\$ 30,694	\$ 15,525
Computer software	15,750	4,331	11,419
Computer equipment	59,825	55,826	3,999
Telephone system	7,833	5,985	1,848
	\$ 129,627	\$ 96,836	\$ 32,791

	Cost	Accumulated amortization	2017 Net book value
Furniture and fixtures	\$ 46,219	\$ 28,577	\$ 17,642
Computer equipment	59,825	50,938	8,887
Telephone system	7,833	5,523	2,310
	\$ 113,877	\$ 85,038	\$ 28,839

5. DEFERRED REVENUES

The balances in the deferred revenue accounts are comprised of membership fees billed in October of the current calendar year (2018) for memberships for the following calendar year (2019). The full amount of memberships billed at the end of the year is deferred and will be included as income in the following year.

6. NET ASSETS

The net assets of the Association are allocated as follows, for the purposes described.

Operating fund (unrestricted)

The purpose of the Operating fund is to reflect the day-to-day operations of APGO and to house the surplus/deficits from operations. Council may move amounts from the operating fund to either of the two restricted funds.

Contingency reserve fund (internally restricted)

The APGO's Contingency reserve fund (CRF) is intended to ensure that the Association has the financial resources to fund its operation in the event of unexpected or unbudgeted reduction of revenue or unexpected or unbudgeted increase of expenses, including expenses in defending or prosecuting legal challenges. The CRF is maintained in the amount equivalent to at least six months of operating requirement of the Association.

(continues)

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Audited Financial Statements

Year Ended December 31, 2018

6. NET ASSETS (continued)

Strategic initiatives fund (internally restricted)

The Strategic initiatives fund (SIF) is a restricted fund that is used to provide funding for any special initiatives identified by council as part of its strategic planning. The SIF is intended to be used to cover some or all of the cost of discretionary projects/activities/initiatives that are outside of the APGO's day-to-day operational activities and are designed to help the APGO achieve its targeted goals outlined in the current Strategic Plan.

Council conducts an annual review of the SIF and CRF to ensure that the annual budget will achieve an appropriate operating surplus to allow these funds to be appropriately maintained.

7. LEASE COMMITMENTS

The Association entered into a new long term lease on December 20, 2016 that expires on November 30, 2022. 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. Combined base and additional rent for 2019 is \$9,839.67 per month or \$118,076.04 for the year.

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

2019	\$	53,825
2020		56,440
2021		58,838
2022		53,934
		<u>223,037</u>
	\$	<u>223,037</u>

8. FOUNDATION SUPPORT

The Association had a service agreement with the APGO Education Foundation in which the APGO Education Foundation was provided in-kind services valued at the cost of actual usage of services provided. Under the agreement the Association provided services including bookkeeping, issuance of charitable receipts, maintenance of website and social media accounts and management of communications. This agreement was cancelled as of July 2018 and replaced by a new service agreement in November 2018. Under the new service agreement, the Association provides office support services, hosting of the website, and the management of the APGO member optional donations to the APGO Education Foundation during the APGO annual membership renewal.

The services provided until July 2018 had a value of \$1,555 (2018 - \$14,198) during the fiscal year broken down as follows:

Consulting	\$	640
Website		250
Bookkeeping		665
Salaries and wages		-
		<u>1,555</u>
	\$	<u>1,555</u>

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Notes to Audited Financial Statements

Year Ended December 31, 2018

9. 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, 2018.

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 2017.

The allowance for doubtful accounts at December 31, 2018 is \$nil (2017 - \$nil).

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. There has been no change to the risk exposures from 2017.

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 risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk. There has been no change to the risk exposures from 2017.

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. There has been no change to the risk exposures from 2017.

10. COMPARATIVE FIGURES

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

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