

## FINANCIAL STATEMENTS

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### CANADIAN MINERAL INDUSTRY EDUCATION FOUNDATION

December 31, 2014

(Unaudited - See Review Engagement Report)

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Canadian Mineral Industry Education Foundation

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December 31, 2014

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## REVIEW ENGAGEMENT REPORT

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To the Board of Directors of  
**Canadian Mineral Industry Education Foundation:**

We have reviewed the statement of financial position of **Canadian Mineral Industry Education Foundation** as at December 31, 2014 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

*Basis for Qualified Opinion*

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory review. Accordingly, our review of donation revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, deficiency of expenses over revenue, assets and net assets.

*Qualified Opinion*

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

The prior year figures were audited by another Chartered Professional Accountant.

Toronto, Ontario  
May 11, 2015

*Campbell Lawless LLP*

Chartered Professional Accountants  
Licensed Public Accountants

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**Canadian Mineral Industry Education Foundation**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited - See Review Engagement Report)

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December 31	2014	2013
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	261,664	278,206
Term investments [note 3]	198,880	203,368
	<b>460,544</b>	<b>481,574</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	6,304	4,800
<b>NET ASSETS</b>		
Reserve for scholarships	454,240	476,774
	<b>460,544</b>	<b>481,574</b>

*see accompanying notes*

On behalf of the Board:

Director

Director

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Canadian Mineral Industry Education Foundation

**STATEMENT OF OPERATIONS AND  
CHANGES IN NET ASSETS**

(Unaudited - See Review Engagement Report)

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Year ended December 31	2014	2013
	\$	\$
<b>Revenue</b>		
Donations [note 4]	226,840	197,358
Interest	<u>6,158</u>	<u>7,344</u>
	<u>232,998</u>	<u>204,702</u>
<b>Expenses</b>		
Scholarship awards	242,000	235,000
Administrative		
Secretarial and accounting honoraria	7,000	5,000
Professional fees	3,385	1,695
Miscellaneous	<u>3,147</u>	<u>3,511</u>
	<u>255,532</u>	<u>245,206</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>(22,534)</b>	<b>(40,504)</b>
<b>Reserve for scholarships, beginning of year</b>	<b>476,774</b>	<b>517,278</b>
<b>Reserve for scholarships, end of year</b>	<b>454,240</b>	<b>476,774</b>

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*see accompanying notes*

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Canadian Mineral Industry Education Foundation

**STATEMENT OF CASH FLOWS**

(Unaudited - See Review Engagement Report)

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Year ended December 31	2014	2013
	\$	\$
<b>Cash flows from operating activities</b>		
Cash provided by donations	226,840	197,358
Cash provided by interest on bank savings accounts	1,997	1,952
Scholarship payments	(242,000)	(235,000)
Administrative expense payments	<u>(12,028)</u>	<u>(10,709)</u>
Net cash provided by (used in ) operating activities	<u>(25,191)</u>	<u>(46,399)</u>
<b>Cash flows from investing activities</b>		
Cash provided from maturing term investments	108,649	60,900
Purchase of term investments	<u>(100,000)</u>	<u>          </u>
Net cash provided by (used in) investing activities	<u>8,649</u>	<u>60,900</u>
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>(16,542)</b>	<b>14,501</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>278,206</b>	<b>263,705</b>
<b>Cash and cash equivalents, end of year</b>	<b>261,664</b>	<b>278,206</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	30,265	109,803
Investment savings accounts	<u>231,399</u>	<u>168,403</u>
	<b>261,664</b>	<b>278,206</b>

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*see accompanying notes*

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**Canadian Mineral Industry Education Foundation**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Review Engagement Report)

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December 31, 2014

**1. PURPOSE OF THE ORGANIZATION**

The Canadian Mineral Industry Education Foundation (the "Foundation") is a registered charitable organization whose primary purpose, by providing scholarships, is to encourage and assist students at universities in Canada enrolled in a discipline related to the mineral industry.

The Foundation was incorporated on May 11, 1970 under the Canada Corporations Act as a corporation without share capital. Effective October 16, 2014, the Foundation is continued under the Canada Not-for-profit Corporations Act.

The Foundation qualifies as a registered Canadian charity as defined in the Income Tax Act (Canada) and, as such, is exempt from income tax.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

**Revenue recognition**

The Foundation follows the deferral method of accounting for donations. Unrestricted donations are recorded as revenue in the year they are received. Restricted donations are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized as revenue on an accrual basis.

**Scholarship awards**

The Foundation awards conditional scholarships to qualifying applicants covering a period of up to three years. The Reserve for Scholarships is considered to be adequate to provide for scholarships awarded but not yet unconditionally payable.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash in bank and highly liquid short-term investments that are readily convertible to known amounts of cash on demand.

**Term investments**

Term investments consist of guaranteed investment certificates and are purchased on the assumption that they will be held to maturity and accordingly are recorded at cost plus accrued interest, calculated using the effective interest rate method. This approximates market value of the investments.

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**Canadian Mineral Industry Education Foundation**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Review Engagement Report)

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December 31, 2014

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments**

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash and cash equivalents, term investments and accounts payable and accrued liabilities.

**Impairment**

Financial assets measured at amortized cost are assessed for indicators of impairment. The amount of the write-down is recognized in revenue over expenses. When there is an indication of impairment, the carrying amount of the asset is reduced directly or through the use of an allowance account. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in revenue over expenses.

**Use of estimates**

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that 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 reporting period. Actual results could differ from the estimates.

**3. TERM INVESTMENTS**

	<b>2014</b>	2013
	\$	\$
Guaranteed investment certificates	<b>198,880</b>	96,088
Province of Ontario bonds		107,280
	<b>198,880</b>	203,368

**4. DONATIONS**

Donors are eligible to be represented on the Board of Directors (the "Board"). During the year approximately 79% (2013 - 84%) of donations came from members who are represented on the Board, and 44% (2013 - 48%) came from one of said members.

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**Canadian Mineral Industry Education Foundation**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Review Engagement Report)

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December 31, 2014

**5. FINANCIAL INSTRUMENT RISK EXPOSURE**

The Foundation is exposed to various risks through its financial instruments including credit risk, liquidity risk and market risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its contractual obligations. Financial instruments that potentially subject the Foundation to credit risk consist principally of cash and cash equivalents. Management mitigates the credit risk by depositing its cash and cash equivalents with a Canadian chartered bank.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation meets its liquidity requirements by preparing and monitoring cash flows from operations, anticipating investing activities and holding assets that can be readily converted into cash.

**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 risk, interest rate risk and other price risk. The Foundation is primarily exposed to interest rate risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates. The Foundation is exposed to interest rate risk through its term deposits. The Foundation does not use derivatives to mitigate this risk. The Foundation manages this risk by purchasing shorter term instruments.