

Canadian Foundation for Geotechnique La Fondation canadienne de géotechnique

July 1, 2006 – June 30, 2007

ANNUAL REPORT



Corporation Number 221986-7-M
Business Number 89155 8793 RR0001

Canadian Foundation for Geotechnique is a registered charitable organization. It is Federally incorporated, was issued Letters Patent by Consumer and Corporate Affairs Canada on July 23, 1987, and was granted a “tax exempt” status by Revenue Canada under the Income Tax Act on January 1, 1988. The Canadian Foundation for Geotechnique was issued a supplementary Letters of Patent on Dec. 21, 2000.

EXECUTIVE FOR 2006-2007

President	K. Tim Law, Ph.D., P.Eng.
Vice President	Doug VanDine, P.Eng., P.Geo.
Past President	Michael Bozozuk, Ph.D., P.Eng.
Treasurer	David Harding, P.Eng.
Secretary	Harry Baker, P.Eng.

COMMITTEES

Investment Committee

Chairman	Ray Benson, Ph.D., P.Eng.
Ex Officio Member	Michael Bozozuk,
Member	David Harding

Fund Raising Committee

Chairman	Doug VanDine
Ex Officio Member	K. Tim Law,
Member	Jacques Locat, Ph.D., P.Eng.
Member	M.A.J. (Fred) Matich, P.Eng.
Member	Bachir Nadir Toulieb, Ph.D., P.Eng.
Member	Ryan Phillips, Ph.D., P.Eng.

MEMBERS OF THE BOARD OF TRUSTEES

1. Shaheen Ahmad Etobicoke, Ontario
2. Harry Baker Ottawa, Ontario (Secretary)
3. Kevin Biggar Edmonton, Alberta
4. Raymond Benson Delta, British Columbia
5. Mike Bozozuk Ottawa, Ontario (Past President)
6. Robert Chapuis Montreal, Quebec
7. David Harding Carp, Ontario (Treasurer)
8. Henrik Kristiansen Burnaby, British Columbia
9. K.T. (Tim) Law Ottawa, Ontario (President)
10. Guy Lefebvre Sherbrooke, Quebec
11. Jacques Locat Quebec, Quebec
12. M.A.J. (Fred) Matich Islington, Ontario
13. Ryan Phillips St. John's, Newfoundland
14. Bachir Nadir Touileb Montreal, Quebec
15. Doug VanDine Victoria, British Columbia (Vice-President)

REPORT OF THE PRESIDENT

K. Tim Law

The Canadian Foundation for Geotechnique/La Fondation canadienne de geotechnique (Foundation) is a registered charitable organization independent of the Canadian Geotechnical Society (CGS). Its mission is to recognize and foster excellence in the geotechnical field in Canada by funding the awards, prizes and distinguished lectures of the CGS.

Changes in the Board of Trustees

A volunteer Board of Trustees and Executive Committee run the Foundation. The Board of Trustees is made up of 15 members. This past year Peter Wu stepped down to become the CGS President and Jack Mollard stepped off the Fund Raising Committee and the Board after many years of loyal service. New replacement members include Ahmad Shaheen (Shaheen & Peaker, Etobicoke) and Henrik Kristiansen (AMEC, Burnaby).

CGS Awards

Last year, the Foundation provided honoraria for two Graduate student Presentation Awards and four Undergraduate Student Report Awards, funded towards the CGS award plaques and certificates, and financed the annual Canadian Geotechnical Colloquium. In addition, the Foundation provided the cost of the Legget Silver Medal (struck by the Royal Canadian Mint), the most prestigious CGS Award. The 2006 Medal was presented to Dr. Owen White, formerly of the University of Waterloo and Ontario Geological Survey, in October 2006 at the 59th Canadian Geotechnical Conference in Vancouver.

The Foundation through the generosity of the co-sponsors pays the airfare of the speakers for two Cross-Canada Lecture Tours organized by the CGS. The 2007 Spring Tour conducted by Professor Andrew Whittle, MIT, was co-sponsored by BGC Engineering; EBA Engineering; Jacques Whitford, and Reinforced Earth Company Ltd. The 2007 Fall Tour will be conducted by Dr. Paul Mayne, Georgia Institute of Technology, and will be co-sponsored by BGC Engineering, Jacques Whitford, JD Mollard and Associates, and Reinforced Earth Company Ltd.

We are grateful that AMEC Earth and Environmental, EBA Engineering and Jacques Whitford have already agreed to be co-sponsors of the 2008 tours.

Finances

David Harding, Treasurer, reported that the financial situation of the Foundation continues to strengthen, with over \$310,000 in current assets against approximately \$115,000 in current liability (loans and accounts payable). The total revenue for 2006 was \$60,011 representing an increase of 26% over the previous year. This increase of revenue is due to the generous

support from sponsors for the Cross Canada Lecture Tours, local geotechnical groups, individual CGS members and from the returns of the investment.

Dr. Ray Benson, Chairman of the Investment Committee, reported the investment fund has increased modestly by 11% since the last reporting to a level of \$177,718.

Fundraising

The fundraising effort is described in detail by Doug VanDine in his Fundraising Committee Report. We have received enthusiastic and generous support to the Cross Canada Lecture Tours. We have also received strong response from long-time individual supporters of the Foundation and some Sections of the CGS. It is our desire that more individual CGS members will recognize the excellence of our Canadian geotechnique and partake in the effort of furthering it.

New Initiatives

To further the mission of the Foundation, the Executive and the Board of Trustees have decided to establish the Canadian Foundation for Geotechnique National Graduate Scholarship effective 2008. The scholarship will have a value of \$5,000 and be awarded annually to a Canadian graduate student in the field of geotechnical and related fields. For more information on this scholarship, please check our website (www.cfg-fcg.ca). A trust of \$100,000 is being set up to sustain this scholarship. We are delighted to report as of to date (end of July), we have already received about \$10,000 for the trust from the Southern Ontario Section of CGS, Prof. N. Morgenstern and Athlone Vanier Fellowship residual.

The honorarium for the Canadian Geotechnical Colloquium has been for the past 30 years set at \$2,500. The Foundation will increase it to \$5,000 starting in 2008.

Our website (www.cfg-fcg.ca) is now in operation. The website allows easy access for browsers to get better acquainted with the Foundation.

Acknowledgements

We are deeply grateful to all the individuals, organizations and corporations who have generously contributed to the Foundation to promote excellence in Canadian geotechnique. The perspiration and inspiration of the dedicated Executive, Michael Bozozuk (Past President), Doug VanDine (V.P.), Harry Baker (Secretary), and David Harding (Treasurer), have been vital to the Foundation in fulfilling its mandate. Thank you very much from the bottom of my heart.

K. Tim Law
President

TREASURER'S REPORT

January 1, 2006- December 31, 2006

David Harding

It is my pleasure to provide a short report on the financial situation of the Canadian Foundation for Geotechnique/La Fondation Canadienne de Geotechnique for the fiscal year ending December 31, 2006. I would like to thank the Board of Trustees for their efforts in ensuring that the affairs of the Foundation continue to be well-managed.

I am pleased to report that the financial situation of the Foundation continued to strengthen through FY2006. Fundraising and sponsorship activities continue to be active, which has helped the Foundation achieve its financial objectives for 2006. The following are highlights of the attached financial statements for FY2006:

- 1) Financial stability of the organization is good, with \$310,817 in current assets against approximately ~~\$115,881~~ ^{\$ 115,851} in current liabilities (loans & accounts payable). Net assets at December 31, 2006 were \$194,966, representing an increase of 20% over the previous year.
- 2) The loan payable to CGS (\$100,000) is in place, with a term extending to February 2011. The loans payable to The Ottawa Geotechnical Group (\$10,000), and the Geotechnical Society of Edmonton (\$5,000) continue to help with the Foundation's financial stability, both with indefinite terms.
- 3) Total revenue for 2006 was \$60,011, which represents an increase of 26% over the previous year, and exceeds the 2006 budget expectation by 100%. A net gain of \$15,571 on the Foundation's investments contributed to the increase in revenues. Donations from individuals and organizations totaled \$13,835, up slightly from 2005, and above the 2006 budget expectations (\$9,000). Included in this amount are contributions from the Winnipeg and Saskatoon CGS annual conferences, and the final installment from the closure of the Athlone-Vanier Engineering Fellowships. Cross-Canada Lecture Tour sponsorships were \$27,500, which is 83% above the 2006 budget. Revenue from interest, dividends and net gain on investments for 2006 was \$18,676.
- 4) In 2006, the CCLT Reserve Fund reached its cap of \$20,000 with any additional sponsorship monies being transferred to the General Fund. A Scholarship Reserve Fund was created in 2006 to help with the establishment of the CFG Graduate Student Scholarship. At the end of 2006, the Scholarship Reserve Fund held \$5,350.
- 5) Expenses for the year were \$27,211, up 19% from the previous year but within the 2006 budget of \$29,800. The increased expenses relative to the previous year reflect additional costs for the CCLT and CGS awards. In addition, costs were incurred to develop the CFG's website (www.cfg-fcg.ca) and for a promotional banner.

- 6) The overall result was a net surplus for the year of approximately \$32,800, well above the budgeted income of \$200. This has resulted in a significant improvement in the overall financial position in the Foundation over the past year.

David Harding
Treasurer

FUND RAISING COMMITTEE

Doug VanDine

Administration

The committee members for 2006/2007 were Doug VanDine (Chair), Fred Matich, Jacques Locat, Ryan Phillips, Bachir Toulieb and Tim Law (as Foundation President).

Over the past two years, Ryan Phillips has replaced Jack Clark, and Bachir Toulieb has replaced Jack Mollard on this committee.

A committee conference call is scheduled for early July. The prime agenda item will be funding of the proposed "Canadian Foundation for Geotechnique National Graduate Scholarship". Otherwise the committee communicated by email.

Doug VanDine thanks and acknowledges the time and effort the committee members, past and present, who have contributed to this committee.

Actions

In past years in the fall of each year, the Foundation has included a letter, to all Canadian Geotechnical Society members, along with the CGS membership renewal notice, soliciting individual member donations to the Foundation. In the fall of 2006, the CGS changed to on-line membership renewal for 2007. And although the CGS on-line membership renewal process allowed for on-line donations to the Foundation, it was noted that fewer Foundation donations were received in the first few months of 2007 than in past years.

As a result, in the spring of 2007 the Foundation mailed approximately 170 letters soliciting donations. These letters were sent to selected CGS members (who had previously made a donation to the Foundation, but who had not yet done so this year), award winners and special lecturers.

In the fall of 2006, letters were sent to the organizing committees of the 2005 Landslide Risk Management Conference and the 2006 Canadian Geotechnical Conference suggesting those committees should consider making donations to the Foundation from the profits of their respective conferences. In the spring of 2007, the Organizing Committee of OttawaGeo 2007 (Ottawa – the CGS Annual Conference in 2007) was contacted to remind them of the activities and contributions of the Foundation to its conference.

In February 2007, approximately 40 letters were mailed out to potential English-speaking geotechnical corporate sponsors for the 2007 CGS Cross Canada Lecture Tours, and beyond. A similar letter, to potential French-speaking geotechnical corporate sponsors is proposed to be sent in the fall of 2007.

Successes to date (end of May, 2006)

As yet, there has been no response from the organizing committees of the 2005 Landslide Risk Management Conference and the 2006 Canadian Geotechnical Conference. From past solicitations, however, in the spring of 2007 the Southern Ontario Section of the CGS made a \$5,000 donation to the Foundation. The intent of the donation from this section will be that it becomes the first contribution to the "Canadian Foundation for Geotechnique National Graduate Scholarship" fund.

Canadian geotechnical corporations very quickly and very generously came forward to support the CGS Cross Canada Lecture Tour for 2007 and beyond. Each CCLT sponsorship is worth \$2,500. The corporate sponsors are:

- Spring 2007: BGC Engineering; EBA Engineering; Jacques Whitford and Reinforced Earth
- Fall 2007: BGC Engineering, Jacques Whitford, JD Mollard and Associates, and Reinforced Earth
- Spring 2008: AMEC Earth and Environmental, EBA Engineering and Jacques Whitford
- Fall 2008: AMEC Earth and Environmental

It is too early to determine the affect of the letter sent to CGS members who are past contributors, award winners and special lecturers.

Doug VanDine,
Vice President

INVESTMENT COMMITTEE REPORT

Ray Benson

Scotia McLeod continues administer the investment account of the Foundation. The monies remain invested in a mix of Canadian, US and International bonds and equities. It is currently fully held in the Russell Lifepoints Balanced Growth Portfolio, B-302.

The fund has increased by about 11% since the last reporting for 2005/2006 to a level of \$177,718 currently. This is a solid improvement over the last year. At present it is intended that the monies remain fully invested in the current fund. As a balanced portfolio it reflects a reasonable expectation for global growth over the next year.

Scotia McLeod prepares quarterly reports, with copies being sent to the President, Treasurer and Chairman of the Investment Committee

Ray Benson,
Chairman

APPENDIX A

DONATIONS RECEIVED FROM INDIVIDUALS & ORGANIZATIONS

2006

Donations, \$1,000 or more:

56th CGS Conference, Winnipeg
58th CGS Conference, Saskatoon
Norbert Morgenstern

Donations, \$500 or more:

Suzanne Lacasse
K. Tim Law

Donations, \$100 or more:

Athlone-Vanier Engineering Fellowships
Michel Aubertin
Harry Baker
Robert Cameron
Cascade Engineering Ltd.
Robert Chapuis
Bengt Fellenius
Herbert Gilchrist
David Harding
T. Edward Hoeve
Earle Klohn
K.Y. Lo
Norm MacCammon
M.A.J. (Fred) Matich
MDH Engineered Solutions Co. Ltd.
J.D. Mollard & Associates Ltd.
Harry Oussoren
Lionel Peckover
Sarafinchin Associates Ltd.
John Seychuk
Julie Shang
Victor Sowa
E.M. Taylor
Urkkada Technology Ltd.
Doug VanDine

Other Donations:

Benson Engineering Inc.

Lisa Coyne

Bill Demers

Frederico Fernandez

Liam Finn

Robert Frederking

Geo-Canada Ltd.

Lorne Gold

Jim Graham

I.M. Idriss

Michel Jaboyedoff

Aaron Levine

Dan Lovbakke

Mamert Mbonimpa

Cameran Mirza

Vince O'Shaughnessy

Gilles Seve

Richard Trimble

APPENDIX B
CORE SUPPORT/SPONSORS
2006

Sponsors/Co-sponsors for Cross-Canada Lecture Tours

EBA Engineering Consultants
Geo-Slope International
Golder Associates
Jacques Whitford
Klohn Crippen Berger
O'Connor Associates
Thurber Engineering Ltd.
Worley Parsons Komex

APPENDIX C

AUDITOR'S REPORT

January 1, 2006 - December 31, 2006

AUDITOR'S REPORT

To the Board of Directors

I have audited the Balance Sheet of the Canadian Foundation for Geotechnique, La Fondation Canadienne de Geotechnique, as at December 31, 2006, the Statement of Operations and Changes in Net Assets, and Statement of Fund Allocation of Net Assets for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Canadian Foundation for Geotechnique / La Fondation Canadienne de Geotechnique, derives revenue in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization, and I was unable to determine whether any adjustments might be necessary to donation revenues, excess of expense over revenues, fund balance end of year, and assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of revenue from donations as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Canadian Foundation for Geotechnique / La Fondation Canadienne de Geotechnique, as at December 31, 2006 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Bradford, Ontario
August 15, 2007



Robert Adam
Chartered Accountant

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE**

BALANCE SHEET

	As at December 31,	
	<u>2006</u>	<u>2005</u>
ASSETS		
Current Assets:		
Cash	\$74,344	\$57,831
Short term investments and securities (Note 2)	236,473	220,407
	<u>\$310,817</u>	<u>\$278,238</u>
	=====	=====
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued liabilities	\$851	\$1,072
Loans payable (Note 3)	115,000	115,000
	<u>115,851</u>	<u>116,072</u>
	-----	-----
Net Assets, represented by:		
Cross Canada Lecture Tour Reserve Fund (Note 4)	20,000	11,865
Scholarship Reserve Fund (Note 5)	5,350	-
General Fund	169,616	150,301
	<u>194,966</u>	<u>162,166</u>
	<u>\$310,817</u>	<u>\$278,238</u>
	=====	=====

The accompanying notes are an integral part of these statements

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	For the year ended December 31,	
	<u>2006</u>	<u>2005</u>
Revenue		
Unrestricted:		
Donations	\$6,078	\$8,068
Corporate sponsorships	7,757	5,444
Interest, dividends and net gain on investments	18,676	11,702
Restricted (Note 4) :		
Sponsorships - Cross Canada Lecture Tour	27,500	22,500
	<u>60,011</u>	<u>47,714</u>
 Expenses		
Cross Canada Lecture Tour	12,658	10,635
Awards and prizes	7,664	5,661
Colloquium	2,500	3,500
Student travel	-	1,000
Travel - Executive	787	-
Professional fees	784	772
Director's office	297	696
Office and General	2,447	338
Bank charges and interest expense	74	152
Licence fees	-	133
	<u>27,211</u>	<u>22,887</u>
 Excess of revenue over expense	<u>32,800</u>	<u>24,827</u>
 Net assets, beginning of year	<u>162,166</u>	<u>137,339</u>
 Net assets, end of year	<u><u>\$194,966</u></u>	<u><u>\$162,166</u></u>

The accompanying notes are an integral part of these statements

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE**

STATEMENT OF FUND ALLOCATION OF NET ASSETS

	For the year ended December 31,	
	<u>2006</u>	<u>2005</u>
Total Net Assets, represented by:		
General Fund		
Opening balance	\$150,301	\$137,339
Net activity during the year	19,315	12,962
Closing balance	169,616	150,301
Cross Canada Lecture Tour Reserve Fund (Note 4)		
Opening balance	\$11,865	\$ -
Contributions	27,500	22,500
Expenditures	(12,658)	(10,635)
Transfer to General Fund	(6,707)	-
Closing balance	20,000	11,865
Scholarship Reserve Fund (Note 5)		
Opening balance	\$ -	\$ -
Contributions	5,350	-
Expenditures	-	-
Closing balance	\$5,350	\$ -
Total Net Assets	\$194,966	\$162,166

The accompanying notes are an integral part of these statements

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE**

NOTES TO FINANCIAL STATEMENTS

1. Purpose of the Organization:

The organization solicits and acquires contributions to be used solely to provide funding for Geotechnical Awards and Prizes recommended by the Canadian Geotechnical Society, establish funding for geotechnical scholarships, support specialized research, support the Geotechnical Research Board (GRB) , and provide funding for cross-Canada lecture tours. The organization is incorporated under the Canada Business Corporations Act, and is a registered Canadian charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. Significant accounting policies:

These financial statements are prepared on the accrual basis.
Short term investments are recorded at market value.

3. Loans payable:

This consists of three separate loan agreements with other non-related corporations. One loan is in the amount of \$100,000 (2005 - \$100,000) , and is interest-free, unsecured, and is due on demand under terms extending to February 18, 2011. The second loan is in the amount of \$10,000 (2005 - \$10,000) and is interest-free, unsecured, and is due within 30 days of demand, for an unspecified term. The third loan is in the amount of \$5,000 (2005 - \$5,000) and is interest-free, unsecured, and is due within 30 days of demand, for an indefinite term.

4. Cross Canada Lecture Tour Reserve Fund:

By resolution of the Board of Directors dated September 20, 2005, with effective date as of January 1, 2005, the Board has designated that activity related to the Cross Canada Lecture Tour, both donations and expenditures against those donations, be reported on the financial statements in a segregated manner. There is no actual requirement to maintain physically segregated assets for the reserve fund. For accounting purposes, the Board has directed that this reserve fund be capped with a maximum balance of \$20,000, an allocation to the general fund will be made annually if this fund exceeds the capped amount. The stated objective of the Board of Directors is that this segregated reporting of a reserve Fund specific to the Cross Canada Lecture Tour is for purposes of demonstrating the Organization's commitment to continuance of this activity, and to provide information on the specific revenues raised and expenditures made towards this objective.

5. Scholarship Reserve Fund:

By written direction of the Board of Directors, with effective date of January 1, 2006, a reserve fund has been established for purposes of designating funds for use for the purpose of providing educational assistance in the field of geotechnical science and related disciplines. Initial funding has been established at \$5,350 for 2006. No expenditures were made against this reserve fund in 2006. The Board of Directors will establish future funding and expenditure criteria in 2007.