

FINANCIAL STATEMENTS

CANADIAN MINERAL INDUSTRY EDUCATION FOUNDATION

December 31, 2015

(Unaudited - See Review Engagement Report)



Canadian Mineral Industry Education Foundation

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December 31, 2015

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REVIEW ENGAGEMENT REPORT

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, 2015 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.

Toronto, Ontario
May 18, 2016

Campbell Lawless LLP

Chartered Professional Accountants
Licensed Public Accountants

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

December 31	2015	2014
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	244,077	261,664
Term investments	102,619	198,880
Marketable securities (cost - \$94,918)	94,918	
	441,614	460,544
LIABILITIES		
Current		
Accounts payable and accrued liabilities	5,178	6,304
NET ASSETS		
Reserve for scholarships	436,436	454,240
	441,614	460,544

see accompanying notes

On behalf of the Board:

Director  Director 

Canadian Mineral Industry Education Foundation

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

(Unaudited - See Review Engagement Report)

Year ended December 31	2015	2014
	\$	\$
Revenue		
Donations [note 3]	207,025	226,840
Interest	<u>5,196</u>	<u>6,158</u>
	<u>212,221</u>	<u>232,998</u>
Expenses		
Scholarship awards	217,500	242,000
Administrative		
Secretarial and accounting honoraria	7,000	7,000
Professional fees	2,938	3,385
Miscellaneous	<u>2,587</u>	<u>3,147</u>
	<u>230,025</u>	<u>255,532</u>
Deficiency of revenue over expenses for the year	(17,804)	(22,534)
Reserve for scholarships, beginning of year	454,240	476,774
Reserve for scholarships, end of year	436,436	454,240

see accompanying notes

Canadian Mineral Industry Education Foundation

STATEMENT OF CASH FLOWS

(Unaudited - See Review Engagement Report)

Year ended December 31	2015	2014
	\$	\$
Cash flows from operating activities		
Cash provided by donations	102,000	226,840
Cash provided by interest on bank savings accounts	1,410	1,997
Scholarship payments	(217,500)	(242,000)
Administrative expense payments	<u>(13,651)</u>	<u>(12,028)</u>
Net cash provided by (used in) operating activities	<u>(127,741)</u>	<u>(25,191)</u>
Cash flows from investing activities		
Cash provided from maturing term investments	100,047	108,649
Purchase of term investments		(100,000)
Proceeds on disposal of marketable securities	<u>10,107</u>	<u></u>
Net cash provided by (used in) investing activities	<u>110,154</u>	<u>8,649</u>
Net increase (decrease) in cash and cash equivalents during the year	(17,587)	(16,542)
Cash and cash equivalents, beginning of year	261,664	278,206
Cash and cash equivalents, end of year	244,077	261,664
Cash and cash equivalents consist of:		
Cash	31,113	30,265
Investment savings accounts	<u>212,964</u>	<u>231,399</u>
	244,077	261,664

see accompanying notes

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

December 31, 2015

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.

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

December 31, 2015

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, except for investments in marketable securities.

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

Investments in marketable securities are carried at fair value based on quoted market prices.

Changes in fair value are recognized in the statement of operations.

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. DONATIONS

Donors are eligible to be represented on the Board of Directors (the "Board"). During the year approximately 87% (2014 - 79%) of donations came from members who are represented on the Board, and 46% (2014 - 44%) came from one of the said members.

Canadian Mineral Industry Education Foundation
NOTES TO FINANCIAL STATEMENTS
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December 31, 2015

4. FINANCIAL INSTRUMENT RISK EXPOSURE

The Foundation is exposed to various risks through its financial instruments including credit risk and market risk. The Foundation's risk has changed from the previous period as it is also susceptible to other price 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 and term investments. Management mitigates the credit risk by depositing its cash and cash equivalents with a Canadian chartered bank. Term investments are invested in financial obligations of Canadian chartered banks.

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 and other price 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.

Other price risk

Other price risk results from changes in market prices (other than those arising from currency risk or interest rate risk). The Foundation is exposed to other price risk through its investment in publicly-traded marketable securities. The marketable securities are exposed to economic changes and other fluctuations in the domestic and global markets, as well as risks specific to issuers that may affect the market value of their securities. The Foundation does not use derivative financial instruments to mitigate the effects of this risk.