

**ANNUAL  
REPORT**

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**2020**

**2021**



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## **MISSION**

Professional Geoscientists Ontario protects the public by regulating Ontario registered geoscientists and advancing professional practice.

## **VISION**

To maintain and continually improve PGO as a trusted, respected and effective regulatory authority.

# TO SERVE AND PROTECT THE PUBLIC INTEREST

## PRESIDENT

Scott McLean, P.Geo.

## VICE PRESIDENT

Paul Hubley, P.Geo.

## PAST PRESIDENT

Milan Situm, P.Geo.

## CENTRAL ONTARIO COUNCILLOR

Mark Goldie, P.Geo.

## NORTH WESTERN ONTARIO COUNCILLOR

Pizye Nankamba, P.Geo.

## NORTH EASTERN ONTARIO COUNCILLOR

Tafa Gomwe, P.Geo.

## SOUTH WESTERN ONTARIO COUNCILLOR

David Leng, P.Geo.

## SOUTH EASTERN ONTARIO COUNCILLOR

Bryan Brassington, P.Geo.

## COUNCILLORS-AT-LARGE

Robert Hearst, P.Geo.

Melanie Siewert, P.Geo.

Roger Phillips, P.Geo.

John Ryder, P.Geo.

## LIEUTENANT GOVERNOR-IN- COUNCIL MEMBER APPOINTEES

Kristina Small, P.Geo.

Roger Woeller P.Geo.

## LIEUTENANT GOVERNOR-IN- COUNCIL NON-MEMBER APPOINTEE

Paul Connor, MBA

## PUBLIC (NON-MEMBER) APPOINTEES

Carole Gilbert géo., LL.B/B.C.L.

Don Johnston, LL.B.

Marco Simone, CPA, CA

Patricia Lorenz, MBA, CPA, CA,  
CGMA

## COUNCIL OF CHAIRS OF CANADIAN EARTH SCIENCE DEPARTMENTS (CCCESD)

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

**The Honourable Minister Greg Rickford**  
Minister of Energy, Northern Development and Mines  
Whitney Block, Room 5630, 5th Floor  
99 Wellesley St. West  
Toronto, ON M7A 1W1



On behalf of the Council of Professional Geoscientists Ontario (PGO), its staff and volunteers, I present the enclosed 2020-21 Annual Report. The report includes an audited financial report for the year ended December 31, 2020 together with various committee and executive reports highlighting our activities over the past 12 months of 2020-21.

As you read the document, I trust that you will see that the PGO has grown through the years into a critical, respected and evolving Geoscience Regulator that is recognized across the country. Geoscience remains both essential and relevant to society and Ontarians and at a time when professional regulation is critical to protecting the public, PGO strives to operate at the highest level of transparency and fairness to meet our mandate as prescribed by the *Professional Geoscientists Act, 2000* (PGA).

The number of registered, professional geoscientists in Ontario continues to grow. As of May, 2021, PGO regulates close to 3000 licensees, including 573 Geoscientists in Training (GITs). The number of GITs, together with our 533 student members bodes well for a healthy future for the geoscience community in Ontario. There remains a significant number of illegal practitioners in the Province (those who choose to practice without a license) which is not acceptable to us as a regulatory body. While we continue to employ non-regulatory approaches to address this problem, we hope that your Ministry will work with us to introduce the necessary amendments to the PGA which will enable us to deal with illegal practice more effectively. The ultimate goal is to reduce the risks that illegal practice poses to the public and the environment and to maintain the standards and reputation of the geoscience profession in Ontario.

Over the past year, through the expertise of our volunteers we have been able to support and develop a constructive relationship with our colleagues in the Ontario government. Our expertise and opinion have been sought on issues across a broad range of geoscience disciplines through advisement to various government agencies including: the Ministry of Natural Resources and Forestry, the Ministry of Energy, Northern Development & Mines and the Ministry of Environment, Conservation and Parks. Going forward we hope to be able to continue to cultivate and expand upon these relationships.

PGO values your support and that of your staff at the Ministry of Energy, Northern Development and Mines which we rely on to remain an effective regulatory in Ontario and provide adequate protection to the public. I am confident that our organization is meeting the objectives and mandate bestowed upon it through our Act and I look forward to any comments you may have regarding the Annual report, our processes or vision towards the protection of the Ontario public and the environment.

Respectfully,

Scott McLean, P.Geo., FGC  
President



# PRESIDENT'S MESSAGE

The past year will be remembered as “the year we worked from home” as Ontario remained locked down for the past 15 months due to the Covid-19 pandemic. However, among the barking dogs, screaming children and dinner bells in the background, all of us found a way to get things done. At PGO we haven't missed a beat. While our Staff has been working from home, the transition has been seamless, registrations continue to grow and the organization has taken on and moved forward on many initiatives. Geoscience remains both essential and relevant to society and Ontarians whether based in geology, geophysics, geomorphology or environmental practices.

At PGO the hard work of the many Volunteers among our Committees and Council is recognized and appreciated. New *ad hoc* Committees were formed to assess and develop PGO's position regarding two important areas, diversity and inclusion, and sustainability and climate change. Early in the mandate of 2020-2021, the Executive Committee recognized deficiencies in the area of the organizations understanding and position with respect to diversity and inclusion. I am personally proud of the progress we have made in publishing a position statement and action plan targeted to raise awareness and establish the need for the evolution of the acceptability of diversity and inclusion in geoscience. PGO is now taking steps toward sensitivity training for all staff and councillors. More information is available on our website.

The *ad hoc* Sustainability and Climate Change Committee recognizes that climate change may have wide-ranging implications that will affect the practise of professional geoscience and the protection of the public with respect to our profession. The *ad hoc* Committee has developed a Position Statement entitled “Climate Change and Geoscience: Considerations for Professional Practice” including an overview of potential changing climate conditions and associated risks in Ontario, including the role of Professional Geoscientists and the role of PGO in this regard. More information may be found on our website.

The organization remains focused on many other initiatives as well. Illegal practice remains a concern at PGO. We are aware that there are many individuals practising geoscience in the Province without a licence. Although we are taking action to minimize such activity for the purpose of providing stronger public protection, we are hopeful that continued dialogue with the Ontario Government will result in progressive legislative change that provides PGO with stronger legal tools to address this important issue.



During this past year the organization took strides to improve the consistency and content of our dated by-laws resulting in the approval of changes in many areas. Administrative and governance work continues to further improve the by-laws and terms of reference for our various committees. We are also taking a hard look at our current governance procedures and our approach to the regulation of Professional Geoscientists. This is a two-step process consisting of a self-assessment exercise, which took place in early June of this year, and an independent, third-party review planned for late 2021 or early 2022.

In April, we held our 2nd Annual Symposium. Although, once again, we had to resort to a virtual meeting, the event was an overwhelming success. With a broad array of themes presented by exceptional people over a 4-day period, we hope that the conference will become a mainstay of the organization that grows, not only as a key learning event, but also as an important networking platform where practitioners from varied backgrounds and disciplines can meet to learn more about broader aspects of our profession.

As my 2nd mandate as your President comes to an end, I reflect on the progress PGO has made since I last led Council in 2006. We have grown over the years into a critical, respected and evolving Geoscience Regulator that is recognized across the country. Our Professional Geoscience Registrants and key stakeholders can be confident that PGO has the governance, processes, staff and Council to fulfill our dual roles of regulating the geoscience professions and protecting the public.

There is, however, much work to do. Progress is still required in many key areas going forward. Mobility for Professional Geoscientists remains hampered across the country. The inconvenience of having to register in another jurisdiction to carry out minor, incidental, minimal-risk work across provincial boundaries increases the chance of illegal practice. Creative thinking and a broadened, inter-jurisdictional, collaborative, regulatory approach is needed to reduce the burden of such simple, low risk activities for our Practitioners.

There are numerous advantages to self-regulation for Professional Geoscientists in the Province of Ontario. Not only do our Registrants have the benefit of professional status, as a profession we have the ability to self-determine how we operate and self-regulate our practitioners within the context of the *Professional Geoscientists Act*. With a perceived movement in various judications of governmental agencies tightening the procedural and substantive rules that affect the powers of self-regulators, it is essential that PGO continue to look introspectively at its governance and regulatory procedures to ensure that we are operating at the highest level of transparency and fairness to meet our mandate as prescribed by our Act.

In closing, I would like to thank all of the Councillors, Committee Volunteers and Staff members who have contributed and continue to work for the betterment of our profession and society. It has been a pleasure to have served as President of an organization with such a dedicated and professional group of people.

Scott McLean, P.Geo., FGC  
President



# PAST PRESIDENT'S MESSAGE

There are no mincing words. It's been a difficult year. Our efforts to push for changes to the ACT were on hold due to COVID-19.

The Past Presidents got together as we usually do and as part of the agenda we took a look at the Fellowship Awards Nominations from Ontario to Geoscience Canada. Areas of concern were - we don't nominate very many from Ontario probably because we don't promote it very well. In addition, unlike other provinces we don't keep any records online of past recipients. We hope to change this with website updates to make it easier to nominate and celebrate those individuals that excelled in promoting geoscience and protecting the public.

The last AGM, which was the first virtual meeting, was dominated by my visage. Believe me when I say I'm the last person I want to look at. Regardless, as part of the agenda there was the usual open questions and answers segment. A very good question was posed regarding what steps PGO had taken to advance Diversity and Inclusion for which I was laughably unprepared. I beg the forgiveness of the organization for this deficiency. I am pleased to report that the agenda of the very next council meeting (September 2020) included the creation of an *ad-hoc* committee for that purpose of forming an action plan for council. It is not my place to expound on the committee as that is what chairs are for but already we will be seeing some future training of councillors and volunteers to address D&I fundamentals and unconscious bias.

On a closing note, it has been a wonderful 17 years (13 of which were on Council) volunteering with PGO. I believe I hold the record for longevity with PGO and given all those years along with the demands of being President in 2019-20, the sudden drop in activity accompanying the transition into the Past Presidents role, might have been a bit emotional for me. However, for better or for worse, the COVID pandemic had a bit of a dampening effect on this due to the required decrease in person-to-person interaction. Regardless, I don't see the end of my term as Immediate Past President as a 'departure' because my intention is to remain plugged-in and assisting PGO whenever they need me. Let us not take volunteers for granted. Please volunteer whenever possible because as I can tell you from my own experience, it has its own rewards.

Milan Situm, P.Geo.  
Past President



## CEO'S MESSAGE

It is a pleasure for me to report on the activities of Professional Geoscientists Ontario (PGO) for the 2020-2021 period. While the activities included in this Annual Report cover the timeframe from one AGM to the next (June 2020-June 2021), the accompanying financial statements report on the 2020 fiscal year with a year-end of December 31, 2020.

In the previous Annual Report, I presented a year of significant change and growth of the organization, including in the area of operational improvements. I am happy to report that the past 12 months have been more of the same. Like most people, our staff have been working from home since March, 2020, during the pandemic, however, this has presented no significant barriers to our day-to-day operations or prevented us from making substantial progress on the implementation of our 2020-2022 Strategic Plan, the broad framework of which can be found on our website at <https://www.pgo.ca/about/strategic-plan>.

The highlights of our operational improvements may be summarized as follows:

- Digitization of our Registrant Files, which now reside in a searchable database;
- Review and upgrading of the format and content of our website;
- Commencement of a phased introduction of an online, automated work experience competencies tool for applicants;
- Introduction of a more direct method of payment of annual Registrant dues employing online electronic transfer of funds (EFT) as an alternative to the use of credit cards;
- Initiation of a process to upgrade the systems supporting our Registrant database and website which will result in improvements in functionality and increased efficiencies.

We hope that these initiatives continue to bring improvements to the experiences Registrants, stakeholders and the public have while engaging with the PGO.

As outlined in the Committee Reports below, the dedication and expertise of our volunteers have enabled us to build and maintain a strong, constructive relationship with our colleagues in the Ontario government, with constructive exchanges on multiple issues relevant to the geoscience profession and protection of the public, including:

- 
- Updating of the Erosion Hazard Assessment (Ministry of Natural Resources and Forestry-MNRF);
  - Proposed Amendments to the Aggregate Resources Act (MNRF);
  - Amendments to the Professional Geoscientists Act (Ministry of Energy, Northern Development & Mines);
  - Ensuring Sustainability of Surface and Groundwater Resources (Ministry of Environment, Conservation and Parks – MECP);
  - Review of Record of Site Conditions (MECP)
  - Ensuring the use of Qualified Persons (QPs) in projects and activities requiring Professional Geoscientists (MNRF and MECP).

PGO is well-aware of the evolving best practices in governance and regulatory standards affecting self-regulation in Canada driven by the growing expectations of governments that SROs clearly focus on their primary mandate of protecting the public. Keeping in mind that self-regulation is a privilege not a right, we are continually making adjustments and improvements to align with these evolving expectations.

In February, 2020, PGO signed a Letter of Understanding with the British Columbia Securities Commission to collaborate on the regulation of Professional Geoscientists through the sharing of non-confidential information. This enhances the long-standing MOU which PGO has maintained with the Ontario Securities Commission and the ability of the three organizations to improve collaboration and identify regulatory efficiencies.

PGO continues to have close interaction with our sister Self-Regulatory Organizations (SROs) across the country responsible for regulating geoscientists, through our support of and engagement with our national umbrella body, Geoscientists Canada. All of the SRO members recently endorsed a position statement developed by Geoscientists Canada articulating the position that for the protection of the public, Geoscience Technologists should be subject to standards of registration and practice and the optimal means of accomplishing this is through the existing SROs that regulate Professional Geoscientists.

The PGO 2020 audited year-end financial statements reflect a healthy, well-managed organization supported by the expertise of our Finance Committee, Audit Committee and Staff. The steadily increasing numbers of Registrants, and Student Members continued in 2020, contributing to a stable revenue base. The excess of revenues over expenses indicated for 2020 is anomalous and primarily a result of COVID-19 driven decreases in normal operational expenditures.

Last but not least, I would like to give credit to the Staff of PGO for their dedication and hard work contributing to all of our accomplishments over the past 12 months. They are a small, efficient team who consistently punch above their weight class.

Tony Andrews  
CEO



# STATUTORY COMMITTEES





# COMPLAINTS COMMITTEE

DOUGLAS CATER, P.GEO.

The Complaints Committee was active during the year, with the review of one (1) Complaint C-134. The complaint was received in January 2020, resulted in the preliminary review panel retaining an expert witness and a decision was rendered in August 2020. Review panel was comprised of committee members and a Council representative. The recommendation of the complaint review panel was that specific parts of the complaint were forwarded on to the Discipline Committee for further review.

Additional personnel were named to the Complaints Committee resulting in a full slate of members.

As with the other Committees, the Complaint Committee mandate was reviewed and updated incorporating inclusive language.

On behalf of the Complaints Committee, I want to extend thanks to all our panelists who volunteered their time, to participate in the complaint review process seeing this complaint through to a timely conclusion.

# DISCIPLINE COMMITTEE

**T.A. TAMMY MIDDLETON, P.GEO.**

The Discipline Committee is responsible for hearing and determining cases of professional misconduct, negligence, or incompetence, brought against a registrant or certificate of authorization holder.

Our 16 members include registrants from PGO Council, non-member appointees and from registration at large. The Discipline Committee meets quarterly using telephone and web conferencing. The Discipline Committee participated in online training sessions in January and February 2020.

Committee executive positions are for two-year terms. As of June 2020, Tammy Middleton is the committee Chair, Paul Connor is Vice-Chair, and Mary-Louise Byrne is Secretary. Our thanks to Mike Jones who was committee Chair until June 2020.

One case was referred to a Hearing Panel of the Discipline Committee in September 2020, and as of this report the case is in progress.



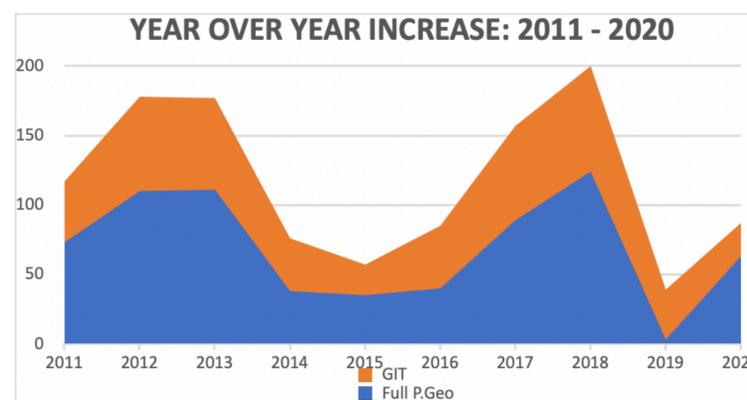
# REGISTRATION COMMITTEE

JOHN RYDER, P.GEO.

Covid 19 did not slow down the work of the Registration Committee in 2020 as meetings from July were held by video conferencing. The Registration Committee met seven times during the year and 296 applications for full practising, geoscientist-in-training (GIT) and limited were reviewed. This was made possible by the dedication of the staff and the continuing support of the volunteer members of the Registration Committee.

At the end of 2020 the total registrants of the PGO stood at 3,694 with full practising registrants comprising 63% of all registrants followed by GIT's at 16% and students at a healthy 14%; the latter two providing the next generation of geoscientists.

In the past decade registration numbers in all categories except students for years 2019 & 2020, increased year over year with full practising and GIT registrations in lockstep.



In the past five years, full practising and GIT registrations increased by 3% and 55% respectively though over the past decade registration for these two categories increased by 36% and 341% (GIT).

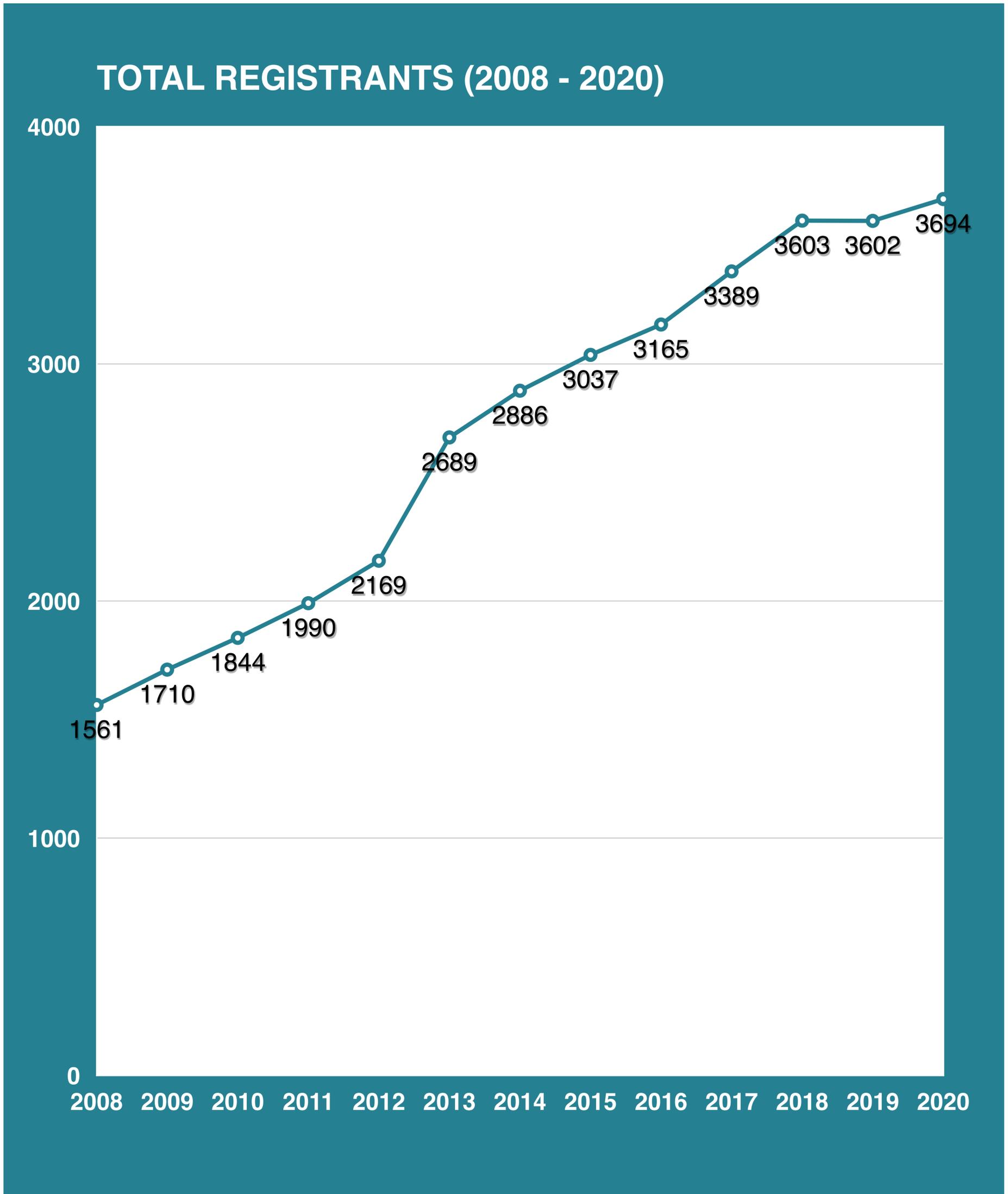
The gender makeup of all registrants has remained steady in the two main categories, full practising and GIT at 76% and 62% for males while female registrants remain at 24% and 38% respectively. The trend is heading towards parity based on GIT and student data.

Certificates of Authorization decreased slightly from 212 in 2017 to 206 in 2018. The current list of registrants in good standing and Certificates of Authorization can be searched on the PGO website at [http:// www.pgo.ca](http://www.pgo.ca).

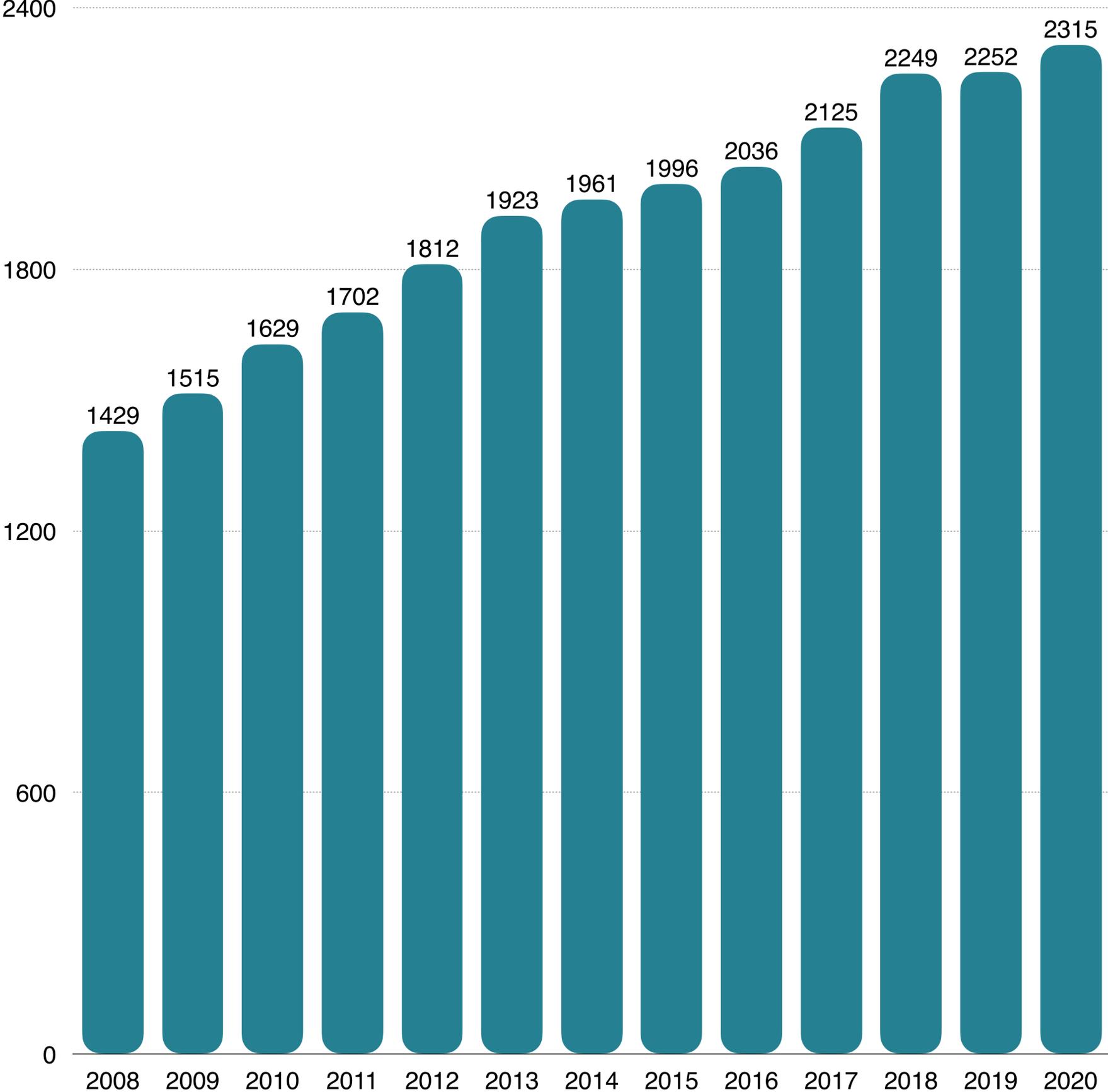
## NUMBER OF REGISTRANTS 2018-2020

	2018	2019	2020
<b>FULL P.GEO.</b>	2,249	2,252	2,315
<b>LIMITED P.GEO.</b>	70	73	76
<b>NON- PRACTISING</b>	148	169	197
<b>GIT</b>	513	549	573
<b>TOTAL</b>	<b>2,980</b>	<b>3,043</b>	<b>3,161</b>
<b>STUDENTS</b>	623	559	533
<b>RESIGNED/ RETIRED</b>	49	47	57

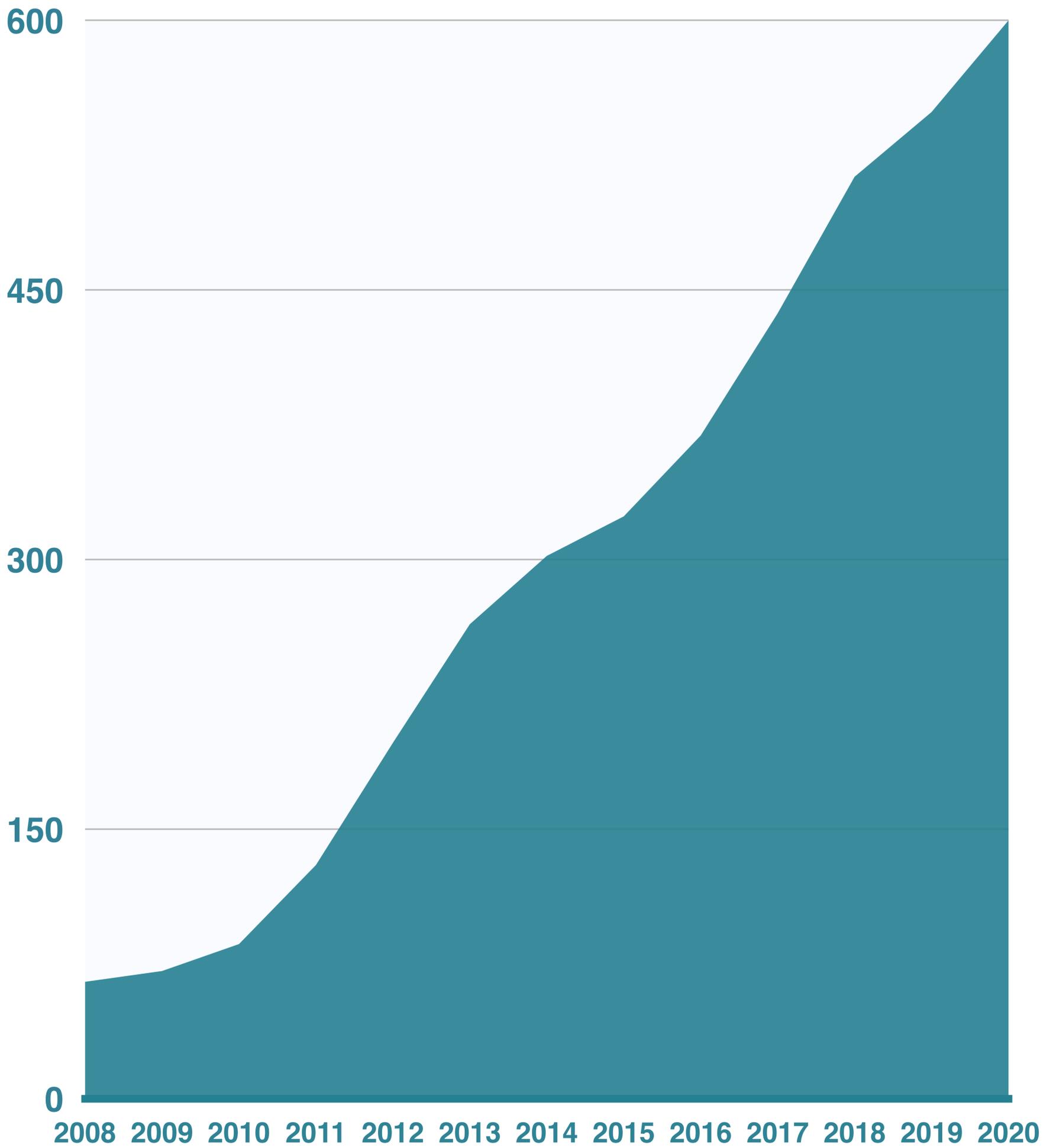
# REGISTRANT STATISTICS



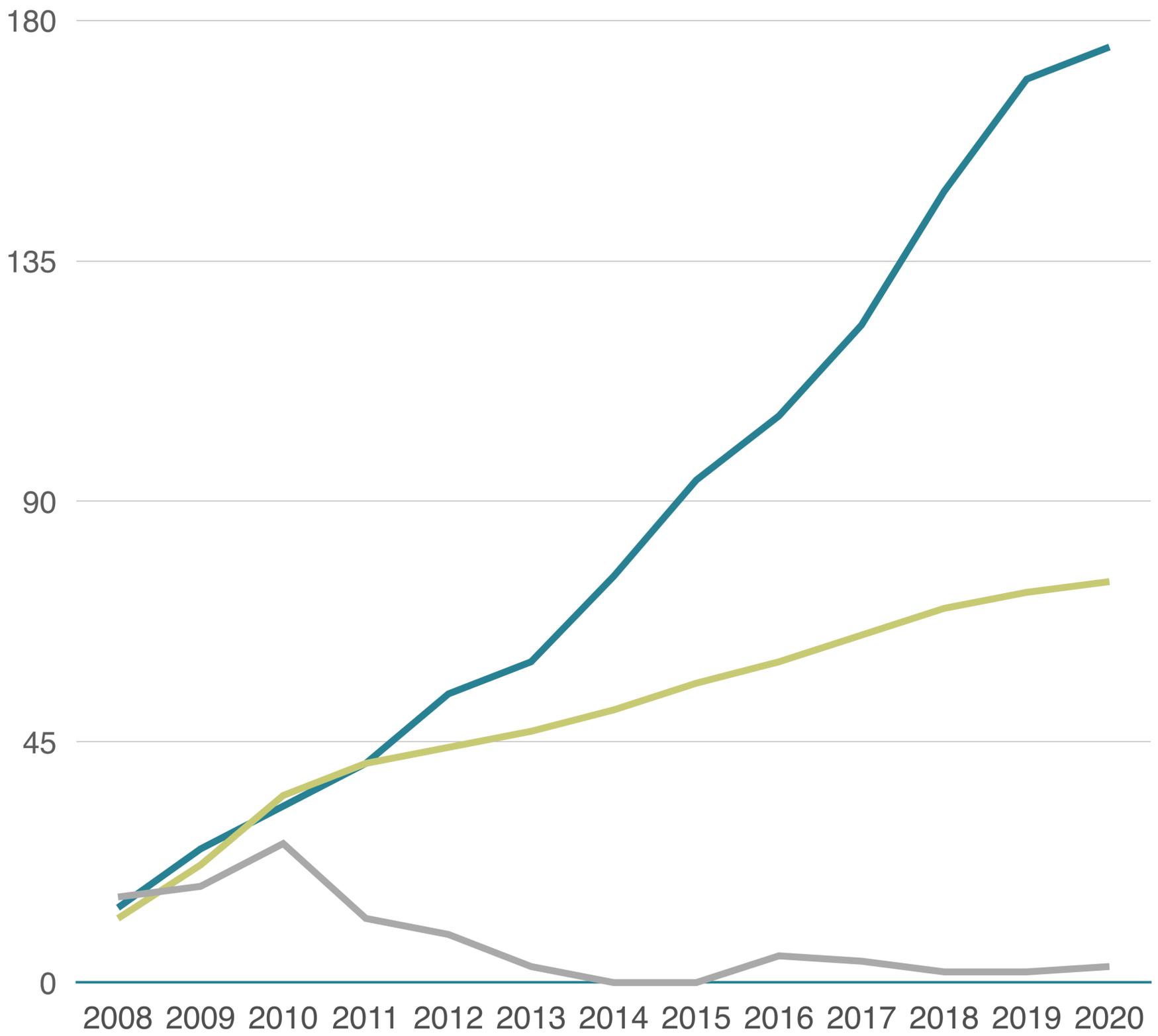
# FULL P.GEO. (2008 - 2020)



## GIT REGISTRATION (2008 - 2020)

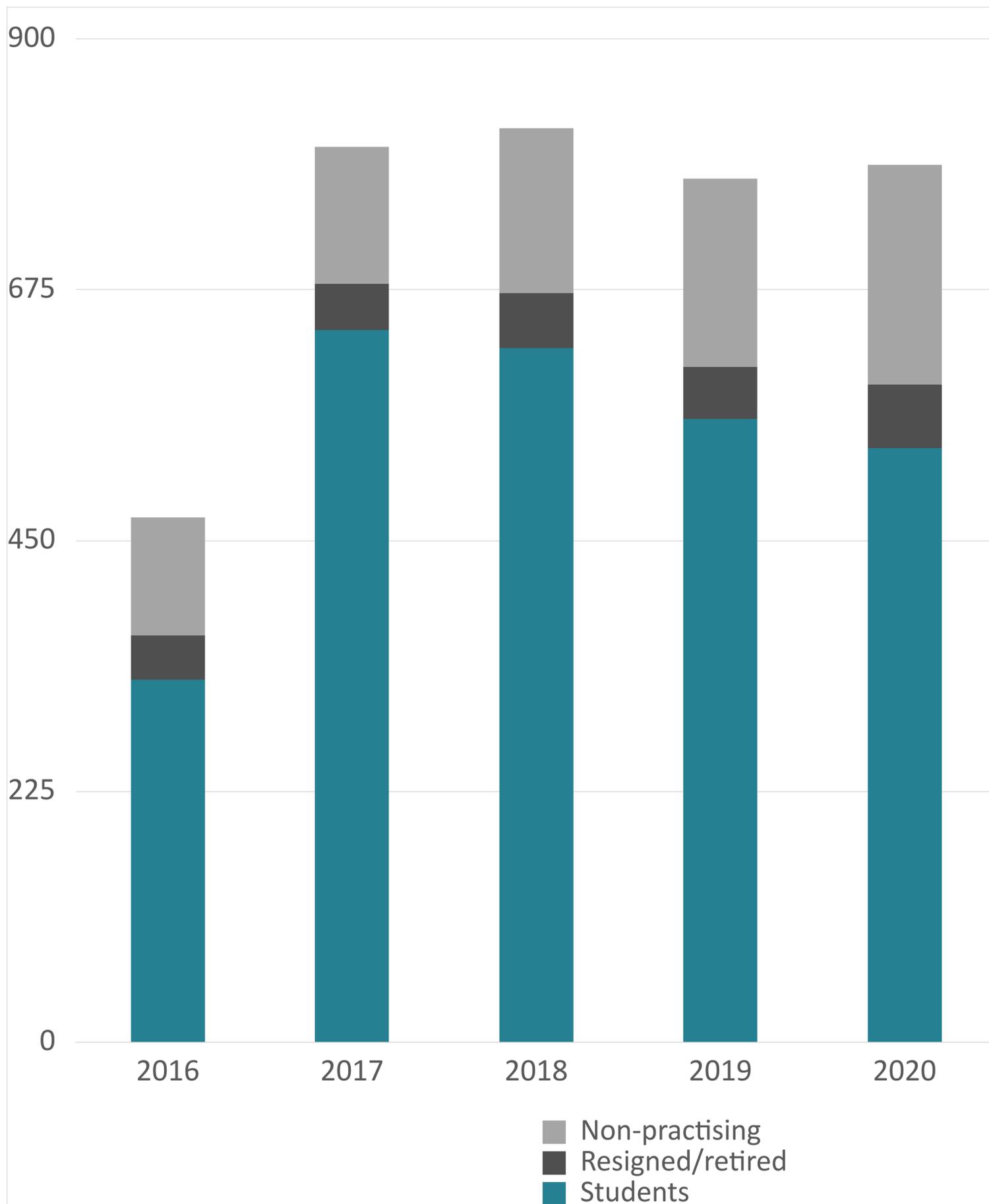


# OTHER REGISTRANTS (2008 - 2020)



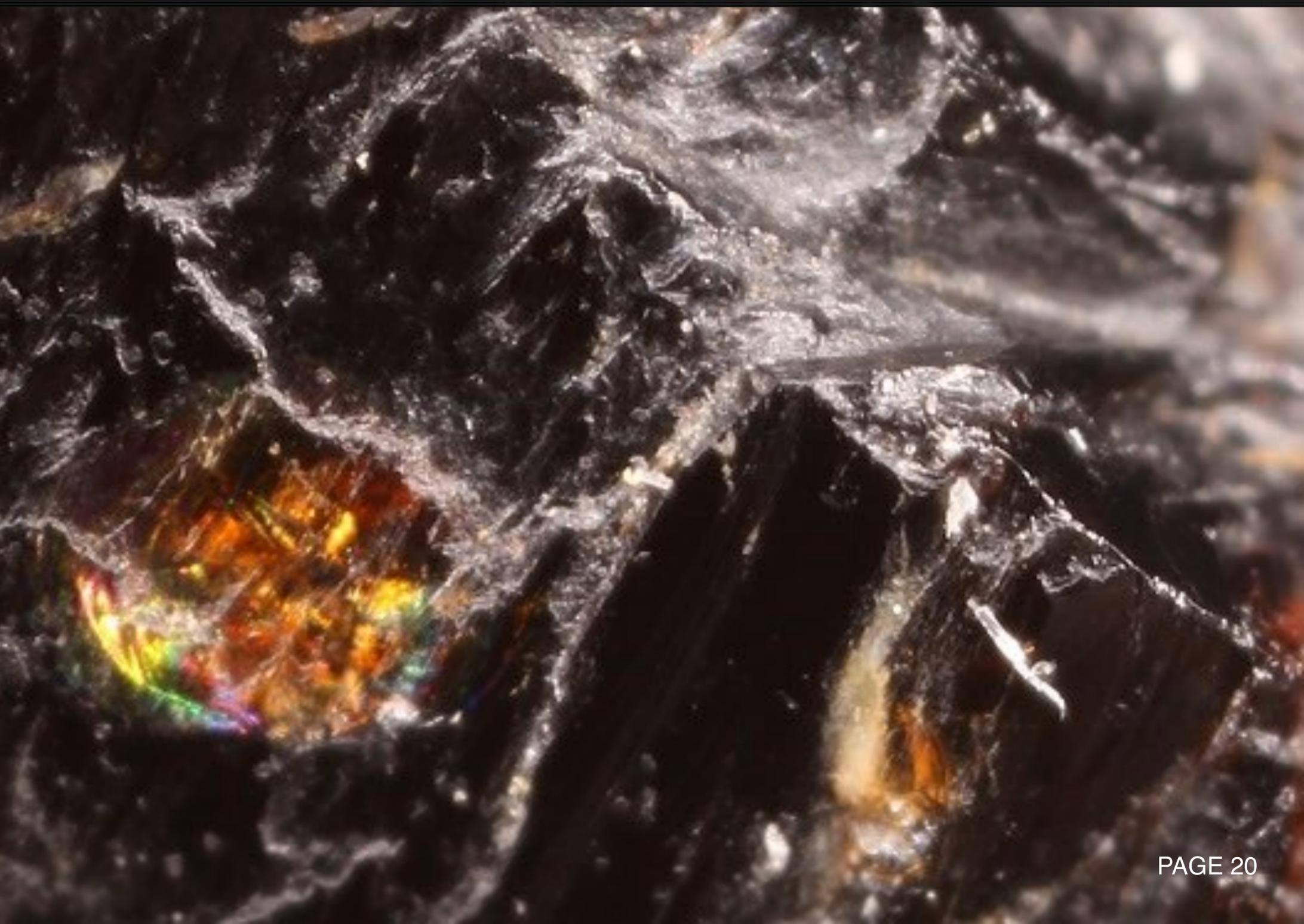
- Temporary P.Geos.
- Limited P.Geos.
- Non-Practising P.Geos.

# STUDENT, RESIGNED, NON-PRACTISING TRENDS (2016 - 2020)





# STANDING COMMITTEES



# AUDIT COMMITTEE

**DENNIS WADDINGTON, P.GEO.**

The Audit Committee is a Standing Committee of PGO reporting to Council, whose purpose is to assist Council in fulfilling its financial responsibilities for PGO's 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 is presently made up of five members, all independent from involvement in the daily accounting functions of PGO and a combination of financially literate non-member PGO Councillors, PGO member Councillors and PGO member non-Councillors.

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 2020, it met on several occasions by conference call with and without the auditors and/or management to oversee the annual audit process of the 2018 financial statements.

The new members who joined the committee in 2020 continued into 2021. Bateman MacKay LLP, headquartered in Burlington with offices in Mississauga, is PGO's auditor. At the time of the writing, the audit of 2020 is largely completed and the reports will be ready for presentation to Council at its May meeting.



# GOVERNANCE COMMITTEE

PAUL CONNOR

The Governance Committee is a Standing Committee of Council which monitors the overall function of Council and PGO to ensure compliance with the *Professional Geoscientists Act (2000)*, Regulations and By-laws and that it adheres to all other pertinent standards and practices expected of a self-regulating professional organization.

We welcomed a new, highly qualified member to this committee in 2020-21: Dr. Patricia Lorenz, DVM, MBA, CA.

In line with the Strategic Planning Framework developed after the April 2019 Council retreat, the Governance Committee is rolling out significant process and performance improvements in PGO's governance. The aim is to maintain and enhance the trust PGO enjoys from the public, governments and stakeholders.

The best governance practices of other organizations, particularly self-regulatory bodies like PGO, are being reviewed for potential improvements.

Starting in 2021, Council will be called upon to perform regular self-assessments and complete a skills / diversity matrix. And finally, a full audit of PGO's governance will be commissioned in the autumn of 2021.





# PROFESSIONAL PRACTICE COMMITTEE

**PAUL HUBLEY, P.GEO.**

The Professional Practice Committee (PPC) has a mandate to develop guidelines for practising Geoscientists, contributing to professional development activities, maintaining standards of ethics, and overseeing the four member Subcommittees (Geology, Geophysics, Environmental and Geomorphology).

The PPC developed an outreach presentation for co-regulators and the public to accompany the 2019 guideline Geoscientists Reviewing the Work of Other Geoscientists.

The PPC continued to provide direction and support to PPC Subcommittees for the active review of existing guidelines with the aim of identifying revisions where applicable, to ensure that PGO guidelines remain relevant to registrants and the public.

PPC members participated in an audit of Continuing Professional Development (CPD) hours logged by registrants. PPC also provided support to Council by developing individual tasks to support key initiatives described in the PGO's 3-year Strategic Plan, including identifying additional CPD opportunities, in addition to identifying methods of increasing diversity and participation in PGO.

PPC initiated the Sustainability and Climate Change *ad hoc* Committee and supported the development of the Diversity and Inclusion *ad hoc* Committee and Conference Planning Committee.

# ENVIRONMENTAL GEOSCIENCE SUBCOMMITTEE

SIMON GAUTREY, P.GEO.

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 Conservation and Parks (MECP) to monitor regulatory changes that affect the practice of environmental geoscience. In 2020, the subcommittee and its members continued to interact with the MECP on various regulatory changes and policy initiatives.

Highlights of the subcommittee's activities in 2020/2021 include:

- Submitted formal comments on the MECP proposed guidelines to how the ministry manages groundwater resources in the province.
- Participated at the request of the MECP on a review of MECP report on the sustainability of bottled water takings in Ontario. For this, Simon Gautrey of the Environment Committee chaired a 5-person panel of groundwater resources experts who prepared a peer review report on documents prepared by the MECP and their subconsultant.
- Representation at the MECP Water Quantity Protection External Working Group.
- Prepared review comments on changes to the Aggregate Act.
- Prepared review comments on proposed changes to the Permit To Take Water system.
- Prepared review comments on MECP proposal to require Municipal approval of bottled water takings.
- Participated in the PGO *ad-hoc* Climate Change committee.
- Submitted draft guideline on Record of Site Condition for when a site might be exempt from groundwater sampling.
- Submitted comments on proposed MECP to Record of Site condition guidelines.

The subcommittee communicates via electronic mail and meets as required through MS Teams calls.

In 2020, Simon Gautrey took over as Chair of the committee from Ron Ormson, who continues to serve on the committee as a member.





# GEOLOGY SUBCOMMITTEE

MARY-ANNE HILDEBRANDT, P.GEO.

The Geology Subcommittee is a branch of the Professional Practice Committee. Our mandate is to support the Professional Practice Committee in fulfilling its mandate, with respect to the practice of Geology, including developing guidelines for the practice of professional geoscience.

The committee issued the General Professional Practice Guidelines for Economic Geologists. It was prepared to assist Professional Geoscientists (i.e., the “P.Geo.”) in the planning and supervision of all geology work related to exploration, mining, petroleum, economic or engineering geology as well as related geochemistry and geological modelling.

These guidelines have also been prepared to assist Professional Engineers (P.Eng.) who are qualified to practice geoscience in accordance with the *Professional Geoscientist’s Act, 2000*.

The guidelines include general best practices on safety, environment, community consultation, quality assurance, mapping, drilling, sampling, and technical reporting.



# GEOMORPHOLOGY SUBCOMMITTEE

**ROGER T.J. PHILLIPS, P.GEO.**

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.

The subcommittee activities in 2020 were largely focused on developing and revising the new Geomorphology Professional Practice guideline document published to the PGO website in March 2021. This new guideline further reinforces the geoscience foundations of applied geomorphology as outlined in the subcommittee's position statement, which provides criteria to distinguish geomorphology as geoscience in interdisciplinary work.

Another initiative of the subcommittee in 2020 was engagement with the Ministry of Natural Resources and Forestry (MNR) to review provincial erosion hazard assessment guidelines. Recommendations for updates to the MNR guidelines were submitted by the subcommittee in March 2020, with follow-up correspondence submitted in January 2021.

Geomorphology Subcommittee members were also active supporting numerous other PGO committees, including the Registration Committee and other standing and ad hoc committees.

# GEOPHYSICS SUBCOMMITTEE

LUC LAFRENIÈRE, P.GEO.

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.

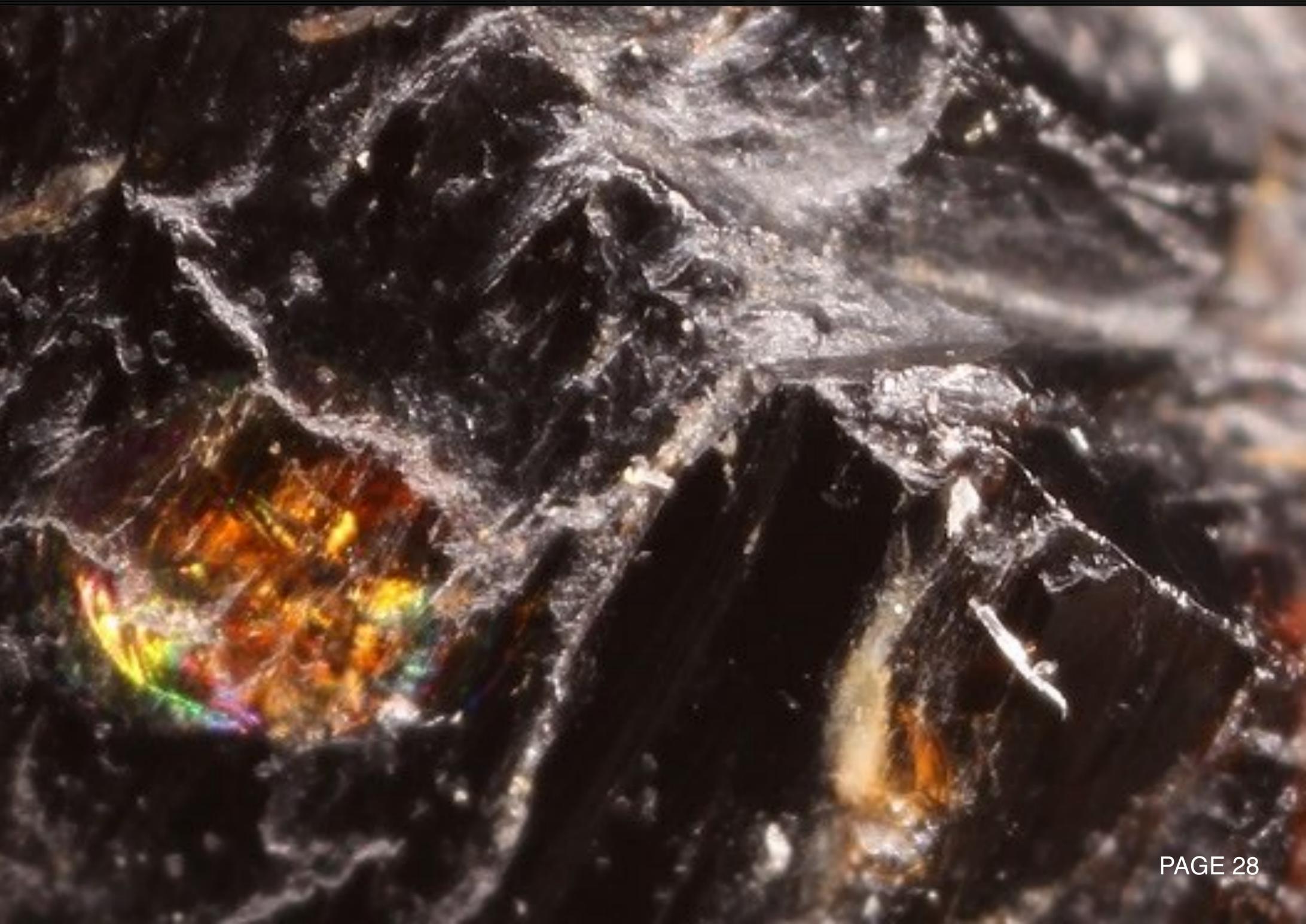
This past year, one member has stepped down. We have therefore recruited two new additions to the committee with geophysical diverse backgrounds.

We have had various debates and discussions related to our practice and forwarded our conclusions to PGO.





## OTHER COMMITTEES



# DIVERSITY AND INCLUSION *AD HOC* COMMITTEE

MARY-ANNE HILDEBRANDT, P.GEO.

PGO's primary obligation is to protect the public by regulating professional geoscience practice in Ontario.

Accordingly, it and all associated persons must embody principles founded on ethics, integrity, professionalism, respect, and trust. In August 2020, an *ad hoc* committee was formed to determine PGO's role and responsibility with respect to inclusion and diversity.

The committee made several recommendations to Council including the adoption of the PGO Position Statement on Diversity and Inclusion as well as an 18 point action plan for 2021-2022 that is targeted to raise awareness on the case for diversity and inclusion in geoscience and remove any perceived or real bias within PGO.

To learn more about this initiative, please visit <https://www.pgo.ca/diversity-inclusion>.

# SUSTAINABILITY AND CLIMATE CHANGE *AD HOC* COMMITTEE

JOANNA EYQUEM P.GEO. CWEM. CENV.

Increasing emphasis on sustainability within both the public and private sector, including efforts to address climate change, have wide ranging implications for the economic and social context within which PGO registrants work. The Sustainability and Climate Change *Ad Hoc* Committee was established in September 2020 to support PGO activities and registrants in this area.

A key element of sustainability is addressing the challenge of climate change and this is where the *ad hoc* Subcommittee has initially focussed. A Position Statement entitled “Climate Change and Geoscience: Considerations for Professional Practice” was developed, including an overview of changing climate conditions and risks in Ontario, the role and Professional Geoscientists and the role of PGO. The position statement specifically recognizes the direct role that Professional Geoscientists have to play in responding to changing climatic conditions, in particular where future climate risks may impact public safety.

In developing the position statement, the subcommittee reviewed provincial, federal, and international literature and policy relating to climate change. Liaison was also undertaken with Geoscientists Canada and other geoscience self-regulatory organizations actively working to address climate change, to foster greater collaboration in addressing this rapidly evolving area.



# COUNCIL OF CHAIRS OF CANADIAN EARTH SCIENCE DEPARTMENTS (CCCESD)

DAVID GOOD, P.GEO.

Together with professors Bob Linnen (UWO) and Joel Gagnon (U of Windsor), a detailed description of the nature of oversight with regards to Earth Science professors was prepared.

The document was prepared to address whether PGO should or could have the authority to regulate academics in the earth sciences.

It was concluded that if a professor is being compensated as a professional and the judgements/decisions made have the potential to negatively impact the public, then the regulation states the professional should be licensed.

It was recommended that the PGO consider a modified process for registering these members of the academic community to encourage/facilitate registration. At the time of writing this matter was still before Council for deliberation and decision.





# PGO REPRESENTATION ON NATIONAL COMMITTEES, GEOSCIENTISTS CANADA (GC)

CHRISTINE VAILLANCOURT, P.GEO.

In 2020, it was a great honour for me to be designated by PGO as its representative on the Geoscientists Canada (GC) board of directors. GC, celebrating its 25th anniversary in 2021, is the national organization of 9 regulatory bodies governing Canada's over 11,000 Professional Geoscientists and over 2,000 Geoscientists-in-training. It exists to serve the profession of geoscience and to help align regulations Canada-wide.

This year, GC has developed Position Statements on Equity, Diversity and Inclusion, on the Licensing of Practicing Geoscientists, and on the Practice Rights of Geoscience Technologists. These statements address issues of public interest and are designed to facilitate discussion with government, possibly influencing public policies, and to provide information for GC's members and others involved with the geoscience profession.

GC also acts as a touchstone with international interest groups, for example, the United Nations Economic Commission for Europe, with whom GC is developing a Memorandum of Understanding aimed at coordinating activities concerning the United Nations Framework Classification for Resources and the United Nations Resource Management System, as tools for sustainable management of natural resources including energy, minerals and groundwater.

GC also holds important connections with organizations such as the Global Geoscience Professionalism Group, the European Federation of Geologists, the American Institute of Professional Geologists and many others.

# RECOGNITION OF 2020 CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAM SPEAKERS, SPONSORS, CONFERENCE PLANNING COMMITTEE AND MENTORS

*MARILEN MIGUEL, DIRECTOR OF STAKEHOLDER RELATIONS, PGO*



The year 2020 saw disruptions and big shifts and PGO proved itself to be an agile organization amidst this unprecedented time. PGO gratefully acknowledges its many volunteers and sponsors for partnering with PGO staff in order to provide engaging and informative CPD opportunities for professional geoscientists, geoscientists-in-training, students and other stakeholders.

## 2020 PGO WEBINARS

Amanda Prelaz, Vincent Bulman, P.Geo. and Sarah Raetsen, Ministry of Environment and Conservation Parks (MECP), PTTW Application Study Requirements and Expectations and EASR 101

Stuart Miller, MECP, Ontario's Electronic Permit to Take Water (ePTTW) Demo

Shane Todd, Partner and Justin P'ng, Associate, Fasken, Managing the Pandemic: Issues for Employers

Candace Pietras and Robert S. Wilson, C.I.P., Pro-Form Sinclair Professional – A Hub International Company National Secondary Professional Liability Insurance Program

Craig Waldie, P.Geo. and James Whyte, P.Geo., Ontario Securities Commission, Overview of NI 43-101 and Mining Disclosure Basics

David Leng, P.Geo., President and CEO of Reaction Geological Consulting Incorporated (RGCI), Your Career and Public Reporting: The Qualified Person (QP) Short Course for Students

Craig Waldie, P.Geo. and James Whyte, P.Geo., Ontario Securities Commission, Technical Reports on Mineral Resource Estimates – The Good, The Bad, and the Compliant

## 2020 PGO Virtual Symposium – Conference Planning Committee

Paul Hubley, P.Geo. Chair	Nicole Januszczak, P.Geo.	Mark Priddle, P.Geo.	James Whyte, P.Geo.
Robert Hearst, P.Geo.	Imran Khan, P.Geo.	Andrea Waldie, P.Geo.	Tony Andrews, PhD
Mary-Anne Hildebrandt, P.Geo.	Roger Phillips, P.Geo.	Craig Waldie, P.Geo.	Marilen Miguel, CAE

PGO also acknowledges the contributions of Ron Ormson, P.Geo., David Good, P.Geo., John McBride, P.Geo. and Kristina Small, P.Geo. to the work of the committee.

## 2020 PGO Virtual Symposium – Panel Session Chairs and Speakers

### **Panel Session A - Emerging Trends and Impacts in an Evolving Regulatory Landscape**

Co-Chaired by Tony Andrews, PhD and Ian Macdonald, P.Geo.

Douglas Cater, P.Geo., D.F. Cater Geological Consultant Ltd.

Mike Jones, P.Geo., Azimuth Environmental

Aftab Khan, P.Geo., Professional Geoscientists Ontario (PGO)

Bridget Gilbride, Fasken

Chuck Birchall and Rich Butler, Willms & Shier

Terry Eldridge, P.Eng., Senior Mine Waste Consultant, Golder Associates

### **Panel Session B - Geo-ethics and Sustainability**

Co-Chaired by Paul Hubley, P.Geo. and Mark Priddle, P.Geo.

Giuseppe Di Capua, International Association for Promoting Geoethics

Simon Gautrey, P.Geo., Wood

Mark Priddle, P.Geo., Vice President, Sustainable Communities, McIntosh Perry

Kerrie Blaise, Northern Services Counsel, Canadian Environmental Law Association

### **Panel Session C - Building a Collaborative Work Environment**

Co-Chaired by Nicole Januszczak, P.Geo. and Imran Khan, P.Geo.

Shastri Ramnath, P.Geo., President and CEO, Exiro Minerals Corp

Kari Lentowicz, BSc, M.A. Disaster and Emergency Management, EP, PMP

Natasha Danson, Partner, Steinecke Maciura LeBlanc

### **Panel Session D - Staying Fully Stocked: Trends in Professional Practice**

Co-Chaired by Mary-Anne Hildebrandt, P.Geo. and James Whyte, P.Geo.

Karan Jandoo and Brigid Burke, Ministry of Environment, Conservation and Parks (MECP)

Reno Pressacco, P.Geo., SLR Consulting

Lawrence Devon Smith, P.Eng., LDS Consulting

Gargi Mishra, Hatch Ltd

### **2020 PGO Virtual Symposium – Sponsors**

**Partner Sponsor** - TD Insurance Meloche Monnex

**Associate Sponsors** – World Education Services (WES) and Manulife

**Panel Session C Sponsor** – Hub International

*Thank you, PGO Mentors!*

*A big thank you to all our PGO mentors for generously sharing their knowledge, insight and experience with student members, Geoscientists-in-Training (GITs) and newly minted P.Geo.'s. Our mentors are highly experienced professional geoscientists and they help create awareness and understanding of geoscience as a regulated profession. PGO mentors play a key role in providing our mentees career guidance and knowledge about the geoscience sector and helping them develop critical business and soft skills to assist them in their career path.*

*Thank you for committing to support future geoscientists!*

# **FINANCIAL STATEMENTS**

AUDITED YEAR-END DECEMBER 31, 2020

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**  
*(Operating as Professional Geoscientists Ontario)*  
**Audited Financial Statements**  
**Year Ended December 31, 2020**

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**

*(Operating as Professional Geoscientists Ontario)*

**Index to Audited Financial Statements**

**Year Ended December 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Association of Professional Geoscientists of Ontario operating as Professional Geoscientists Ontario

### *Opinion*

We have audited the audited financial statements of Association of Professional Geoscientists of Ontario operating as Professional Geoscientists Ontario (the Association), which comprise the audited statement of financial position as at December 31, 2020, and the audited statements of unrestricted 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 audited financial position of the Association as at December 31, 2020, and the audited results of its operations and audited cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 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 these 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 ASNPO, 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 related 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  
May 13, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**

*(Operating as Professional Geoscientists Ontario)*

**Audited Statement of Financial Position**

**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,139,014	\$ 1,031,060
Short term investments <i>(Note 2)</i>	207,070	199,406
Membership fees receivable <i>(Note 3)</i>	246,557	221,325
Prepaid expenses	27,004	20,159
	<b>1,619,645</b>	1,471,950
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	27,873	20,831
RESTRICTED RESERVE FUND INVESTMENTS <i>(Note 2)</i>	1,001,031	1,001,031
	<b>\$ 2,648,549</b>	\$ 2,493,812
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 57,087	\$ 59,187
HST and payroll taxes payable	146,645	152,510
Deferred revenues <i>(Note 5)</i>	1,206,602	1,153,349
	<b>1,410,334</b>	1,365,046
<b>NET ASSETS</b>		
Operating fund (unrestricted) <i>(Note 6)</i>	237,184	127,735
Contingency reserve fund (internally restricted) <i>(Note 6)</i>	878,940	878,940
Strategic initiatives fund (internally restricted) <i>(Note 6)</i>	122,091	122,091
	<b>1,238,215</b>	1,128,766
	<b>\$ 2,648,549</b>	\$ 2,493,812

LEASE COMMITMENTS *(Note 7)*

**ON BEHALF OF THE BOARD**

*Scott McLean*

Councilor

*M. Simone*

Councilor

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

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO***(Operating as Professional Geoscientists Ontario)***Audited Statement of Unrestricted Revenues and Expenditures****Year Ended December 31, 2020**

	2020	2019
<b>REVENUE</b>		
Membership dues	\$ 1,172,912	\$ 1,127,587
Registration fees	76,560	66,459
Continuing professional development event fees	25,710	19,112
Interest earned	7,664	20,196
Exam fees	5,350	11,600
Advertising and sponsorship	2,279	8,015
Stamps and seals	1,225	744
Other income	-	1,500
	<u>1,291,700</u>	<u>1,255,213</u>
<b>EXPENSES</b>		
Administrative wages and benefits	589,813	587,514
Legal, professional and government relations	118,147	116,830
Occupancy costs	110,661	106,531
CCPG (Geoscientists Canada) membership	100,065	85,577
Office and general	73,086	55,553
Accounting and audit	39,560	38,776
Interest, credit card and bank charges	37,033	36,035
Website	35,581	28,132
Liability insurance	18,818	17,074
Communication	13,643	18,053
Travel and accommodation	12,319	35,414
Amortization	11,780	11,960
Professional development	6,894	28,954
Examination services	6,485	8,275
Donations	5,200	5,509
Stamps, seals, cards and certificates	2,554	2,448
Advertising and promotion	500	1,545
Member meetings	112	3,413
	<u>1,182,251</u>	<u>1,187,593</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 109,449</u>	<u>\$ 67,620</u>

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

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**

*(Operating as Professional Geoscientists Ontario)*

**Audited Statement of Changes in Net Assets**

**Year Ended December 31, 2020**

	Operating Fund (unrestricted)	Contingency Reserve Fund (Internally Restricted)	Strategic Initiatives Fund (Internally Restricted)	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 127,735	\$ 878,940	\$ 122,091	\$ <b>1,128,766</b>	\$ 1,102,616
EXCESS OF REVENUE OVER EXPENSES	109,449	-	-	<b>109,449</b>	67,620
EXPENDITURES ALLOCATED TO STRATEGIC FUND	-	-	-	-	(41,470)
<b>NET ASSETS - END OF YEAR</b>	\$ 237,184	\$ 878,940	\$ 122,091	\$ <b>1,238,215</b>	\$ 1,128,766

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

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO***(Operating as Professional Geoscientists Ontario)***Audited Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 109,449	\$ 67,620
Item not affecting cash:		
Amortization of property and equipment	<u>11,780</u>	11,960
	<u>121,229</u>	79,580
Changes in non-cash working capital:		
Membership fees receivable	(25,232)	20,025
Prepaid expenses	(6,845)	(1,168)
Accounts payable and accrued liabilities	(2,100)	5,345
HST and payroll taxes payable	(5,865)	11,134
Deferred revenues	<u>53,253</u>	17,629
	<u>13,211</u>	52,965
Cash flow from operating activities	<u>134,440</u>	132,545
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(18,822)	-
Sale (purchase) of short term investments - net	<u>(7,664)</u>	38,334
Cash flow from (used by) investing activities	<u>(26,486)</u>	38,334
<b>INCREASE IN CASH FLOW</b>	<b>107,954</b>	170,879
Cash - beginning of year	<u>1,031,060</u>	860,181
<b>CASH - END OF YEAR</b>	<u><b>\$ 1,139,014</b></u>	<u>\$ 1,031,060</u>

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

# ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

*(Operating as Professional Geoscientists Ontario)*

## Notes to Audited Financial Statements

Year Ended December 31, 2020

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### STATUS AND PURPOSE OF THE ORGANIZATION

The Association of Professional Geoscientists of Ontario is incorporated under the laws of the Province of Ontario. The Association of Professional Geoscientists of Ontario operates under the name Professional Geoscientists 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 (ASNFPPO). 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

(Operating as Professional Geoscientists Ontario)

Notes to Audited Financial Statements

Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

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

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer software	55%	declining balance method
Telephone system	20%	declining balance 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

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.

Financial statement items subject to significant management judgment include revenue recognition, the valuation and estimated useful lives of property and equipment, and the completeness of accounts payable and accrued liabilities. Actual results may differ from estimates.

2. INVESTMENTS

	<u>2020</u>	<u>2019</u>
<u>Short term investments</u>		
Money market mutual funds	\$ 207,070	\$ 199,406
<u>Restricted reserve fund investments</u>		
Money market mutual funds	<u>1,001,031</u>	<u>1,001,031</u>
	<u>\$ 1,208,101</u>	<u>\$ 1,200,437</u>

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**

*(Operating as Professional Geoscientists Ontario)*

**Notes to Audited Financial Statements**

**Year Ended December 31, 2020**

3. MEMBERSHIP FEES RECEIVABLE

Both newly accepted members and continuing members are expected to pay membership fees by January 1, 2021 for the upcoming fiscal 2021 year. As APGO accepts members prior to the upcoming year, unpaid fees are recorded as member fee receivable as at December 31, 2020 until payment is received in January 2021. On December 31, 2020, the number of fee paying members was 3,161 (2019 - 2,983), and the number of applications for memberships that were in process of approval was 73 (2019 - 313). Out of the \$246,557 total membership fees receivable at the end of the year, \$244,482 reflect members that have not paid the 2021 fees as at December 31, 2020.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2020 Net book value</b>
Computer equipment	\$ 78,647	\$ 64,196	\$ <b>14,451</b>
Furniture and fixtures	46,219	36,284	<b>9,935</b>
Computer software	15,750	13,441	<b>2,309</b>
Telephone system	7,833	6,655	<b>1,178</b>
	<b>\$ 148,449</b>	<b>\$ 120,576</b>	<b>\$ 27,873</b>

	Cost	Accumulated amortization	2019 Net book value
Computer equipment	\$ 59,825	\$ 58,026	\$ 1,799
Furniture and fixtures	46,219	33,804	12,415
Computer software	15,750	10,611	5,139
Telephone system	7,833	6,355	1,478
	<b>\$ 129,627</b>	<b>\$ 108,796</b>	<b>\$ 20,831</b>

5. DEFERRED REVENUES

The balances in the deferred revenue accounts are comprised of membership fees billed in October of the current calendar year (2020) for memberships for the following calendar year (2021). 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.

*(continues)*

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

(Operating as Professional Geoscientists Ontario)

Notes to Audited Financial Statements

Year Ended December 31, 2020

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6. NET ASSETS (continued)

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.

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 2021 is \$9,399 per month or \$112,785 for the year.

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

2021	\$	58,838
2022		53,934
		<hr/>
	\$	<u>112,772</u>

**ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**

*(Operating as Professional Geoscientists Ontario)*

**Notes to Audited Financial Statements**

**Year Ended December 31, 2020**

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8. 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, 2020.

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 2019.

The allowance for doubtful accounts at December 31, 2020 is \$nil (2019 - \$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 receipt of its accounts payable and accrued liabilities. There has been no change to the risk exposures from 2019.

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 not exposed to any of these risks. There has been no change to the risk exposures from 2019.

Cover Photo: Alex Maenza, Winner of the 2020 PGO  
Photo Contest

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