



PROFESSIONAL GEOSCIENTISTS ONTARIO

ANNUAL REPORT

2021/2022

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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.

PGO COUNCIL 2021-2022

Council governs the affairs and business of PGO. Elections are held before the Annual General Meeting which is normally scheduled in June.

President

Paul Hubley, P.Geo.

Vice President

Melanie Siewert, P.Geo. Limited

Past President

Scott McLean, P.Geo.

Central Ontario Councillor

Mark Goldie, P.Geo.

North Western Ontario Councillor

Pizye Nankamba, P.Geo.

North Eastern Ontario Councillor

Laura Katz, Ph.D., P.Geo.

South Western Ontario Councillor

David Leng, P.Geo.

South Eastern Ontario Councillor

Claire Milloy, P.Geo.

Councillors-at-Large

John Ryder, P.Geo.

Mary-Anne Hildebrandt, P.Geo.

Robert Hearst, P.Geo.

Leon Burger, P.Geo.

Lieutenant Governor-in-Council

Registrant Appointees

Kristina Small, P.Geo.

Roger Woeller, P.Geo.

Lieutenant Governor-in-Council

(Non-registrant) Appointee

Paul Connor, MBA

Public (Non-Registrant) Appointees

Joanne Di Caro

Siri C. Genik

Marco Simone, CPA, CA

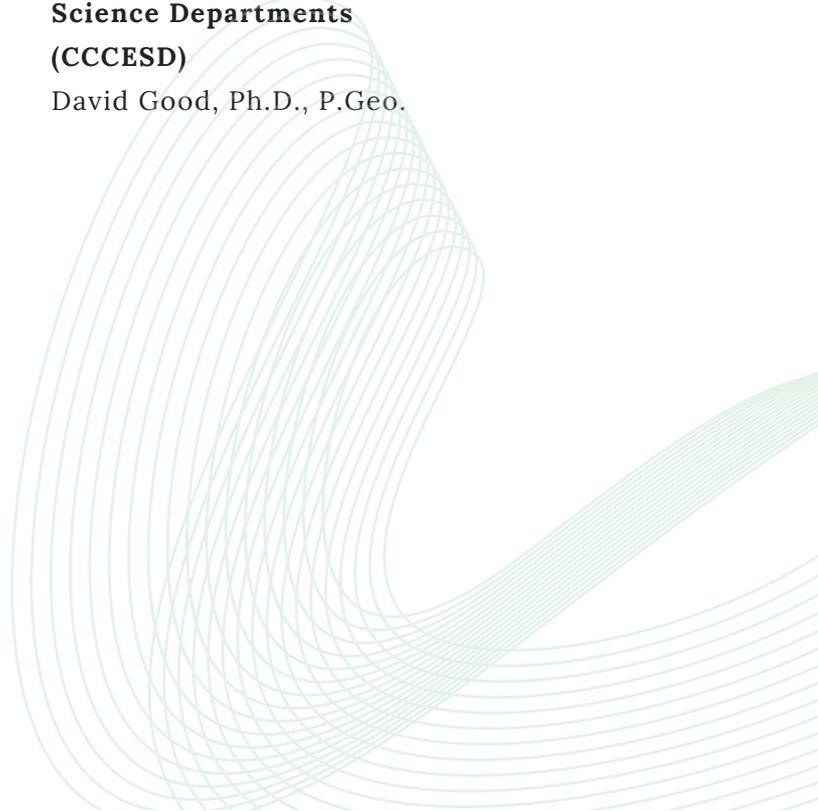
Patricia Lorenz, MBA, CPA, CA, CGMA

Council of Chairs of Canadian Earth

Science Departments

(CCCESD)

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



**The Honourable Minister Greg Rickford,
Minister of Northern Development, Mines,
Natural Resources and Forestry**

Whitney Block, Room 5630, 5th Floor
99 Wellesley St. West
Toronto, ON M7A 1W3

On behalf of the Council of Professional Geoscientists Ontario (PGO), its staff and volunteers, I present the enclosed 2021-2022 Annual Report. The report includes an audited financial report for the year ended December 31, 2021 together with various committee and executive reports highlighting our activities since our Annual General Meeting in June 2021.

I trust that you will see herein that the PGO continues to grow and has developed into a respected geoscience regulator that is recognized across the country for its leadership. 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 the end of 2021, PGO regulated 3343 registrants, including 629 Geoscientists in Training (GITs). The number of GITs, together with our 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 continue and expand upon a constructive relationship with our colleagues in the Ontario government. Our expertise and opinions have continued to be sought on issues across a broad range of geoscience disciplines through advisement to the Ministry of Northern Development, Mines, Natural Resources and Forestry (MNDMNRF) and the Ministry of Environment, Conservation and Parks (MECP). Going forward we hope to be able to continue to cultivate and expand further upon these relationships.

PGO values your support and that of your staff at the MNDMNRF 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,



Paul Hubley, P.Geo., FGC
President

PRESIDENT'S MESSAGE

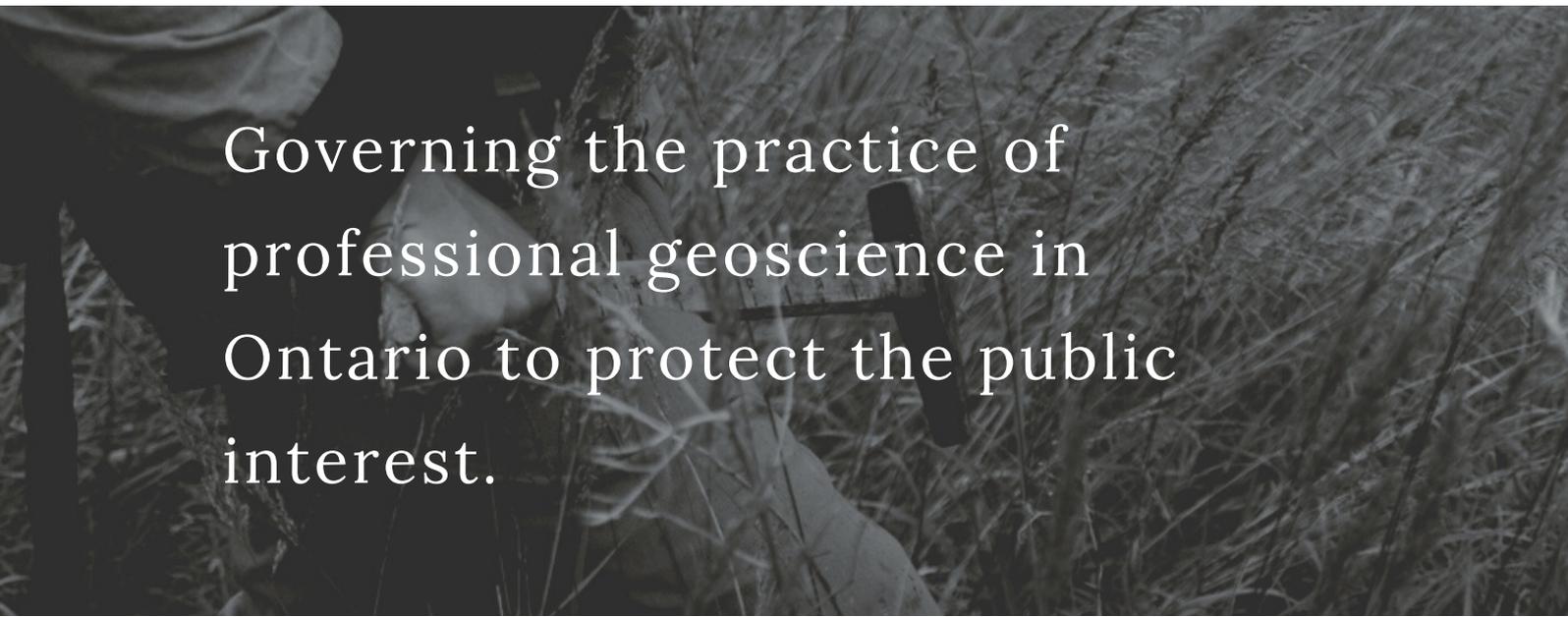
"...geoscience will remain fundamental to human survival, informing upon critical risk management plans and preparing us for a transition to a sustainable future."

I write this from my home in Ottawa on the traditional unceded, unsundered territory of the Anishinaabe Algonquin People. The Algonquin People have inhabited and cared for these lands long before the clayey sediments were labelled as Champlain's. We take this time to show our gratitude and respect to them, and to the land for all that it provides us: trees to give shade, water and food to sustain us, and paths on land and water to connect us.

The past year has continued to challenge even the wisest among us on our ability to understand the present, much less predict the future. But, let us try to unpack...

Presently, geoscience is fundamental to human survival, given our reliance on natural resources, recognition of the importance of environmental conditions and our effect on our surroundings. To this point in our evolution, geoscience has allowed us to find the critical resources needed for growth of our societies as we ventured further from our caves. Similarly, in the future, geoscience will remain fundamental to human survival, informing upon critical risk management plans and preparing us for a transition to a sustainable future.

And yet, presently, geoscience enrollment in Canada is on the decline at universities year to year. Perhaps



Governing the practice of professional geoscience in Ontario to protect the public interest.

geoscience may not have the appeal it once did, or youth are less aware of its appeal. Fortunately, at PGO this trend is not presently observable in enrollment, which continues to increase year after year. In 2021, PGO enrollment increased in all categories with an overall increase of 5.8% over the previous year (28% overall from 5 years ago). In the future, however, a shortfall of geoscientists is being widely predicted for the future, so the trend enjoyed by PGO may yet be affected.

Part of the present issue of declining enrollment at universities may simply be deficient communication about what geoscience offers the fledgling professional. This is a good time to remind ourselves that as geoscientists we have some obligation to communicate constructively and objectively about our profession, as our Code of Ethics requires of us. However, exactly how one goes about doing that is not specified – this leaves a lot of room for interpretation and flexibility and leaves sufficient room to adapt to evolving societal expectations. Moving forward, my hope is that the geoscience community develops a rich sense of obligation to communicate the key tenets of our profession to inform the public of the critical role geoscience has in society, to reduce misogyny, to prevent racism, to root out and correct misinformation, and, to focus on positive messaging by developing creative and informative geoscience content. There is no shortage of roles for all of us in this.

Presently, PGO continues to make strides toward adopting evolving practices in self-governing organizations to stay aligned with societal expectations, and this year we identified some areas for improvement. PGO Council's ratification of the Diversity and Inclusion Standing Committee is a step toward PGO's core value of inclusiveness. In the future, we see even more emphasis on inclusiveness, evolving along with public expectations, and we see even more momentum gained from this devoted committee. Also, this year PGO Council ratified a Sustainability and Climate Change Risk Standing Committee, which has been very actively responding to the new initiatives of the Ontario government related to flooding, natural capital and climate risk identification. In the future, we anticipate continued coordination with the Province on these issues of high priority to the public.

In 2021, PGO provided eight Continued Professional Development (CPD) opportunities to a total of 812 registrants including our annual symposium. PGO also demonstrated its commitment to providing CPD opportunities for its staff and volunteers in areas related to self-regulation as part of continuous improvement of its regulatory performance. Going forward, PGO expects to continue providing quality CPD opportunities and become even better informed about societal expectations and emerging trends in

self-governance.

PGO's government relations activities include discussions on legislative amendments to modernize the Professional Geoscientists Act (PGA), to strengthen PGO's ability to protect the public. In addition to modernizing the PGA (2000), PGO actively engages with the Ministry of Environment and Conservation and Parks (MECP) and the Ministry of Northern Development, Mines, Natural Resources and Forestry (MNDMNRF) on issues of regulation affecting PGO registrants. Among the significant work of PGO this year was the development of guidance document related to Ontario Regulation 153/04 (Records of Site Condition) under the Environmental Protection Act (EPA) on the use of professional judgement when seeking exemption from sampling ground water at Record of Site Condition properties. Moving forward, we anticipate continued strengthening of PGO's relationships to key ministries and directly to the public.

The late great Yogi Berra said: "It's tough to make predictions, especially about the future." True, yet our experience with minerals tells us that given the right conditions, time and pressure, we will create a stable and occasionally dazzling outcome. One prediction that I can safely make is that I will soon end my term as PGO Council Chair and President – it has been a busy but highly rewarding experience – I thank my family,

particularly my wife Carolina, for their support throughout this journey. It has been a pleasure serving the public alongside such a talented and dedicated group of volunteers and staff in 2021 and 2022. I wish you all an enriched and rewarding future and hope that together we will embrace our responsibilities to be respectful, vocal, constructive and grateful for the bounty of this land on which we all live, work, play, and study.

Sincerely,



Paul Hubley, P.Geo., FGC
PGO Council Chair and President
(2021-2022)

P.S. I write this from the floors of ancient seas, drinking connate groundwater filtered through Ordovician limestones of the Iapetus Ocean mixed with proglacial Champlain Sea water. In all things and over vast expanses of time we are connected. pH

CEO'S MESSAGE

"While operational improvements will continue on an incremental, as-needed basis, the focus of our work over the past 12 months has shifted to the area of governance and beginning in 2022, to registration and regulation."

It is a pleasure for me to report on the activities of Professional Geoscientists Ontario (PGO) for the 2021-2022 period. While this Annual Report covers the period from June, 2021 to June, 2022 (i.e. from one AGM to the next), the accompanying financial statements report on the 2021 fiscal year with a year-end of December 31, 2021.

PGO staff returned to the office on April 4, 2022, to commence a hybrid approach to our work, comprising two days a week in the office and three days from home. During the pandemic, PGO staff worked from home commencing March, 2020, and throughout 2021; however, as reported a year ago, 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>.

In the previous Annual Report, I outlined a year of significant change and growth of the organization,

primarily in the area of operational improvements. While operational improvements will continue on an incremental, as-needed basis, the focus of our work over the past 12 months has shifted to the area of governance and beginning in 2022, to registration and regulation. Our intention to review and renew in these critical areas is a reflection of the fact that over the past few years there have been significant evolution in standards and best practices in these areas for self-regulatory bodies. Up to this point in time we have made significant progress on updating and improving our governance documents and practices and aligning them to best practices. While our work in the governance area will continue for some time, we have already started to turn our attention to our registration and regulation practices and our focus in these areas will gradually increase as we move forward into Q3 and Q4 of 2022.

The highlights of our improvements over the past 12 months in the operations, governance, registration and regulatory areas may be summarized as follows:

- Completion of a process to upgrade the systems supporting our Registrant database and website which will result in improvements in functionality and increased efficiencies;
- Introduction of an on-line, automated work experience competencies tool for applicants;
- Completion of a self-assessment of our approach to governance and our registration and regulatory practices resulting in an action plan, completion of which will lead to an independent third-party review;
- A thorough external review of our Governance Manual and the terms of reference of our Committees, resulting in modifications in these areas and changes to our By-Laws;
- Development of a talents and diversity matrix for our Council to manage and maintain the appropriate balance of knowledge and experience required at any given time;
- Development of an approach to evaluate and improve the performance of Council and Councillors;
- A thorough review of our approach to unauthorized, illegal practitioners and the identification of more effective approaches to achieve compliance employing a combination of education and enforcement measures;
- The introduction of PGO's Incidental Practice registration to facilitate the procedure for P.Geos. registered in other jurisdictions to

obtain a temporary license for work in Ontario.

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

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

- A renewed submission to the Ontario government recommending amendments to the Professional Geoscientists Act and various PGO Regulations to improve PGO's ability to regulate the practice of professional geoscience in the province (Ministry of Energy, Northern Development, Mines [MENDM]);
- Updating of the Ontario Erosion Hazard Assessment (Ministry of Natural Resources and Forestry-MNRF);
- Developing Guidance for Record of Site Conditions, Exemptions for Water Taking (in collaboration with the Ministry of Environment, Conservation and Parks (MECP));
- Beneficial Reuse of Excess Soil at Pits and Quarries (MECP):

- Ensuring the use of Qualified Persons (QPs) in projects and activities requiring Qualified Geoscience Professionals (MECP);
- Bill 37: Working for Workers Act; Prohibition of Canadian Experience for foreign professionals (Ministry of Labour, Training and Skills Development (MLTSD)).

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. PGO recently signed an agreement with Geoscientists Canada for use of federal certification marks acquired by Geoscientists Canada, which provides added protection for use of the terms P.Geo., and Professional Geoscientist across Canadian jurisdictions.

The PGO 2021 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 2021, contributing to a stable revenue base. The excess of revenues over expenses indicated for 2021 is primarily a result of COVID-19 driven decreases in normal operational expenditures.

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.

Last but not least, let us all be guided by the fact that self-regulation is a privilege not a right, and it is the duty of all of us to maintain and improve standards of practice, for the betterment of the profession and the protection of the public.

Tony Andrews, PhD
CEO

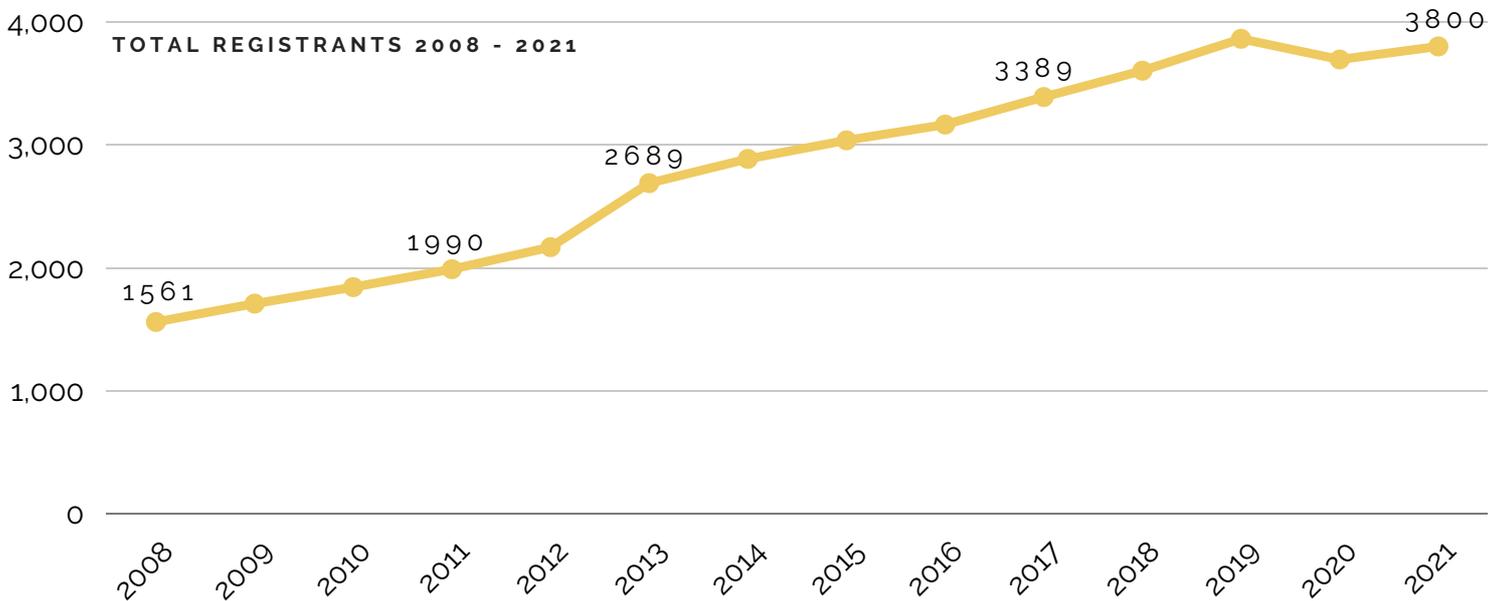
COMMITTEE REPORTS



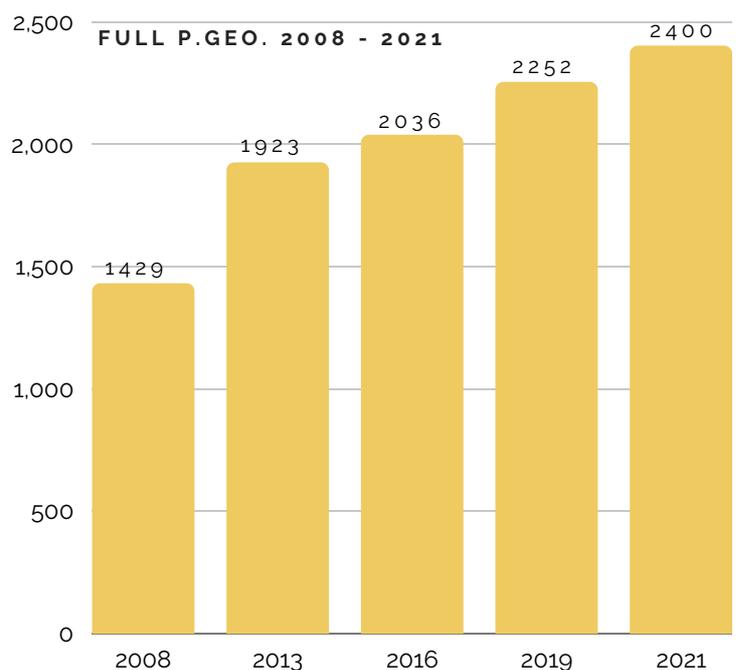
REGISTRATION

IAN MACDONALD, P.GEO.

"At the end of 2021 the total registrants of the PGO stood at 3,800 which is almost on par with the pre-pandemic numbers."



The Registration Committee continued to use video conferencing in 2021 with 10 meetings held throughout the year. A total of 415 applications for full practising, limited and GIT were reviewed in 2021 and 226 Certificates of Authorization were issued. The meetings themselves, however, do not provide the amount of effort and dedication that staff and volunteer members of the Registration Committee put in to review applications for full practising, geoscientist-in-training (GIT) and limited registrations.



This includes preparing all the documentation on each applicant and the evaluation of knowledge requirements. This workload started to increase in 2021 and will increase more as PGO moves towards competency based assessment for the review of an applicant’s work experience record.

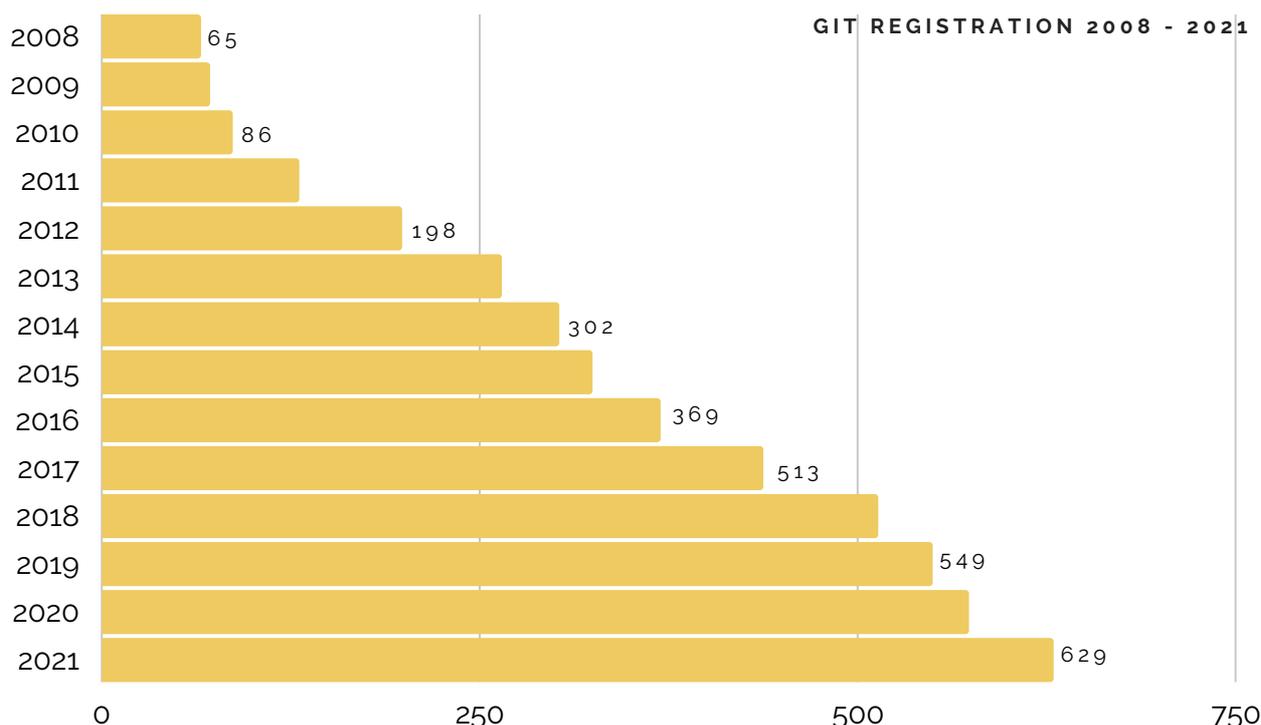
At the end of 2021 the total registrants of the PGO stood at 3,800 which is almost on par with the pre-pandemic numbers.

However, the numbers are affected by the number of students. For 2021, full P.Geo and GITs comprised 91% of the registrants with the overall numbers increasing every year since 2008. This continues to be a positive trend with little impact on the overall numbers due to economic conditions and the pandemic.

Student numbers, however, dropped 819 in 2019, to 533 in 2020 and to 457 in 2021. But it is encouraging to see the student members continuing with their education and going on to become GITs.

The gender makeup of all registrants has remained steady in the two main categories with full practising and GIT at 75% and 61% for males while female registrants remain at 25% and 38% respectively. The trend is heading towards parity based on GIT and student data.

The current list of registrants in good standing and Certificates of Authorization can be searched on the PGO website at www.pgo.ca.



38%

FEMALE GIT

The gender makeup of all registrants has remained steady in the two main categories with full practising and GIT at 75% and 61% for males while female registrants remain at 25% and 38% respectively.

61%

MALE GIT

The trend is heading towards parity based on GIT and student data. 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).

**PROFESSIONAL PRACTICE
COMMITTEE****Roger T.J. Phillips, 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).

In 2021, the PPC continued implementing individual tasks for some key initiatives described in the PGO's 3-year Strategic Plan, and specifically to support the objective that PGO registrants continue to be competent, professional, and engaged. PPC members, with support from PGO staff, regularly promoted and facilitated opportunities for Continuing Professional Development (CPD), such as the PGO's Annual Symposium, while also supporting annual audits of the CPD reporting program. The PPC continued to provide direction and support to PPC Subcommittees to review and update existing guidelines ensuring they remain relevant to registrants and the public. Specifically, new practice guidelines have been recently published for economic geology and geomorphology practice. Furthermore, the PPC continued supporting the establishment of two new PGO committees for Sustainability and Climate Change and for Diversity and Inclusion, as both are actively carrying out their new mandates.

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 2021/2022, 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 2021/2022 include:

- Beginning in mid-2021, members of the Environmental Geoscience Subcommittee took on the lead role in tackling issues related Goal 1, Objective 4 of the Strategic Plan, which concerns QP's. In 2021, members of the Subcommittee:
- held six meetings to discuss this topic,
- prepared and updated an QP action plan,
- researched experience of other Geoscience SRO's with approaches to QP's,
- attended ONEIA webinars on their proposed approaches to QP's,
- held discussions with representatives from the MECP, Ontario Conservation Authorities and the PEO, about their experience with QP's, and
- sought registrant input on approaches to QP's by giving a presentation at the 2022 PGO symposium, which resulted in several follow up conversations with registrants from the academic, consultant and MECP.

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**SUSTAINABILITY AND CLIMATE
CHANGE COMMITTEE****Joanna Eyquem P.Ge. ENV EP.
CWEM. CEnv.**

Sustainability considerations, including addressing climate change, continues to exert a growing influence on the Canadian financial system and the economy within which geoscientists work through 2021-2022. In particular, as stated by the Bank of Canada, climate change poses significant risk. These risks include more frequent and severe extreme weather events as well as risks stemming from the transition to a low-carbon, net-zero economy. However, there are also opportunities for geoscience professionals to play an active role in reducing these risks, as well as working towards more sustainable outcomes.

Building on their first year's work, the Sustainability and Climate Change Committee developed formal Terms of Reference and was approved as a permanent Standing Committee in March 2022. Members of the committee provided input on behalf of PGO to the Provincial Climate Change Impact Assessment for Ontario, within the Business and Economy area of focus. In addition, committee members chaired a session of the PGO Symposium focusing on the varied roles geoscientists are playing addressing sustainability and climate change.

Throughout the year, several new

members were welcomed to the committee, diversifying expertise relating to sustainability. Several areas of potential action have been identified for 2022-2023, assisted by discussions with other geoscience self-regulatory organizations also working in this space.

GOVERNANCE COMMITTEE**Paul Connor, MBA**

This year the Committee processed and provided several minor changes to the By-Laws of PGO for the consideration of Council and registrants, including a small reform of Council, its quorum, and other workings.

In addition we received and are applying extensive legal advice regarding the working of PGO Council Committees, and the policies applied to PGO governance, to bring them all to a better standard of practice.

A formal risk management policy and framework for the organization, based on best practices elsewhere, was developed and will be provided for Council's approval and passage to PGO staff for action.

Finally, we engaged in other extensive preparations for a planned third-party review of PGO's governance in coming months, including a literature scan of such reviews by other Self-Regulatory Organizations in Canada (SROs).

**DIVERSITY AND INCLUSION
COMMITTEE**

Mary-Anne Hildebrandt, P.Geol.

PGO believes in the importance of diversity and inclusion for everyone who wants to participate and engage with each other in the geoscience field and with the organization. In August 2020, an ad hoc committee was formed to determine PGO’s role and responsibility with respect to inclusion and diversity. The mandate of the Diversity and Inclusion Committee is to enhance PGO’s accountability in its mission of public safety, and to support PGO’s duty as self-regulatory organization to be transparent, objective, impartial and fair.

Highlights of the committee’s activities in 2020-2022 include:

- August 27, 2020 - D&I ad hoc Committee formed
- Q4 2020 - D&I ad hoc Committee Terms of Reference approved by Council
- Q1 2021 - Council endorses D&I position statement and action plan; PGO partners with Women Geoscientists Canada on mentorship fireside chat; PGO D&I website goes LIVE!
- Q2 2021 - PGO Annual Symposium kicks off with D&I-focused panel; PGO conducts D&I survey of registrants, staff, volunteers, and students to gain understanding
- Q3 2021 - PGO offered D&I training from the Canadian Centre for

Diversity and Inclusion to Council, committee members, volunteers, staff, and those involved in the mentorship program

- Q4 2021 - PGO offers first D&I training as part of the new Council orientation package; PGO Council votes to approve the dissolution of the ad hoc committee and the creation of the D&I Standing Committee; D&I Committee analyzed and presented the results to Council
- Q1 2022 - Hosted a Lunch and Learn for Staff, Council, and the D&I Committee to gain understanding from EGBC on their journey developing professional practice guidelines related to diversity, inclusion, and equity
- Q2 2022 - Prepared and released the 2021 D&I survey results to the Public; Developed a diversity and inclusion social media strategy for raising awareness on topics relevant to registrants; PGO Annual Symposium kicks off with a panel focused on Truth and Reconciliation; PGO obtained a one-year license to provide the 4 Seasons of Reconciliation online course as part of PGO's Continuing Professional Development program for its registrants

And the work continues...

To learn more about the PGO’s Diversity and Inclusion initiative, we encourage everyone to visit <https://www.pgo.ca/diversity-inclusion>

COMPLAINTS COMMITTEE**Douglas Cater, P.Geol.**

The Complaints Committee was active during the year, with the review of two (2) very complex natured Complaints known as C-135, C-136, C-138 (all being heard collectively as part of a larger complaint) and C-137. Preliminary review panels have been established and both complaints required Investigators to assist the review panels in obtaining additional details pertaining to the complaints. The complaints while confidential in nature are being reviewed using a panel format comprised of committee members and a Council representative.

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

DISCIPLINE COMMITTEE**T.A. Tammy Middleton, P.Geol.**

The Discipline Committee is responsible for hearing and determining cases of professional misconduct, negligence, or incompetence, brought against a registrant or certificate holder. Our 16 members include elected councillors, non-member appointee councillors, and geoscientists from the registration at large.

The Discipline Committee meets quarterly using telephone and web conferencing.

Committee executive positions are for two-year terms. My term as chair is ending in June 2022 and the selection of a new chair is underway. Two of our long-serving geoscientist registrants are retiring and exiting from the committee and I invite any interested geoscientists to apply for this rewarding volunteer committee.

A Disciplinary Panel concluded one case in September 2021 (C-134) and the Decision and Order document is posted on the PGO website.

Many thanks to the members of the Discipline Committee for their efforts over the past year, especially the panel members.

AUDIT COMMITTEE**Dennis Waddington, P.Geol.**

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-registrant PGO Councillors, PGO registrant Councillors and PGO registrant 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 2021 it met virtually on several occasions by conference call with and without the auditors and/or management to oversee the annual audit process of the 2020 financial statements. The new members who joined the committee in 2020 continued in their role through 2021 and into 2022. Bateman MacKay LLP, headquartered in Burlington with offices in Mississauga, is PGO's auditor. At the time of the writing, the audit of 2021 is essentially completed and the audited statements will be presented to Council at its May meeting.

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 2021/2022, 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 2021/2022 include:

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- Submitted formal comments on the MECP proposed Land Use guidelines.
- Submitted formal comments on the MECP proposed ECA exemptions.
- Provided minor updates to the committee Terms of Reference.
- Made recommendations for FGC candidates.
- Saw two members retire and took on three new members.
- Participated in the PGO ad-hoc Climate Change committee.

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

GEOLOGY SUBCOMMITTEE

Mary-Anne Hildebrandt, P.Geol.

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 General Professional Practice Guidelines for Economic Geologists provides guidance to Professional Geoscientists (i.e., the “P.Geol.”) 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 modeling. These guidelines also provide guidance to 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.

GEOPHYSICS SUBCOMMITTEE

Luc Lafrenière, P.Geol., géol.

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.Geol.

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 2021, the subcommittee activities were focused on continued engagement with the Ministry of Northern Development, Mines, Natural

Resources and Forestry (NDMNR) to review and update the provincial flooding and erosion hazard assessment guidelines for rivers, streams, and shorelines.

Recommendations for updates to the provincial guidelines were originally submitted by the subcommittee in March 2020, with follow-up correspondence submitted in January 2021 and several consultation meetings with Ministry staff.

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

**PGO REPRESENTATION ON NATIONAL COMMITTEES - GEOSCIENTISTS CANADA ("GC")
Christine Vaillancourt, P.Geol.**

Geoscientists Canada (GC) exists to serve the profession of geoscience and to act as an umbrella organization for geoscience regulatory bodies across Canada, providing a forum for discussing issues of mutual concern and common interest. It celebrated its 25th Anniversary in 2021, producing the Geoscientists Canada 25 Year History video.

Current provincial and territorial members are the geoscience regulators for British Columbia, Northwest Territories and Nunavut, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia

and Newfoundland. One of its most important functions is to generate tools and guidelines to facilitate alignment of items such as registration, assessment or evaluation of continuous professional development in order to stive for consistent, fair, transparent, and therefore defensible processes and practices. It also acts as a touchstone with international interest groups.

Recent accomplishments of Geoscientists Canada include the development of Canadian or equivalent Work-Environment Experience Competencies as part of the registration process; the licensing of the Geologize Ltd. Practical Geocommunication Course, an invaluable CPD opportunity available for free to all PGO registrants including GITs and students (mmiguel@pgo.ca for access code); the release of the Engineers Canada/Geoscientists Canada Equity, Diversity, and Inclusion for Engineers and Geoscientists free 1 hour course CPD opportunity; and the development of the soon to be released Geoscientists Canada Ethical Considerations in the Professional Practice of Geoscience document.



RECOGNITION OF 2021 CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAM SPEAKERS, SPONSORS, CONFERENCE PLANNING COMMITTEE, REGIONAL COUNCILLORS AND MENTORS

Marilen Miguel, CAE, Director of Stakeholder Relations

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. We also acknowledge our Regional Councillors who worked alongside our Deputy Registrar, Eilidh Lewis, P.Geo. in our outreach to universities across Ontario. Thank you for greatly helping us in implementing a successful CPD program. We did it again!

2021 Outreach – PGO Regional Councillors

Mark Goldie, P.Geo.
Claire Milloy, P.Geo.
David Leng, P.Geo.
Pizye Nankamba, P.Geo.

2021 PGO Networking Event

Co-hosted by Pizye Nankamba, P.Geo., North West Regional Councillor and Tafa Gomwe, P.Geo., North East Regional Councillor
Guest speakers: Jim Gallagher, P.Eng. and Abraham Drost, M.Sc., P.Geo., Clean Air Metals

2021 PGO Webinars

Imshun Je, P.Geo., Maureen Jensen, P.Geo., Jenna McKenzie, P.Geo. and Farzaneh Farahani, P.Geo.
Mentoring: A Pathway to Bridge the Gender gap

Jordan Brennan, PhD, Insurance Bureau of Canada
Preparing for the 'Big One': Policy Solutions for a Catastrophic Quake in Canada

Reno Pressacco, P.Geo., Luke Evans, P.Eng. and John Postle, P.Eng. (Non-practising), SLR Consulting
Reasonable Prospects for Eventual Economic Extraction

Matthew Graham, M.Sc., P.Geo., Environment and Climate Change Canada
Randle Reef Sediment Remediation Project - Overview and Selected Geoscience Aspects

Avneet Jaswal and Rebecca Rossi, Fasken
Mandatory Vaccination Policies: Considerations for Employers

Craig Waldie, P.Geo. and James Whyte, P.Geo., Ontario Securities Commission
Securities Legislation for Geoscientists: What's Left When You Tear 43-101 Out of the Blue Book

2021 PGO Virtual Symposium - Conference Planning Committee

Mark Priddle, P.Geo., Chair

Paul Hubley, P.Geo.

Kristina Small, P.Geo.

James Whyte, P.Geo.

Kristin Hanson, P.Geo.

Imran Khan, P.Geo.

Andrea Waldie, P.Geo.

Tony Andrews, PhD

Robert Hearst, P.Geo.

Roger Phillips, P.Geo.

Craig Waldie, P.Geo.

Marilen Miguel, CAE

Mary-Anne Hildebrandt, P.Geo.

2021 PGO Virtual Symposium - Sponsors

Partner Sponsor - TD Insurance
Meloche Monnex

Associate Sponsors - Hub International and Manulife

Contributors - World Education Services (WES)

2021 PGO Virtual Symposium - Panel Session Chairs and Speakers

Panel Session A: Avoiding Disaster - The Case for Building a Stronger Future by Including Diversity in Decision Making
Session Chairs: Kristin Hanson, P.Geo. and Mary-Anne Hildebrandt, P.Geo.

Shastri Ramnath, P.Geo., CEO & President of Exiro Minerals Corp., Co-founder Orix Geoscience

Siri Genik, Principal and Founder
BRIDGE ©

Panel Session B - Risky Business: A Changing Paradigm of Managing Risks in a Changing World

Session Chairs: Paul Hubley, P.Geo. and Imran Khan, P.Geo.

Giuseppe di Capua, Treasurer and Co-Founder of International Association for Promoting Geoethics (IAPG) (Italy)

Joanna Eyquem, P.Geo. CWEM, CEnv - Director, Climate Programs - Intact Centre for Climate Adaptation

Joel Gill, Ph.D., Founder and Executive Director, Geology for Global

Development (GfGD) and International Development Geoscientist, British Geological Survey (UK)

Sean Carey, Ph.D., McMaster University, Director of Watershed Hydrology Group

**Panel Session C - Resource
Management: Infinite Wants and
Minimal Wastes**

Session Chairs: Jim Whyte, P.Geo. and
Kristina Small, P.Geo.,
Pravina Singh, P.Eng., Group Leader,
SNC-Lavalin Inc.
Nic Bilham, University of Exeter
Business School, Camborne School of
Mines, Geology for Global Development
Richard Gerber, P.Geo., Senior
Hydrogeologist, Co-Program Manager,
Oak Ridges Moraine Groundwater
Program
James Whyte, P.Geo., Ontario Securities
Commission

**Panel Session D - Innovation in
Geoscience: Implications of Emerging
Technologies and Their Applications**

Session Chairs: Mark Priddle, P.Geo. and
Tony Andrews, PhD
Gregory Bowes, P.Geo., Chief Executive
Officer, Northern Graphite
Rebecca Montsion, GIT, PhD Candidate
at Laurentian University's Mineral
Exploration Research Center
Steve Holysh, P.Geo., Senior
Hydrogeologist, Co-Program Manager,
Oak Ridges Moraine Groundwater
Program
Nicholas Kinar, Centre for Hydrology of
University of Saskatchewan, Global
Institute for Water Security

**Thank you for committing to support
future geoscientists!**

Hrayr Agnerian
Mark Goldie
Bill Leedham
Reno Pressacco
Nataliya Tkach
Khaled Ali

Paul Hubley
David Leng
Joy Rutherford
Hernan Ugalde
Dave Benson
Mary-Anne Hildebrandt
Neil McCallum
Daina Marie Schreiber
Jody Vaillancourt
April Bertrand
Nicole Januszczak
Patricia Meyer
Noelle Shriver
Rhoneke Van Riezen
Jessica Borysenko
Imshun Je
Michael Michaud
Michael Stendzis
Ryan Weston
Melissa Bunn
Tanya Kamphern Martin
Phil Moodle
Sonja Strynatka
Valerie Wilson
David Burga
Luis Lasso
Christopher Nielsen
Paul Teniere
Michelle Zehr
Greg Collins
Christopher Lawley
Christine Petch
Henrik Thalenhorst

*Mentors' list includes past and present
mentors.*



**2021
Audited
Year-End
Financial
Statements**



ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO
(Operating as Professional Geoscientists Ontario)
Audited Financial Statements
Year Ended December 31, 2021

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

(Operating as Professional Geoscientists Ontario)

Index to Audited Financial Statements

Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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, 2021, 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, 2021, 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
June 16, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

(Operating as Professional Geoscientists Ontario)

Audited Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 1,321,459	\$ 1,139,014
Short term investments (Note 2)	209,637	207,070
Membership fees receivable (Note 3)	213,660	246,557
Prepaid expenses	29,449	27,004
	1,774,205	1,619,645
PROPERTY AND EQUIPMENT (Note 4)	19,044	27,873
RESTRICTED RESERVE FUND INVESTMENTS (Note 2)	1,001,031	1,001,031
	\$ 2,794,280	\$ 2,648,549
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 107,610	\$ 57,087
HST and payroll taxes payable	156,700	146,645
Deferred membership dues revenue (Note 5)	1,235,969	1,206,602
	1,500,279	1,410,334
NET ASSETS		
Operating fund (unrestricted) (Note 6)	292,970	237,184
Contingency reserve fund (internally restricted) (Note 6)	878,940	878,940
Strategic initiatives fund (internally restricted) (Note 6)	122,091	122,091
	1,294,001	1,238,215
	\$ 2,794,280	\$ 2,648,549

LEASE COMMITMENTS (Note 7)

ON BEHALF OF THE BOARD



Marco F. Simone

Councillor

[Signature]

Councillor

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, 2021**

	2021	2020
REVENUE		
Membership dues	\$ 1,221,648	\$ 1,172,912
Registration fees	86,760	76,560
Advertising and sponsorship	32,187	2,279
Continuing professional development event fees	16,959	25,710
Exam fees	5,503	5,350
Interest earned	2,567	7,664
Stamps and seals	2,125	1,225
	<u>1,367,749</u>	<u>1,291,700</u>
EXPENSES		
Administrative wages and benefits	658,048	589,813
Legal, professional and government relations	160,803	118,147
CCPG (Geoscientists Canada) membership	112,883	100,065
Occupancy costs	112,785	110,661
Website	57,270	35,581
Interest, credit card and bank charges	43,810	37,033
Office and general	40,478	73,086
Accounting and audit	39,250	39,560
Examination services	26,318	6,485
Liability insurance	19,494	18,818
Communication	16,569	13,643
Amortization	12,440	11,780
Professional development	6,090	6,894
Stamps, seals, cards and certificates	2,853	2,554
Travel and accommodation	2,220	12,319
Member meetings	350	112
Donations	203	5,200
Advertising and promotion	99	500
	<u>1,311,963</u>	<u>1,182,251</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 55,786</u>	<u>\$ 109,449</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, 2021

	Operating Fund (unrestricted)	Contingency Reserve Fund (Internally Restricted)	Strategic Initiatives Fund (Internally Restricted)	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 237,184	\$ 878,940	\$ 122,091	\$ 1,238,215	\$ 1,128,766
EXCESS OF REVENUE OVER EXPENSES	<u>55,786</u>	-	-	<u>55,786</u>	<u>109,449</u>
NET ASSETS - END OF YEAR	<u>\$ 292,970</u>	<u>\$ 878,940</u>	<u>\$ 122,091</u>	<u>\$ 1,294,001</u>	<u>\$ 1,238,215</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 Cash Flows****Year Ended December 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 55,786	\$ 109,449
Item not affecting cash:		
Amortization	<u>12,440</u>	11,780
	<u>68,226</u>	<u>121,229</u>
Changes in non-cash working capital:		
Membership fees receivable	32,897	(25,232)
Prepaid expenses	(2,445)	(6,845)
Accounts payable and accrued liabilities	50,523	(2,100)
HST and payroll taxes payable	10,055	(5,865)
Deferred membership dues revenue	<u>29,367</u>	<u>53,253</u>
	<u>120,397</u>	<u>13,211</u>
Cash flow from operating activities	<u>188,623</u>	<u>134,440</u>
INVESTING ACTIVITIES		
Purchase of equipment	(3,611)	(18,822)
Sale (purchase) of short term investments - net	<u>(2,567)</u>	<u>(7,664)</u>
Cash flow used by investing activities	<u>(6,178)</u>	<u>(26,486)</u>
INCREASE IN CASH FLOW	182,445	107,954
Cash - beginning of year	<u>1,139,014</u>	<u>1,031,060</u>
CASH - END OF YEAR	\$ 1,321,459	\$ 1,139,014

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, 2021

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.

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, 2021

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>2021</u>	<u>2020</u>
<u>Short term investments</u>		
Money market mutual funds	\$ 209,637	\$ 207,070
<u>Restricted reserve fund investments</u>		
Money market mutual funds	<u>1,001,031</u>	<u>1,001,031</u>
	<u>\$ 1,210,668</u>	<u>\$ 1,208,101</u>

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO
(Operating as Professional Geoscientists Ontario)

Notes to Audited Financial Statements
Year Ended December 31, 2021

3. MEMBERSHIP FEES RECEIVABLE

Both newly accepted members and continuing members are expected to pay membership fees by January 1, 2022 for the upcoming fiscal 2022 year. As APGO accepts members prior to the upcoming year, unpaid fees are recorded as member fee receivable as at December 31, 2021 until payment is received in fiscal 2022. On December 31, 2021, the number of fee paying members was 3,302 (2020 - 3,161), and the number of applications for memberships that were in process of approval was 74 (2020 - 73). Out of the \$213,660 total membership fees receivable at the end of the year, \$179,204 reflect members that have not paid the 2022 fees as at December 31, 2021.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value
Computer equipment	\$ 82,258	\$ 73,136	\$ 9,122
Furniture and fixtures	46,219	38,274	7,945
Computer software	15,750	14,711	1,039
Telephone system	7,833	6,895	938
	\$ 152,060	\$ 133,016	\$ 19,044

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

5. DEFERRED MEMBERSHIP DUES REVENUES

The balances in the deferred revenue account is comprised of membership fees billed in October 2021 for calendar 2022 membership dues. The full amount of memberships billed at the end of the year is deferred and will be included as revenue 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, 2021

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 2022 is \$9,399 per month or \$103,386 for the year.

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

2022	\$ <u>53,934</u>
------	------------------

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, 2021.

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. The Association has a significant number of customers which minimizes concentration of credit risk. There has been no change to the risk exposures from 2020.

The allowance for doubtful accounts at December 31, 2021 is \$nil (2020 - \$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 2020.

(continues)

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

(Operating as Professional Geoscientists Ontario)

Notes to Audited Financial Statements

Year Ended December 31, 2021

8. FINANCIAL INSTRUMENTS *(continued)*

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 2020.