

Financial Statements of

**ONTARIO PROFESSIONAL
ENGINEERS FOUNDATION
FOR EDUCATION**

December 31, 2007

ONTARIO PROFESSIONAL ENGINEERS FOUNDATION FOR EDUCATION

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Auditor's Report

To the Directors
Ontario Professional Engineers
Foundation for Education

I have audited the statement of financial position of Ontario Professional Engineers Foundation for Education as at December 31, 2007 and the statements of revenue, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


ABDUS SAMI SYED
CA, Licensed Public Accountant

Mississauga, Ontario
March 28, 2008

Ontario Professional Engineers - Foundation For Education
Statement of Financial Position
As At December 31, 2007

	<u>2007</u>	<u>2006</u>
ASSETS		
	\$	\$
CURRENT		
Cash	109,925	123,549
Marketable securities		
(Market value- as stated, market value 2006, - \$ 855,853)	952,821	842,981
Interest receivable	9,446	8,133
Due from Association of Professional Engineers of Ontario	25,246	23,281
	<u>1,097,438</u>	<u>997,944</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>13,154</u>	<u>2,571</u>
NET ASSETS (Note 3)		
RESTRICTED FUNDS	1,500	2,000
UNRESTRICTED FUNDS	1,082,784	993,373
	<u>1,084,284</u>	<u>995,373</u>
	<u>1,097,438</u>	<u>997,944</u>

See the accompanying notes to financial statements

APPROVED BY THE BOARD

.....DIRECTOR

.....DIRECTOR

Ontario Professional Engineers - Foundation For Education
Statement of Revenue and Expenses
For the Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>	<u>Unrestricted</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
REVENUE	\$	\$	\$
Donations:			
Membership	139,938	119,070	81,650
Corporate	7,000	4,800	2,800
PEO Xmas donation	1,000	1,500	3,000
Other	1,550	3,500	9,772
Investment Income			
Interest	44,949	35,708	27,907
Loss on investments	(1,655)	(1,838)	
	<u>192,782</u>	<u>162,740</u>	<u>125,129</u>
OPERATING EXPENSES			
Secretarial services	6,881	4,752	3,436
PEO service charges	4,280	5,505	3,987
Professional fee	3,718	1,500	1,250
Stationary and miscellaneous	3,231	4,417	4,647
Interest and bank charges	2,880	903	823
Investment management fee	2,313	1,696	561
Meeting expenses	407	980	543
	<u>23,710</u>	<u>19,753</u>	<u>15,247</u>
SCHOLARSHIPS AND AWARDS			
Annual undergraduate scholarships	58,000	54,000	49,000
Entrance scholarships	30,000	26,000	24,000
Benevolent fund grants/loans	6,000	5,000	-
Engineers Without Borders	2,000	2,000	2,000
Academic achievement awards	-		477
Medals	1,236	2,044	862
	<u>97,236</u>	<u>89,044</u>	<u>76,339</u>
	<u>120,946</u>	<u>108,797</u>	<u>91,586</u>
EXCESS OF REVENUE OVER EXPENSES	<u>71,836</u>	<u>53,943</u>	<u>33,543</u>

See the accompanying notes to financial statements

Ontario Professional Engineers - Foundation For Education
Statement of Changes in Net Assets
Year ended December 31, 2007

	2007			2006
	Unrestricted	Restricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	993,373	2,000	995,373	941,430
Excess of revenue over expenses	71,836		71,836	53,943
Inter-fund transfers	500	(500)	-	
Change in fair value of assets classified as available-for-sale	17,075		17,075	
	<u>1,082,784</u>	<u>1,500</u>	<u>1,084,284</u>	<u>995,373</u>

See the accompanying notes to financial statements

Ontario Professional Engineers - Foundation For Education
Statement of Cash Flows
For the Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>CASH (USED FOR) PROVIDED BY</u>		
	\$	\$
OPERATIONS		
Excess of revenue over expenses	71,836	53,943
	<u>71,836</u>	<u>53,943</u>
Changes in working capital		
Due from Association of Professional Engineers of Ontario	(1,965)	(14,611)
Interest receivable	(1,313)	(8,024)
Accounts payable and accrued liabilities	10,583	(978)
	<u>7,305</u>	<u>(23,613)</u>
	<u>79,141</u>	<u>30,330</u>
INVESTING		
Net (Purchase) / marketable securities	<u>(92,765)</u>	<u>(30,814)</u>
Change in cash during the year	(13,624)	(484)
Cash, beginning of year	123,549	124,033
Cash, end of year	<u>109,925</u>	<u>123,549</u>
CASH COMPRISES		
Cash	34,998	40,623
Short-term investments	74,927	82,926
	<u>109,925</u>	<u>123,549</u>

See the accompanying notes to financial statements

ONTARIO PROFESSIONAL ENGINEERS FOUNDATION FOR EDUCATION

Notes to the Financial Statements

December 31, 2007

1. DESCRIPTION OF BUSINESS

The Foundation is a registered charity incorporated without share capital under the laws of Ontario and is exempt from income tax. Its primary purpose is to provide scholarships to engineering students in Ontario Universities that will encourage them to pursue careers in the profession. The Foundation also provides temporary financial assistance to professional engineers and their families in extenuating circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

These financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations and reflect the following accounting policies:

a) Changes in Accounting Policies- Adoption of New Accounting Standards

On January 1, 2007 the Foundation adopted the Canadian Institute of Chartered Accountants' ("CICA's") revised standards on recognition and measurement and presentation of financial statements. These standards include Section 3855, Financial Instruments-Recognition and Measurement, Section 3861, Financial Instruments-Financial statements presentation and disclosure. In addition the Foundation has adopted the amendment to Section 4400, Financial Statement Presentation by Not-for-profit Organization.

In accordance with the revised standards, the Foundation effective January 1, 2007 has classified its cash as "held-for-trading". Held-for-trading items are carried at fair value, with changes in fair value recognized in the statement of revenue and expenses. Effective January 1, 2007 the Foundation has classified its marketable securities as "Available-for-sale". Available-for-sale items are measured at fair value. Unrealized profit or loss incurred on available of sale items recognized in the statement of changes in net assets until realized through disposal or impairment. Effective January 1, 2007 the Foundation classified due from Professional Engineers of Ontario as "Loans and receivables". Loans and receivables are carried at amortized cost using the effective interest method, net of any impairment. Due to the short term nature of the Foundation's receivables the effective interest method results in no differences from the book value. Effective January 1, 2007 the Foundation classified all of its accounts payables and accrued liabilities as "Other liabilities". Other liabilities are carried at amortized cost using the effective interest method, net of any impairment. Due to the short term nature of the Foundation's payables the effective interest method results in no differences from the book value. As required, the revised standards have been applied retrospectively as at January 1, 2007 without restatement of comparative amounts. Transaction costs related to the acquisition and sale of financial assets and liabilities are expensed as incurred.

b) Impact on Statement of changes in Net Assets

As a result of adopting the revised standards, an adjustment of \$17,075 was made in the statement of changes in net assets to increase the carrying values of marketable securities to their fair value as of December 31, 2007.

**ONTARIO PROFESSIONAL ENGINEERS
FOUNDATION FOR EDUCATION**
Notes to the Financial Statements
December 31, 2007

The opening fair value and changes in fair value during the year as follows:

Opening fair value adjustment as of January 1, 2007	\$12,872
Change in fair value during the year	4,203
Closing balance of fair value adjustment as of December 31, 2007	\$17,075

Revenue recognition

Income from donations, which is principally received from Professional Engineers, is included in the revenue on an accrual basis of accounting. All other transactions are recorded on a cash basis. Donated materials and services are not recorded.

Distribution of Scholarships

In order to more closely align the distribution of undergraduate and entrance scholarships given to Universities with the period in time that engineering students receive their awards, the scholarships will continue to be distributed to Universities in August or September of any given year.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect their reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. NET ASSETS

	<u>2007</u>	<u>2006</u>
Unrestricted Fund	\$ 1,082, 784	\$ 993,373
Restricted Fund - James Ferguson Estate	<u>1,500</u>	<u>2,000</u>
	<u>\$ 1,084,284</u>	<u>\$ 995, 373</u>

The terms of the Unrestricted Fund permit the Directors of the Foundation to grant or distribute from time-to-time all or any part of the income and capital for the relief of needy engineers or their immediate family. These expenses are authorized through approved budget.

Provisions of the James Ferguson Estate limit the use of the capital to \$500 in any one year.

4. COMPARATIVE FINANCIAL INFORMATION

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

Ontario Professional Engineers - Foundation For Education
Schedule of Annual Undergraduate Scholarships
Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
Carleton University	4,000	4,000
Lakehead University	2,000	2,000
Laurentian University	2,000	2,000
McMaster University	4,000	4,000
Queen's University	6,000	6,000
Royal Military College	2,000	2,000
Ryerson Polytechnic University	6,000	6,000
University of Guelph	2,000	2,000
University of Ontario Institute of Technology	2,000	
University of Ottawa	4,000	4,000
University of Toronto	8,000	8,000
University of Waterloo	8,000	8,000
University of Western Ontario	4,000	4,000
University of Windsor	2,000	2,000
York University	2,000	
	<u>58,000</u>	<u>54,000</u>

Ontario Professional Engineers - Foundation For Education
Schedule of Entrance Scholarships
Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
Carleton University	2,000	2,000
Lakehead University	2,000	2,000
Laurentian University	2,000	2,000
McMaster University	2,000	2,000
Queen's University	2,000	2,000
Royal Military College	2,000	2,000
Ryerson Polytechnic University	2,000	2,000
University of Guelph	2,000	2,000
University of Ontario Institute of Technology	2,000	2,000
University of Ottawa	2,000	2,000
University of Toronto	2,000	2,000
University of Waterloo	2,000	2,000
University of Western Ontario	2,000	2,000
University of Windsor	2,000	
York University	2,000	
	<u>30,000</u>	<u>26,000</u>

Schedule of Engineers Without Borders Scholarships
Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
Catherine Dennis		2,000
Mina Shahid	2,000	
	<u>2,000</u>	<u>2,000</u>