

Canadian Foundation for Geotechnique La Fondation canadienne de géotechnique

July 1, 2008 – June 30, 2009

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.

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EXECUTIVE FOR 2008-2009

President	Doug VanDine, P.Eng., P.Geo.
Vice President	Vacant as of 01 July 2009
Past President	K. Tim Law, Ph.D., P.Eng.
Special Advisor	Michael Bozozuk, Ph.D., P.Eng.
Treasurer	David Harding, P.Eng.
Secretary	Michael Bleakney, P. Eng.

COMMITTEES

Investment Committee

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

Fund Raising Committee

Chairman (Interim) &	
Ex Officio Member	Doug VanDine, P.Eng., P.Geo.
Member	M.A.J. (Fred) Matich, P.Eng.
Member	Bachir Nadir Toulieb, Ph.D., P.Eng. (to 31 December 2008)
Member	Ryan Phillips, Ph.D., P.Eng.

MEMBERS OF THE BOARD OF TRUSTEES

Shaheen Ahmad	Etobicoke, ON	to 31 Dec 2008
Raymond Benson	Delta, BC	(2008)
Kevin Biggar	Edmonton, AB	(2008)
Michael Bleakney	Ottawa, ON	(2007) Secretary
Michael Bozozuk	Ottawa, ON	(2008) Spec. Adv.
Robert Chapuis	Montréal, QC	(2009) From 1 Jan 2009
David Harding	Carp, ON	(2008) Treasurer
Jean Hutchinson	Kingston, ON	(2009) From 1 Jan 2009
Henrik Kristiansen	Burnaby, BC	(2007)
KT (Tim) Law	Ottawa, ON	(2008) Past Pres.
Jean-Marie Konrad	Québec, QC	(2008)
MAJ (Fred) Matich	Islington, ON	(2008)
Ryan Phillips	St John's, NL	(2009)
Bachir Nadir Toulieb	Montréal, QC	to 31 Dec 2008
Jean-Pierre Tournier	Montréal, QC	(2008)
Arun Valsangkar	Fredericton, NB	(2008)
Doug VanDine	Victoria, BC	(2008) President

(Beginning of current term)

**Report of the President
July 1, 2008 to June 30, 2009**

Doug VanDine

The Canadian Foundation for Geotechnique is a registered charitable organization. Its mission is to recognize and foster excellence in the geotechnical field in Canada by funding the awards, prizes, scholarships and distinguished lectures of the CGS. Day-to-day activities of the Foundation are run by the Executive Committee. The Board of Trustees supports the activities of, and provides advice to, the Executive Committee. The current Executive Committee and Board of Directors are listed elsewhere in this annual report. All Foundation positions are volunteer.

Changes in the Executive Committee and Board of Trustees

On July 1, 2008, Mr Doug VanDine assumed the duties of President from Dr Tim Law. Dr Law became Past President and, at the Executive Committee's request, Dr Michael Bozozuk, because of his long association with the Foundation, remained on the Executive Committee as a Special Advisor. I extend a huge thank you to Dr Law for his excellent leadership over his 3½ -year term. Among other things, under Dr Law's leadership, the Foundation initiated a \$5,000 National Graduate Scholarship and increased the value of the Canadian Geotechnical Colloquium to \$5,000.

At present, the Foundation does not have a Vice President, but it hopes to announce the filling of that position shortly.

At the end of 2008, Mr Shaheen Ahmad (Shaheen and Peaker, Etobicoke, ON) and Bachir Nadir Toulieb (formerly with Hydro Quebec, Montreal, QC) stepped down from the Board of Trustees. Mr Ahmad served for 3 years, Mr Toulieb served for 6 years. I would like to thank these two gentlemen for their good counsel over their terms.

At the beginning of 2009 Dr Robert Chapuis (École Polytechnique, Montreal, QC) rejoined the Board of Trustees, and Dr Jean Hutchinson (Queen's University, Kingston, ON) joined the Board of Trustees for the first time. I welcome them both.

Dr Ryan Phillips (C-CORE, St John's, NL) has agreed to stay on the Board of Trustees for a second, 3-year term.

Canadian Geotechnical Society (CGS) Awards

At the September 2008 Canadian Geotechnical Conference held in Edmonton, the Foundation provided honoraria for two Graduate student Presentation Awards and four Undergraduate Student Report Awards, provided funding for the CGS awards, plaques and certificates, and financed the annual Canadian Geotechnical Colloquium. As it does annually, the Foundation funded the Legget Silver Medal (struck by the Royal Canadian Mint), the most prestigious CGS

Award. The 2008 Legget Medal was presented to Mr John Gartner, co-founder and former President of Gartner Lee Limited – one of Canada’s foremost geoenvironmental consulting firms – and, among other positions held, former Chair of the Engineering Geology Division of the CGS.

The Foundation, through the generosity of its geotechnical company co-sponsors, provides the airfare for the lecturers for the CGS Cross Canada Lecture Tours given each Spring and Fall. The Fall 2008 lecturer, Dr A Parriaux (GEOLEP at EPFL, Lausanne, Switzerland), was co-sponsored by AMEC Earth and Environmental, Golder Associates, Jacques Whitford, and Thurber Engineering. The Spring 2009 lecturer, Dr Arvid Landva (TerrAtlantic Engineering Limited, Fredericton, NB), was co-sponsored by DST Consulting Engineers, Golder Associates, Jacques Whitford and Klohn Crippen Berger.

In the Spring of 2009, the Foundation awarded two young geotechnical engineers, Mr Kent Bannister (Manitoba Hydro, Winnipeg, MB) and Ms Suzanne Powell (Queen’s University, Kingston, ON) \$1,500 each, as partial travel support to attend the International Young Geotechnical Engineers Conference in Alexandria, Egypt in October 2009.

National Graduate Scholarship

The National Graduate Scholarship, valued at \$5,000, was awarded for the first time in September 2008 at the Canadian Geotechnical Conference in Edmonton. The recipient was Mr Jasmin Raymond, a PhD student at Université Laval, Ste Foy, QC.

Fund Raising

The Fund Raising Committee’s work over the past year are described elsewhere in this annual report. Once again, the Foundation is grateful to the geotechnical companies who have generously and enthusiastically sponsored the Cross Canada Lecture Tours. The Ottawa Geotechnical Group has generously given the Foundation an interest free loan of \$10,000, from the profits of the 60th Canadian Geotechnical Conference in Ottawa in 2007. It is gratifying to note that there has been an increase in the number of CGS members making individual donations to the Foundation.

In the Fall of 2008, the Foundation established a Legacy Donor Program to honour individuals who have donated, or who donate, more than \$25,000 to the Foundation. The Foundation will honour its first two Legacy Donors at the CGS Awards Banquet held in Halifax in September 2009: Dr Jack Mollard and Mr Charles Ripley (deceased). Dr Ben Torchinsky will be honoured as a Legacy Donor at the CGS Awards Banquet in Calgary in 2010.

Finances

The financial situation of the Foundation is strong, but as with most everything else, has been hurt somewhat by the world financial situation over the past year. The audited financial records for the 2008 fiscal year are elsewhere in the annual report. At the end of 2008, the Foundation

had approximately \$375,000 in current assets against approximately \$143,000 in current liability (loans and accounts payable), for an increase in net assets of 11% compared to 2007. Revenue in 2008 came from the generous support of sponsors of the Cross Canada Lecture Tours, local geotechnical groups, individual CGS members, Legacy Donors and from the returns on investments.

The response to the call to contribute to the Scholarship Trust Fund for sustaining the National Graduate Scholarship has been very good. To date we have received donations from the Southern Ontario, Ottawa, Saskatchewan, Eastern Quebec, Montreal Section, Vancouver sections of the CGS, from some individuals, and a Legacy Donor. At the end of 2008, the Scholarship Trust Fund stood at \$100,350.

Acknowledgements

Although this is my report, it represents the works of many. I would like to thank all the hard work and efforts of the Executive Committee who have been vital to the Foundation in fulfilling its mandate: Mr Michael Bleakney (Secretary), Mr David Harding (Treasurer), Dr Tim Law (Past President) and Dr Michael Bozozuk (Special Advisor). Thanks as well to the Board of Trustees for their wise counsel.

Doug VanDine, P.Eng., P.Geo.
President, Canadian Foundation for Geotechnique

TREASURER'S REPORT For the Fiscal Year Ending December 31, 2008

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, 2008. 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, despite the global economic turmoil throughout much of 2008, the financial situation of the Foundation remained strong through FY2008. Fund raising 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 FY2008:

- 1) Financial stability of the organization is good, with \$373,289 in current assets against approximately \$140,790 in current liabilities (loans & accounts payable). Net assets at December 31, 2008 were \$232,499, representing an increase of 11% 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. In 2008, agreement was reached with the Landslides Committee to secure a loan of \$35,000, with a term extending to February 2018.

- 3) Total revenue for 2008 was \$51,714, which represents an increase of 48% over the previous year, and exceeds the 2008 budget expectation by 8%. Donations from individuals and organizations totaled \$60,964, which is significantly higher than 2007, and above the 2008 budget expectation (\$27,000). Included in this amount is a Legacy Donation from Charles Ripley. Cross-Canada Lecture Tour sponsorships were \$22,500, which was 50% above the 2008 budget. The Cross-Canada Lecture Tours remained fully subscribed through 2008.
- 4) In 2008, the CCLT Reserve Fund was capped at its maximum amount of \$20,000. The Scholarship Reserve Fund reached an amount of \$100,350. The remainder of the Foundation's net assets (\$112,149) are allocated to a General Fund for daily operations, certificates, awards, prizes, etc.
- 5) Expenses for the year were \$27,768, up 31% from the previous year, but within the 2008 budget of \$36,250. The increase in expenses is due to the provision of the first National Graduate Scholarship, an increase in the amount of the Colloquium award, and an increase in the costs of the Cross-Canada Lecture Tours in 2008.
- 6) The overall result was a net surplus for the year of approximately \$23,946, well above the budgeted income of \$11,750. The result is a continuing improvement in the overall financial position for the Foundation through 2008.

David Harding, M.Sc. P.Eng.
Treasurer
Canadian Foundation for Geotechnique
La Fondation Canadienne de Geotechnique

FUND RAISING COMMITTEE

Doug VanDine

Administration

The Fund Raising Committee members for 2008/2009 were Fred Matich, Ryan Phillips, Bachir Toulieb (to December 2008) and Doug VanDine (ex officio as Foundation President, and Interim Chair). The individual who traditionally chairs this committee is the Vice President of the Foundation. As there is currently no Vice President, Doug VanDine acted as the Interim Chair.

Actions

A letter to 13 potential French-speaking geotechnical corporate sponsors of the Cross Canada Lecture Tour was sent out by Dr Jean-Pierre Tournier in December 2008. In February 2009, approximately 30 letters were mailed to potential English-speaking geotechnical corporate sponsors for the tour.

In the Fall of 2008, letters were sent to the local organizing committees of the Ottawa (2007) and Edmonton (2008) Canadian Geotechnical Conferences. In the Winter of 2009, a letter was sent to the local organizing committee of the Halifax (2009) Canadian Geotechnical Conference. The letters reminded the local organizing committees of the Foundation and its contributions to the conferences.

An article “Cross Canada Lecture Tour Corporate Sponsors” was written and published in the September 2008 issue of *Geotechnical News*.

In the Fall of 2008, after consultation with the entire Board of Trustees, the Foundation established a Legacy Donor Program to honour individuals who have donated, or who donate, more than \$25,000 to the Foundation. Contributions can take the form of cash, securities or bequests. Contributions can be made by an individual or by a group of individuals to honour another’s passing. Contributions can be targeted to one of the Foundation's existing initiatives or to the Foundation for unspecified purposes. Legacy Donors will be honoured at a Canadian Geotechnical Conference Awards' Banquet, in the *Geotechnical News*, and on the Foundation’s website. Each year, when the Foundation honours its new Legacy Donors, all previous Legacy Donors will be recounted. The amount of the contribution will never be disclosed.

An article describing the Legacy Donor Program and the first two Legacy Donors (see below) was written and published in the March 2009 issue of *Geotechnical News*.

Successes to date

Once again, Canadian geotechnical companies very generously came forward to co-sponsor the Cross Canada Lecture Tour. Each sponsorship is worth \$2,500. The corporate sponsors for the Fall of 2008, the Spring of 2009 and beyond, were and are:

- 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: AMEC Earth and Environmental, BCG Engineering, EBA Engineering, and Reinforced Earth
- Spring 2010: AMEC Earth and Environmental, BCG Engineering, Golder Associates, and Reinforced Earth
- Fall 2010: Thurber Engineering

In the Spring of 2009, the Ottawa Geotechnical Group generously gave the Foundation an interest free loan of \$10,000, from the profits of the 60th Canadian Geotechnical Conference in Ottawa in 2007.

The Foundation’s first two Legacy Donors are Dr Jack Mollard and Mr Charlie Ripley (deceased). These gentlemen will be honoured at the CGS Awards Banquet in Halifax in 2009. A third Legacy Donor from the Spring of 2009, Dr Ben Torchinsky, will be honoured at the CGS Awards Banquet in Calgary in 2010.

Doug VanDine, P.Eng., P.Geo.
President and Interim Chairman of Fund Raising Committee
Canadian Foundation for Geotechnique

INVESTMENT COMMITTEE REPORT
July 1, 2008 to June 30, 2009

Ray Benson

The investments for the Canadian Foundation for Geotechnique are maintained and handled by Scotia McLeod, under the control of Rhonda Sherwood. Management of the fund is overseen by the Investment Committee which confers by telephone and e-mail.

The current members of the Investment Committee include the following:

Ray Benson (Committee Chairman)
Doug VanDine (Foundation President)
David Harding (Foundation Treasurer)
Mike Bozozuk (Foundation Special Advisor)

Investment statements are sent by Scotia McLeod, on a quarterly basis, to each member of the Committee.

At present the fund is invested in the Lifepoints Balanced Growth Portfolio, which is a mix of Fixed Income and Equities with an approximate 40/60% balance. The equities were selected on a worldwide basis with approximately 35% in North America and 25% overseas. The fund is currently (as of Sept. 11, 2009) at a level of \$155,328 and has rebounded from a low of \$133,962 at the end of the first quarter of 2009 and a subsequent value of \$146,585 at the end of the second quarter of 2009. At present, it is intended that the investment mix be maintained without change.

As I am stepping down from the Foundation's Board of Trustees at the end of December 2009, this will be my last report as Chairman of the Investment Committee. I would like to thank all those who assisted me over the past 10 years, and those who contributed to the success of the Foundation.

Ray Benson, Ph.D., P.Eng.
Chairman of the Investment Committee
Canadian Foundation for Geotechnique

APPENDIX A

**DONATIONS RECEIVED FROM INDIVIDUALS & ORGANIZATIONS
(Fiscal Year 2008)**

Aubertin, Michel	McCammon, Norman
Baker, Harry	Milligan, Victor
Bigras, Annick	Minning, Gretchen
Cameron, Robert	J.D. Mollard and Associates Limited
Caughill, David	Montgomery, James B.
Coyne, Lisa C.	Moore, Bernard F.
D'Onofrio, Bart	Morgenstern, Norbert
Frederking, Robert M.	Mulligan, Catherine
Glen, Paul	Murphy, Kent
Gold, Lorne W.	Netherton, Dennis
Grozie, Jocelyn L.H.	Nilsen, Jan A.
Harding, David	Phillips, Ryan
Hoeve, Ed	Prout, Dirka
Idriss, I.M.	Sedran, Gabriel
Konrad, Jean-Marie	Sowa, Victor
Law, K. Tim	Taylor, E.M.
Lo, K.Y.	Torchinsky, Benjamin B.
Mangione, Christopher	Valsangkar, Arun J.
Masterson, Karen	VanDine, Doug F.
Zappia, Vincent	

And other donors who wish to remain anonymous

APPENDIX B

CORE SUPPORT/SPONSORS

Sponsors/Co-sponsors for Cross-Canada Lecture Tours

Fiscal Year 2008

AMEC Earth & Environmental Ltd. (Spring/Fall)

EBA Engineering Consultants Ltd. (Spring)

Golder Associates Limited (Fall)

J.D. Mollard and Associates Limited (Spring)

Jacques Whitford Limited (Spring/Fall)

Thurber Engineering Ltd (Fall)

Spring 2009

DST Consulting Engineers, Inc.

Golder Associates Limited

Jacques Whitford Limited

Klohn Crippen Berger

APPENDIX C

AUDITOR'S REPORT

January 1, 2008 - December 31, 2008

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

FINANCIAL STATEMENTS

December 31, 2008

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, 2008, 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 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 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, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Bradford, Ontario
August 22, 2009



Robert Adam
Chartered Accountant
Licenced Public Accountant
Licence Number 1-12277

CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE

BALANCE SHEET

	As at December 31,	
	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets:		
Cash	\$170,752	\$79,053
Short term investments and securities (Note 2)	202,537	235,276
	<u>\$373,289</u>	<u>\$314,329</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued liabilities	\$790	\$776
Loans payable (Note 3)	140,000	105,000
	<u>140,790</u>	<u>105,776</u>
Net Assets, represented by:		
Cross Canada Lecture Tour Reserve Fund (Note 4)	20,000	20,000
Scholarship Reserve Fund (Note 5)	100,350	50,350
General Fund (Note 6)	112,149	138,203
	<u>232,499</u>	<u>208,553</u>
	<u>\$373,289</u>	<u>\$314,329</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>2008</u>	<u>2007</u>
Revenue		
Unrestricted:		
Donations	\$5,655	\$4,480
Corporate sponsorships	55,309	7,244
Forgiven loan (Note 3)	-	10,000
Interest, dividends and net gain/(loss) on investments	(31,750)	610
Restricted (Note 4):		
Sponsorships - Cross Canada Lecture Tour	22,500	12,500
	<u>51,714</u>	<u>34,834</u>
Expenses		
Cross Canada Lecture Tour	10,095	7,502
Awards and prizes	6,018	6,402
Graduate awards	5,000	-
Colloquium	4,000	3,000
Travel - Executive	1,183	1,241
Professional fees	790	768
Director's office	212	906
Office and General	371	1,331
Bank charges and interest expense	69	67
Licence fees	30	30
	<u>27,768</u>	<u>21,247</u>
Excess of revenue over expense	23,946	13,587
Net assets, beginning of year	208,553	194,966
Net assets, end of year	<u>\$232,499</u>	<u>\$208,553</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>2008</u>	<u>2007</u>
Total Net Assets, represented by:		
General Fund (Note 6)		
Opening balance	\$138,203	\$169,616
Net operating activity during the year	(38,459)	(6,411)
Transfer to Scholarship Reserve Fund	-	(30,000)
Transfer from Cross Canada Lecture Tour Fund	12,405	4,998
Closing balance	<u>\$112,149</u>	<u>\$138,203</u>
Cross Canada Lecture Tour Reserve Fund (Note 4)		
Opening balance	\$20,000	\$20,000
Contributions	22,500	12,500
Expenditures	(10,095)	(7,502)
Transfer to General Fund	(12,405)	(4,998)
Closing balance	<u>\$20,000</u>	<u>\$20,000</u>
Scholarship Reserve Fund (Note 5)		
Opening balance	\$50,350	\$5,350
Contributions	55,000	15,000
Transfer from General Fund	-	30,000
Expenditures	(5,000)	-
Closing balance	<u>\$100,350</u>	<u>\$50,350</u>
Total Net Assets	<u><u>\$232,499</u></u>	<u><u>\$208,553</u></u>

The accompanying notes are an integral part of these statements

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE
YEAR ENDED DECEMBER 31, 2008
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 have been prepared in accordance with Canadian generally accepted accounting principles.

Accrual Basis of Accounting

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not transactions have been concluded by the receipt or payment of money.

Financial Assets

Financial assets comprise investments in marketable securities. All purchases and sales of financial assets are recorded at the trade date. Transaction costs on purchases and sales of financial assets are treated as additions to cost or decrease of proceeds at the time of the transaction. All financial assets are recorded at fair market value, with any gain or loss recorded in the period it occurred. Financial assets are designated as held for trading at time of acquisition, and as such, it is not possible to predict the amount, timing and certainty of related future cash flows.

Funds

All contributions received by the organization are accounted for using the restricted fund method. All contributions are recognized as revenue in the period received. Any contributions directed by the donor to a specific purpose are designated to be utilized for that purpose and expensed in the period incurred.

Donated Goods and Services

Donations of goods are recorded as assets at their fair market value, if such fair market value is readily determinable. Donations of services are recorded as expenses at their fair market value, if such fair market value is readily determinable.

3. Loans Payable

This consists of three (2007 - two) separate loan agreements with other non-related corporations. One loan is in the amount of \$100,000 (2007 - \$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 (2007 - \$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 \$35,000 (2007-\$nil) is interest-free, unsecured, and is due within 45 days of demand. Due to the demand nature of these loans payable, it is not possible to predict the amount, timing and certainty of related future cash flows.

**CANADIAN FOUNDATION FOR GEOTECHNIQUE/
LA FONDATION CANADIENNE DE GEOTECHNIQUE
YEAR ENDED DECEMBER 31, 2008
NOTES TO FINANCIAL STATEMENTS**

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 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 \$ 55,000 (2007 - \$45,000). Expenditures against this reserve fund totalled \$5,000 (2007 - \$nil) during the year. Qualifying expenditures against this Reserve Fund are expected to commence in 2008.

6. General Fund

The General Fund for the organization represents the cumulative total of all revenues received by the organization, less any expenditures or allocations to specific purpose funds as per Notes 4 and 5.

7. 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 \$4,000 (2007 - \$4,000) for these future colloquium payments.