

**Canadian Foundation for Geotechnique
La Fondation canadienne de géotechnique**

July 1, 2007 – June 30, 2008

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 2007-2008

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. (to 31 October 2007) Michael Bleakney, P. Eng. (after 1 November 2007)

COMMITTEES

Investment Committee

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

Fund Raising Committee

Chairman	Doug VanDine, P.Eng., P.Geo.
Ex Officio Member	K. Tim Law, 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.
Member	Jacques Locat, Ph.D, ing (to 31 December 2007)

MEMBERS OF THE BOARD OF TRUSTEES

Harry Baker	Ottawa, ON	(2004) Secretary to 31 Oct 2007
Kevin Biggar	Edmonton, AB	(2008)
Michael Bleakney	Ottawa, ON	(2007) Secretary from 1 Nov 2007
Raymond Benson	Delta, BC	(2007)
Michael Bozozuk	Ottawa, ON	(2008) Past President
Robert Chapuis	Montréal, QC	to June 30, 2007
David Harding	Carp, ON	(2008) Treasurer
Henrik Kristiansen	Burnaby, BC	(2007)
KT (Tim) Law	Ottawa, ON	(2008) President
Jean-Marie Konrad	Québec, QC	(2008)
Guy Lefebvre	Sherbrooke, QC	to December 31, 2007
Jacques Locat	Québec, QC	to December 31, 2007
MAJ (Fred) Matich	Islington, ON	(2008)
Ryan Phillips	St John's, NL	(2006)
Ahmad Shaheen	Etobicoke, ON	(2006)
Bachir Nadir Toulieb	Montréal, QC	(2006)
Jean-Pierre Tournier	Montréal, QC	(2008)
Arun Valsangkar	Fredericton, NB	(2008)
Doug VanDine	Victoria, BC	(2008) Vice-President (Beginning of current term)

REPORT OF THE PRESIDENT

K. Tim Law

The Canadian Foundation for Geotechnique/La Fondation canadienne de géotechnique (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 Harry Baker (formerly National Research Council), Robert Chapuis (École Polytechnique de Montréal), Jacques Locat (Université Laval), and Guy Lefebvre (Université de Sherbrooke) have retired from the Board after many years of faithful service. We are delighted that the following have kindly consented to serve in the Board: Michael Bleakney (Public Works and Government Services Canada), Jean-Marie Konrad (Université Laval), Jean-Pierre Tournier (Hydro-Québec) and Arun Valsangkar (University of New Brunswick). Bleakney is now the new Secretary of our Foundation.

Canadian Geotechnical Society (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 2007 Medal was presented to Dr. Suzanne Lacasse, former President of CGS and Managing Director of Norwegian Geotechnical Institute, in October 2007 at the Diamond Jubilee Conference in Ottawa.

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 Fall Tour conducted by Dr. Paul Mayne, Georgia Institute of Technology, was co-sponsored by BGC Engineering, Jacques Whitford, JD Mollard and Associates, and Reinforced Earth Company Ltd. The 2008 Spring Tour by Professor Michel Aubertin, École Polytechnique de Montréal, was co sponsored by AMEC Earth and Environmental, EBA Engineering, Jacques Whitford, and JD Mollard and Associates.

Sponsoring for the 2008 Fall Tour is now fully subscribed by AMEC Earth and Environmental, Golder Associates, Jacques Whitford, and Thurber Engineering.

Finances

David Harding, Treasurer, reported that the financial situation of the Foundation continues to strengthen, with over \$314,000 in current assets against approximately \$106,000 in current liability (loans and accounts payable). The total revenue for 2007 was \$34,834, exceeding the 2007 budget expectation by 12%. This revenue comes from the generous support of sponsors for the Cross Canada Lecture Tours, local geotechnical groups, individual CGS members, and from the returns of the investment.

Fundraising

The fundraising effort is described in detail by Doug VanDine in his Fundraising Committee Report. Again we are grateful to have received enthusiastic and generous support by Canadian geotechnical corporations to the Cross Canada Lecture Tours. It is gratifying to note that there has been some increase in the number of individual members making donations. The Vancouver Section of CGS has donated \$5,000 in the spring of 2008 and the paperwork is complete to transfer \$35,000 as an interest free loan from the organizing committees of the 2005 International Landslide Risk Management Conference, via CGS, to the Foundation.

National Graduate Scholarship and Geotechnical Colloquium

The National Graduate Scholarship valued at \$5,000 will be first awarded at the 61st Canadian Geotechnical Conference (September 2008) in Edmonton. The response to the call to contribute to the Trust Fund for sustaining the Scholarship has been very good. To date we have received donations from the Southern Ontario Section, the Ottawa Section, the Saskatchewan Section, the Eastern Quebec Section, the Montreal Section and the Vancouver Section of the CGS and from some individuals.

The honorarium for the Geotechnical Colloquium has been doubled to \$5,000 starting 2008. Therefore the 2008 Colloquium Lecturer, Dr. Jocelyn Grozic, received her first installment of \$3,000 at the Diamond Jubilee Conference in Ottawa in 2007.

Acknowledgements

I am retiring as President of the Foundation effective June 30, 2008. I am excited that Doug VanDine, our current Vice President will be stepping up as President. Doug is a thoughtful, enthusiastic and dedicated individual who will certainly bring the Foundation to a higher plane to serve the Canadian geotechnical community.

Having served the Foundation for three and a half years as President, I have been humbled by the team work and dedication of the members of the Executive of the Foundation, the hearty support of CGS and the generosity of the geotechnical community at large. For all these I thank you all for allowing me to serve in the Foundation.

I like to acknowledge the hard work and inspiration of the Executive who have been vital to the Foundation in fulfilling its mandate. They are: Michael Bozozuk (Past President), Doug VanDine (Vice President), Michael Bleakney (Secretary), and David Harding (Treasurer). I thank you from the bottom of my heart.

K. Tim Law
President

TREASURER'S REPORT

For the Fiscal Year Ending December 31, 2007

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 géotechnique for the fiscal year ending December 31, 2007. 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 FY2007. Fundraising and sponsorship activities continue to be active, which has helped the Foundation achieve its financial objectives. The following are highlights of the attached financial statements for FY2007:

- 1) Financial stability of the organization is good, with \$314,329 in current assets against approximately \$105,776 in current liabilities (loans & accounts payable). Net assets at December 31, 2007 were \$208,553, representing an increase of 7% over the previous year.
- 2) The loan payable to CGS (\$100,000) is in place, with a term extending to February 2011. The loan payable to the Geotechnical Society of Edmonton (\$5,000), with an indefinite term, continues to help with the Foundation's financial stability. The loan payable to The Ottawa Geotechnical Group (\$10,000) was forgiven in 2007, with the assets being transferred to the National Graduate Scholarship Reserve Fund.
- 3) Total revenue for 2007 was \$34,834, which represents a decrease of 42% over the previous year, but exceeds the 2007 budget expectation by 12%. Donations from individuals and organizations totaled \$11,724, down slightly from 2006, but above

the 2007 budget expectation (\$10,000). Included in this amount is a contribution from the CGS Southern Ontario Section. Cross-Canada Lecture Tour sponsorships were \$12,500, which was 17% below the 2007 budget. However, the Cross-Canada Lecture Tours remained fully subscribed through 2007.

- 4) In 2007, the CCLT Reserve Fund was allowed to be drawn down to \$12,498. The Scholarship Reserve Fund received \$45,000; at the end of 2007, it held \$50,350.
- 5) Expenses for the year were \$21,247, down 22% from the previous year and well within the 2007 budget of \$29,800.
- 6) The overall result was a net surplus for the year of approximately \$13,587, well above the budgeted income of \$1,200; however, this was primarily due to the forgiven loan from the Ottawa Geotechnical Group (\$10,000) which is accounted for as revenue in 2007. The result is a continuing improvement in the overall financial position for the Foundation through 2007.

David Harding
Treasurer

FUND RAISING COMMITTEE

Doug VanDine

Administration

The Fund Raising Committee members for 2007/2008 were Doug VanDine (Chair), Fred Match, Jacques Locat, Ryan Phillips, Bachir Toulieb and Tim Law (ex officio as Foundation President).

At the end of 2007, Jacques Locat retired from the Board of Trustees and the Fund Raising Committee. To date, no replacement has been appointed.

A committee conference call was held in July 2007. The prime agenda item was funding of the "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, have contributed.

Actions

The letter to potential French-speaking geotechnical corporate sponsors for the Canadian Geotechnical Society Cross Canada Lecture Tour, proposed to be sent in the

fall of 2007 was not sent. In February 2008, approximately 40 letters were mailed to potential English-speaking geotechnical corporate sponsors for the tour.

In the fall 2007, letters were sent to the local organizing committees of the Vancouver (October 2006) and Ottawa (October 2007) Canadian Geotechnical Conferences. In the winter 2008, a letter was sent to the local organizing committee of the Edmonton (September 2008) Canadian Geotechnical Conference. The letters reminded the organizing committees of the Foundation, its new National Graduate Scholarship that still requires funding, and the other contributions of the Foundation to the conferences.

Discussions were maintained with the organizing committees of the International Landslide Risk Management Conference, held in Vancouver, BC, in 2005.

An article was written on "Donating Securities Instead of Cash". It was published in the June 2008 issue of Geotechnical News. An article was written on "Cross Canada Lecture Tour Corporate Sponsors". It will be published in the September 2008 issue of Geotechnical News.

Successes to date

Once again, 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 were, and are:

Fall 2007: BGC Engineering, Jacques Whitford, JD Mollard and Associates, and Reinforced Earth

Spring 2008: AMEC Earth and Environmental, EBA Engineering, Jacques Whitford, and JD Mollard and Associates

Fall 2008: AMEC Earth and Environmental, Golder Associates, Jacques Whitford, and Thurber Engineering

Spring 2009: DST Consulting Engineers, Golder Associates, Jacques Whitford, and Klohn Crippen Berger

Fall 2009: Reinforced Earth

Spring 2010: Reinforced Earth

In the fall 2007, the organizing committees of the 2005 International Landslide Risk Management Conference, via the CGS Technical Committee on Landslides, announced they would provide an interest free loan of \$35,000 to the Foundation. At the time of writing this report, the details are being finalized.

In the spring of 2008, the Vancouver Geotechnical Society donated \$5,000 to the Foundation. This money will be directed to the Scholarship Fund.

Doug VanDine,
Vice President

INVESTMENT COMMITTEE REPORT

David Harding, Committee Member

The financial assets of the Canadian Foundation for Geotechnique are currently held in a Bank of Nova Scotia (BNS) current business account, a Guaranteed Investment Certificate (GIC) administered by BNS, and an Investment Account. The BNS current business account is used for the day-to-day operations of the Foundation, including the provision of monies for awards, prizes, colloquia, scholarships and special lectures.

Scotia McLeod continues to 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. Scotia McLeod prepares quarterly account statements, with copies being sent to the President, Treasurer and Chairman of the Investment Committee.

The net asset value of the Foundation's Scotia McLeod Investment Account was \$166,237 on June 30, 2008, which represents a decrease in value of 5.5% from June 30, 2007. The performance of this account in the past year reflects the uncertainties and volatility in the global markets in general. 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 medium to long-term.

The Foundation's GIC account had a value of \$63,642.11 on June 30, 2008, representing an increase of 2.6% from June 30, 2007. The GIC matures annually in March and is re-invested at the current rates. It is intended that these funds will continue to be invested in a GIC account.

Over the past year, the Investment Committee prepared a Draft Investment Policy for the Foundation to guide the prudent investment of assets. Once the Investment Policy is approved by the Board of Trustees, the Investment Committee intends to review it with the Investment Account manager to ensure the policy is complied with.

David Harding
Member, Investment Committee
Treasurer, Canadian Foundation for Geotechnique

APPENDIX A

DONATIONS RECEIVED FROM INDIVIDUALS & ORGANIZATIONS (Fiscal Year 2007)

Aubertin, Gilles A.	Lieszkowszky, Ivan P.
Aubertin, Michel	Locat, Jacques
Bathurst, Richard J.	McCammon, Norman
Belbas, Ryan	J.D. Mollard and Associates Limited
BiTech Publishers Ltd.	Norbert R. Morgenstern Consulting Ltd.
Bozozuk, Michael	Murphy, Kent
Caughill, David	Netherton, Dennis
Conetec Investigations Ltd.	O'Connor, Michael J.
Coyne, Lisa	Osiowy, Kimber
Crawford, Carl	Ottawa Geotechnical Group
Dowse, Brian E.W.	Oussoren, Harry
Dyregov, A.O.	Peckover, Lionel
Fellenius, Bengt	Phillips, Ryan
Frederking, Robert	Riddoch, Ronald
Geo-Canada Ltd.	Shields, Donald H.
Gold, Lorne W.	Southern Ontario Section - CGS
Graham, James	Sowa, Victor
Grozic, Jocelyn L.H.	Taylor, E.M.
Harding, David	Thurber Engineering Ltd.
Hoeve, Thys Edward	Torchinsky, Benjamin B.
Klohn, Earle	VanDine, Doug F.
Law, K.Tim	Wu, Peter
Leroueil, Serge	

And other donors who wish to remain anonymous

APPENDIX B

CORE SUPPORT/SPONSORS

Fiscal Year 2007

Sponsors/Co-sponsors for Cross-Canada Lecture Tours

BGC Engineering Inc. (Spring/Fall)
EBA Engineering Consultants Ltd. (Spring)
J.D. Mollard and Associates Limited (Spring/Fall)
Jacques Whitford Limited (Spring/Fall)
Reinforced Earth Company Ltd. (Fall)

Spring 2008

AMEC Earth and Environmental
EBA Engineering Consultants Ltd.
J.D. Mollard and Associates Limited
Jacques Whitford Limited

APPENDIX C

AUDITOR'S REPORT

January 1, 2007 - December 31, 2007

July 15, 2008

Canadian Foundation for Geotechnique
c/o David Harding
Water and Earth Science Associates Ltd
3108 Carp Road
P.O. Box 430
Carp, Ontario
K0A 1L0

Attention: The Board of Directors

Dear Board Members:

I have been engaged to audit the financial statements of the Canadian Foundation for Geotechnique for the year ended December 31, 2007.

Canadian generally accepted standards for audit engagements require that I communicate at least annually with you regarding all relationships between the corporation and myself that, in my professional judgement, may reasonably be thought to bear on my independence.

In determining which relationships to report, the standards require me to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of Ontario and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly, in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

I have reviewed the above criteria, and all other interaction that I have with the corporation, and conclude that I am not aware of any relationships between the corporation and myself that in my professional judgement, may reasonably be thought to bear on my independence, that have occurred from January 1, 2007 to July 15, 2008. I have concluded therefore that I can confirm that I am objective with respect to the corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of July 15, 2008.

This report is intended solely for the use of the board of directors, management and others within the corporation and should not be used for any other purpose.

Yours very truly;



Robert Adam, CA

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

FINANCIAL STATEMENTS

December 31, 2007

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, 2007, 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, 2007 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Bradford, Ontario
July 15, 2008



Robert Adam
Chartered Accountant

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

BALANCE SHEET

As at December 31,

2007 2006

ASSETS

Current Assets:

Cash	\$79,053	\$74,344
Short term investments and securities (Note 2)	235,276	236,473
	<u>314,329</u>	<u>310,817</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued liabilities	\$776	\$851
Loans payable (Note 3)	105,000	115,000
	<u>105,776</u>	<u>115,851</u>

Net Assets, represented by:

Cross Canada Lecture Tour Reserve Fund (Note 4)	12,498	20,000
Scholarship Reserve Fund (Note 5)	50,350	5,350
General Fund	145,705	169,616
	<u>208,553</u>	<u>194,966</u>
	<u>314,329</u>	<u>310,817</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>2007</u>	<u>2006</u>
Revenue		
Unrestricted:		
Donations	\$4,480	\$6,078
Corporate sponsorships	7,244	7,757
Forgiven loan (Note 3)	10,000	-
Interest, dividends and net gain on investments	610	18,876
Restricted (Note 4):		
Sponsorships - Cross Canada Lecture Tour	12,500	27,500
	<u>34,834</u>	<u>60,011</u>
 Expenses		
Cross Canada Lecture Tour	7,502	12,658
Awards and prizes	6,402	7,664
Colloquium	3,000	2,500
Travel - Executive	1,241	787
Professional fees	768	784
Director's office	906	297
Office and General	1,331	2,447
Bank charges and Interest expense	67	74
Licence fees	30	-
	<u>21,247</u>	<u>27,211</u>
 Excess of revenue over expense	 13,587	 32,800
 Net assets, beginning of year	 194,966	 162,166
 Net assets, end of year	 <u>\$208,553</u>	 <u>\$194,966</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>2007</u>	<u>2006</u>
Total Net Assets, represented by:		
General Fund		
Opening balance	\$169,616	\$150,301
Net activity during the year	6,089	12,608
Transfer from CCLT Reserve Fund	-	6,707
Transfer to Scholarship Reserve Fund	(30,000)	-
Closing balance	<u>145,705</u>	<u>169,616</u>
Cross Canada Lecture Tour Reserve Fund (Note 4)		
Opening balance	20,000	11,865
Contributions	-	27,500
Expenditures	(7,502)	(12,658)
Transfer to General Fund	-	(6,707)
Closing balance	<u>12,498</u>	<u>20,000</u>
Scholarship Reserve Fund (Note 5)		
Opening balance	5,350	-
Contributions	15,000	5,350
Transfer from General Fund	30,000	-
Expenditures	-	-
Closing balance	<u>50,350</u>	<u>5,350</u>
Total Net Assets	<u>\$208,553</u>	<u>\$194,966</u>

The accompanying notes are an integral part of these statements

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE
YEAR ENDED DECEMBER 31, 2007
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 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 two (2006 - three) separate loan agreements with other non-related corporations. One loan is in the amount of \$100,000 (2006 - \$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 \$5,000 (2006 - \$5,000) and is interest-free, unsecured, and is due within 30 days of demand, for an indefinite term. The third loan, in the amount of \$nil (2006-\$10,000) was forgiven during the year. The Board of Directors designated the proceeds of this forgiven loan to the Scholarship Reserve Fund.

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 the 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 resolution of the Board of Directors dated November 15, 2007, with effective date as 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. Dedicated funding has been provided for this fund during the year in the amount of \$45,000 (2006 - \$5,350). Expenditures against this reserve fund totalled \$nil (2006 - \$nil) during the year. Qualifying expenditures against this Reserve Fund are expected to commence in 2008.

6. Commitments

The organization awards colloquiums to qualified recipients meeting established criteria. These awards are issued with a partial payment at the date of award, and subsequent payments are conditional upon the recipient completing additional requirements. As at year end, there were conditional obligations totalling \$2,000 (2006 - \$nil) for these future colloquium payments.