

**CANADIAN SOCIETY OF EXPLORATION GEOPHYSICISTS FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2010**

CANADIAN SOCIETY OF EXPLORATION GEOPHYSICISTS FOUNDATION

Index to Financial Statements

Year Ended December 31, 2010

---

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenues and Expenditures and Operating Surplus	3
Notes to Financial Statements	4 - 5

---

**INDEPENDENT AUDITOR'S REPORT**

---

To the Directors of Canadian Society of Exploration Geophysicists Foundation

I have audited the accompanying financial statements of Canadian Society of Exploration Geophysicists Foundation, which comprise the balance sheet as at December 31, 2010, and the statement of revenues and expenditures and operating surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Society of Exploration Geophysicists Foundation as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
May 5, 2011

  
CHARTERED ACCOUNTANT

**CANADIAN SOCIETY OF EXPLORATION GEOPHYSICISTS FOUNDATION**

**Balance Sheet**

**December 31, 2010**

	2010	2009
<b>ASSETS</b>		
Cash	\$ 34,413	\$ -
Term deposits	648,149	670,197
Accounts receivable	1,705	1,082
Interest receivable	57,492	40,652
Prepaid expenses	3,510	1,063
	<u>\$ 745,269</u>	<u>\$ 712,994</u>
<b>LIABILITIES AND SURPLUS</b>		
Bank indebtedness	\$ -	\$ 2,371
Accounts payable	8,081	-
	<u>8,081</u>	<u>2,371</u>
<b>OPERATING SURPLUS</b>	<u>737,188</u>	<u>710,623</u>
	<u>\$ 745,269</u>	<u>\$ 712,994</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**CANADIAN SOCIETY OF EXPLORATION GEOPHYSICISTS FOUNDATION**

**Statement of Revenues and Expenditures and Operating Surplus**

**Year Ended December 31, 2010**

	2010	2009
<b>REVENUES</b>		
General donations	\$ 33,807	\$ 37,291
Interest and other	26,937	37,691
Outreach programs	72,460	22,554
Sims	11,000	-
USO	7,790	-
	<u>151,994</u>	<u>97,536</u>
<b>EXPENDITURES</b>		
Administration	11,677	11,942
Career fairs	16,918	-
Outreach general	30,422	27,711
Interest and bank charges	171	90
Scholarships	32,000	40,000
SIMS	9,031	-
USO	25,210	-
	<u>125,429</u>	<u>79,743</u>
<b>Excess of revenues over expenditures</b>	<b>26,565</b>	<b>17,793</b>
Surplus, beginning of year	<u>710,623</u>	<u>692,830</u>
<b>Surplus, end of year</b>	<b>\$ 737,188</b>	<b>\$ 710,623</b>

# CANADIAN SOCIETY OF EXPLORATION GEOPHYSICISTS FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2010

---

### 1. DESCRIPTION OF OPERATIONS

The Canadian Society of Exploration Geophysicists Foundation ( the Foundation) was established through Articles of Association in the Province of Alberta and registered in the name CSEG Foundation on July 13,2005 and recieved charitable status in 2006. The Foundation commenced operations effective January 1, 2007.

The Foundation 's mandate is to establish programs and support post secondary education in geophysics and the earth sciences through scholarships, reasearch and contiuing education courses.

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations. In preparing these financial statements, management is required to make estimates and assumptions. In management's opinion, the financial statements have been properly prepared using careful judgement within reasonable limits of materiality and within the framework of the accounting policies summarized below:

#### Revenue Recognition

The Foundation receives donations from the Canadian Society of Exploration Geophysicists and other supporters of the Foundation. Revenue is recognized when donations are received. In addition, the foundation earns interest on money held on deposit including amounts to be accrued up to the reporting date of the financial statements presented.

#### Income taxes

The Foundation meets certain exemptions as allowed for not-for-profit organizations and accordingly, no provision for income taxes is required or reflected in the accompanying financial statements.

#### Volunteer Services

Many of the acitivities necessary to conduct the day to day operations of the Foundation are carried out through volunteer efforts. However, due to the difficulties in determining fair values for these services, no amounts are included in the accompanying financial statements for these services.

#### Use of Estimates

In preparing these financial statements, the Board of Directors must make estimates and assumptions concerning values of certain assets and liabilities, net income and related disclosures reported in these financial statements. Actual results could differ from these estimates.

---

### 3. STATEMENT OF CASH FLOWS

A statement of cash flows has not been provided as the information that would be included therein is readily available from the financial statements provided as the Foundation undertook no significant financing or investing activities.

---

**CANADIAN SOCIETY OF EXPLORATION GEOPHYSICISTS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2010**

---

4. FINANCIAL INSTRUMENTS

The carrying values of all of the assets, except prepaid expenses, and liabilities in the accompanying statements of financial position approximate fair value due to the relatively short-term maturities of these instruments.

The Foundation's revenues are derived from and dependent upon donations. Accordingly, concentrations of credit risk are considered minimal.

---

5. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

---