Accomplishments in FY 2004

- Awarded 3 scholarships totaling $3,000
- Increased net assets by over $45,268 over the fiscal year
- Sponsored first Roy J. Shlemon Specialty Conference with a start-up funding grant
- Added one Tilford Field Studies Scholarship Grant, increasing the total awards from $1,000 per year to $2,000 per year
- Hired professional association management company to perform necessary day-to-day business management
- Changed name from Engineering Geology Foundation to AEG Foundation (effective October 19, 2004) to reflect the strong working relationship with the Association of Environmental & Engineering Geologists (AEG)

**FISCAL YEAR 2004 AT A GLANCE**

<table>
<thead>
<tr>
<th></th>
<th>12/31/03</th>
<th>12/31/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets</td>
<td>$171,861</td>
<td>$217,129</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Grants Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003</td>
<td>$2,000</td>
</tr>
<tr>
<td>FY 2004</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

AEG Foundation—Advancing the Science of Environmental and Engineering Geology
www.aegfoundation.org
About the AEG Foundation

The AEG Foundation has been a part of the environmental and engineering geology community since 1992 when it was founded by three past-presidents of the Association of Engineering Geologists. Incorporated in California as the Engineering Geology Foundation, the name was changed to AEG Foundation effective October 19, 2004. The Foundation is an independent tax-exempt public charity governed by a seven-person Board of Directors. Our mission is to advance research, education, public awareness, and technology transfer in Engineering Geology and the related fields of Hydrogeology and Environmental Geology. Our vision is a world with reduced risk from geologic hazards.

The AEG Foundation is an Internal Revenue Code Section 501(c) (3) tax-exempt charitable organization. The Foundation’s federal tax ID Number is 94-3168991, its California Corporation Number is C1524975, and its California Registry of Charitable Trusts Number is CT87308.

The Foundation operates two scholarship programs with like-named funds: the Marliave Fund and the Tilford Fund. The Foundation supports a distinguished lectureship in engineering geology, the Richard H. Jahns Distinguished lecturer, and may support other speaker programs, through its Jahns Fund. The Foundation’s Shlemon Fund supports advanced practice specialty conferences called the Roy J. Shlemon Conferences. The Foundation’s Legget Fund supports scientific publications. Contributions are accepted to any of these funds, or to the Greatest Need/Memorial Fund. Fund history and operating criteria are described in a Fund Charter for each fund.

Additional information about the AEG Foundation is available from the Foundation office or from the web site, www.aegfoundation.org.
PURPOSE OF THIS REPORT

This report is prepared as a management and governance document for the use of the AEG Foundation (pka Engineering Geology Foundation) Board of Directors. In general, this report is intended to provide information required by applicable California law (Corporation Code, Section 6321 et seq., and to provide any additional information required by the Board of Directors. This report is a public document. This report was prepared by Foundation staff in 2007 in a format consistent with that adopted for 2006 and later years. It is based on staff review of the available records of the Foundation.

This report covers the fiscal year January 1, 2004 through December 31, 2004. This edition was prepared in 2007 to present information consistent with report standards adopted in 2006.

HISTORICAL BACKGROUND

Similar to many very small foundations, the AEG Foundation (known as the Engineering Geology Foundation until October 19, 2004) was administered by direct board participation in its early years. Books were kept by a volunteer Treasurer on a cash basis.

As the assets and programs of the Foundation grew, the Board recognized two factors: first, good governance required more association management expertise applied on a continuous basis, and second, the Foundation would eventually exceed reporting thresholds for federal information return (Form 990) preparation and filing.

Therefore, in 2004 the Board contracted with an association management firm to provide association management services, including bookkeeping. A bookkeeping system was adopted that was compatible with typical accounting software used by CPA firms.
Growth of the AEG Foundation’s net assets through the end of Fiscal Year 2004 is shown in the chart below.

The AEG Foundation’s success comes from the passion and commitment of its current and previous Directors. Each of the following people has had a tremendous impact on the Foundation and its programs.

**2004 AEG Foundation Board of Directors**

Robert M. Valentine, President  Deborah Green
Aubrey D. Henley, Treasurer  Roy J. Shlemon
Charles W. Welby, Secretary  Susan Steele Weir
Gary L. Peterson & John H. Peck*

**Previous Directors**

Thomas G. Bumala
Gerald S. Grainger
Finn B. Michelsen
George F. Sowers

**Founding Directors**

Richard W. Galster  John B. Ivey  John W. Williams

(*term split between two Directors)
The Greatest Need Fund is one of the first six funds created by the Foundation. It was established in 1993 and called the “General [non-designated] Fund.” The general purpose was to support foundation administrative needs and provide the Board with a non-designated asset it could use to support current expenditures and grants, or supplement the corpus of other funds. Unrestricted contributions in memory of a person were placed in the Greatest Need Fund, and for ease of administration, the Foundation often listed a “Memorial Fund” in its giving literature. Tribute donations, made to honor a person on a special occasion, are placed in the Greatest Need Fund. Our Honor Roll recognizes those in whose name contributions totaling $500 or more have been received.

PURPOSE AND SCOPE

The Greatest Need and Memorial Funds provide a way for donors to make unrestricted donations that will generally be used to support the grants awarded by the Foundation or to build balances in program funds, but can be used for any purpose determined by the Board. By virtue of the published description of these funds, donor intent is deemed to make an unrestricted donation.

In the terminology of Statement of Financial Accounting Standards No. 117, the Greatest Need and Memorial Funds are Unrestricted Net Assets and the earnings of these funds are Unrestricted Support.

HONOR ROLL

Edwin B. Eckel  
William I. Gardner  
Stephen L. Garrison  
Richard C. Harding  
Floyd T. Johnston  
C. Michael Scullin
The Richard H. Jahns Fund of the AEG Foundation (the “Jahns Fund”) was established by the Foundation (then the Engineering Geology Foundation) in 1993 to support speakers in engineering geology. The fund name honors the work and contributions of Dr. Richard H. Jahns (1915-1983), a professor who taught many engineering geologists and who played an important role in the establishment of solid and thorough practice in the public interest through the development of guidelines for regulatory reviewers of geologic reports.

PURPOSE AND SCOPE

The Richard H. Jahns Fund of the AEG Foundation supports the travel expenses or honoraria, or both, of selected speakers who present information about engineering geology and environmental geology to a diverse practitioner, student, faculty, and public audience. The first priority of the Jahns Fund is support of the Richard H. Jahns Distinguished Lecturer, who is selected annually and supported by the Association of Environmental and Engineering Geologists and the Engineering Geology Division of the Geological Society of America. The AEG Foundation will also consider other requests to support speakers on the topics of engineering geology and environmental geology as available resources permit.

RICHARD H. JAHNS LECTURERS

1989—James E. Slosson
1990—Robert L. Schuster
1991—Ellis L. Krinitzsky
1992—Barry Voight
1993—Roy J. Shlemon
1994—James F. Quinan
1995—Robert S. Yeats
1996—J. David Rogers
1997—Don U. Deere
1998—Thomas L. Holzer
1999—Mavis Kent
2000—Allen W. Hatheway
2001—Robert J. Watters
2002—Perry H. Rahn
2003—Chester “Skip” Watts
2004—Jeffrey R. Keaton

Dr. Richard H. Jahns
1915-1983

RICHARD H. JAHNS FUND BALANCE AS OF DECEMBER 31, 2004 $18,268.83

AEG Foundation—Advancing the Science of Environmental and Engineering Geology
www.aegfoundation.org
The Robert F. Legget Fund was established by the Foundation (then the Engineering Geology Foundation) in 1993 to support publications in engineering geology. The fund name honors the work and contributions of Dr. Robert F. Legget (1904-1994), who promoted the application of geology to the design and construction of the built environment through his teaching and books.

PURPOSE AND SCOPE

The Robert F. Legget Fund of the AEG Foundation supports publications and public outreach in engineering geology and environmental geology that serve as information resources for the professional practitioner, students, faculty, and (or) the public. The fund also supports public education about the interactions between the works of mankind and the geologic environment.

The subject matter scope of publications supported by the Legget Fund may include original works, reviews, compilations, symposium proceedings, benchmark papers, bibliographies, databases, memorials, biographies and oral history interviews of those who made valuable contributions to the progress of the science and profession of engineering geology, and studies of the demographics of the profession, inter-professional relations, and the role of the profession in society. The publication venue of supported publications may include print media, electronic media, and audio-visual media. The Legget Fund may support reprints of publications within its scope and the conversion of publications in one medium to another. In making grants for these purposes, the Foundation will require an appropriate level of peer review and editorial quality.

Public education activities that the fund can support include K-12 teacher resources, publications to inform the public about the interactions between the works of mankind and the geologic environment, and signage or explanatory materials at public locations of interest for their engineering geology or environmental geology significance.

Funds from the AEG Foundation are currently promised to support the conversion of Environmental & Engineering Geology to an online version available for viewing through GeoScience World.

ROBERT F. LEGGET FUND BALANCE AS OF DECEMBER 31, 2004 $34,465.83

AEG Foundation—Advancing the Science of Environmental and Engineering Geology www.aegfoundation.org
The Marliave Fund of the AEG Foundation was established by the foundation (then the Engineering Geology Foundation) in 1993 to accept administration of the Marliave Award the given up to that time by the Association of Engineering Geologists, which established its Marliave Fund in 1968. The Foundation also accepted AEG’s Marliave Fund and the management responsibilities for that fund. The fund name honors the work and contributions of Elmer C. Marliave (1910-1967) a founding member of the Association of Engineering Geologists and a pioneering engineering geology consultant in water resources infrastructure design and construction.

PURPOSE AND SCOPE

Marliave Scholarships are intended to support academic activity and reward outstanding scholarship in Engineering Geology and Geological Engineering. Recipients of grants are designated as “Marliave Scholars.” Awards will be made by the AEG Foundation to outstanding students based on demonstrated ability, scholarship, potential for contributions to the profession, character, and activities in student/professional societies.

MARLIAVE SCHOLARS

1986—Kerry Cato, Texas A&M University
1987—Brian G. Hansen, Colorado School of Mines
1988—Greg Naugle, Colorado School of Mines
1989—Anne E. Clift, Colorado School of Mines
1990—Katherine T. Clements, Colorado School of Mines
1991—Andrea Volkman, Virginia Polytechnic Institute & State University
1992—Ed Medley, University of California—Berkeley
1993—Francis X. Ashland, Colorado School of Mines
1994—Tariq Cheema, South Dakota School of Mines & Technology
1995—Paul M. Santi, Colorado School of Mines
1997—Brendan R. Fisher, Radford University
2000—Martin Woodard, Kent State University
2001—Wei Zhou, University of Missouri-Rolla
2002—Ala Hajdarwich, Kent State University
2003—Jessica Pence Humble, Colorado School of Mines
2004—Dawn Schippe, Colorado School of Mines

Elmer Chester Marliave
1910—1967

MARLIAVE SCHOLARSHIP FUND BALANCE AS OF DECEMBER 31, 2004 $26,960.76

AEG Foundation—Advancing the Science of Environmental and Engineering Geology www.aegfoundation.org
The Roy J. Shlemon Specialty Conference Fund was established by the Foundation (then the Engineering Geology Foundation) in 1998 to support specialty conferences in engineering geology that would be modeled on the Penrose Conferences of the Geological Society of America. The fund name recognizes the initiative and generosity of Roy J. Shlemon, who donated the initial principal of the fund.

PURPOSE AND SCOPE

The Roy J. Shlemon Specialty Conference Fund supports specialty and advanced practice conferences of interest to the members of the Association of Environmental and Engineering Geologists. The goal of a Shlemon Conference is to bring together specialists from academia and the consulting world for several days of intensive state-of-the-science sessions, workshops, and field trips devoted to discussion of current knowledge of emerging scientific, technical, regulatory, and practice issues and challenges. Emerging issues may involve novel investigative and analytical techniques, some of which may be controversial or unproven. Presentations and discussions of new approaches to site characterization and regulatory trends are appropriate. A primary characteristic of Shlemon Conferences is that they are held in locations where field observations can be combined with the subject matter of the conference. The spirit of the conferences is to develop agreement on applicable knowledge, and to advance the practice techniques applied to evolving challenges, with the goal of better and more reliable results. To make the conference expertise available to a wider practitioner and public audience, the conference proceedings are published on CD.

SHLEMON SPECIALTY CONFERENCES

2004—Earth Fissures, El Paso, Texas

SHLEMON SPECIALTY CONFERENCE FUND BALANCE AS OF DECEMBER 31, 2004 $36,426.08

AEG Foundation—Advancing the Science of Environmental and Engineering Geology
www.aegfoundation.org
The Tilford Fund of the AEG Foundation was established by the Foundation (then the Engineering Geology Foundation) in 1998 to create a scholarship fund that emphasized and supported field studies. The fund name honors the work and contributions of Norman R. Tilford, (1934-1997), a consultant, professor, past president of the Association of Engineering Geologists, and the Executive Director of the Association at the time of his death.

PURPOSE AND SCOPE

The Tilford Field Studies Scholarship Fund supports geologic field studies by students at the undergraduate and graduate levels. Recipients of grants will be designated as “Tilford Scholars.” Awards will be made by the AEG Foundation to outstanding students based on demonstrated ability, scholarship, potential for contributions to the profession, character, and activities in student/professional societies.

TILFORD SCHOLARS

2001—Cal A. Ruleman, Graduate, Montana State
Bonnie E. Phillips, Undergraduate, Texas A&M University
2002—Paula Jo Lemonds, Graduate, Colorado School of Mines
Paul J. Moore, Undergraduate, Mississippi State University
2003—Heidi Sieverding, Graduate, South Dakota School of Mines and Technology
2004—Kathy Goetz Troost, Graduate, University of Washington
Shelley Zaragoza, Undergraduate, University of Nevada—Las Vegas

TILFORD SCHOLARSHIP FUND BALANCE AS OF DECEMBER 31, 2004: $48,878.70

AEG Foundation—Advancing the Science of Environmental and Engineering Geology
www.aegfoundation.org
AEG Foundation was not required to complete an audit or tax returns for the fiscal year ending December 31, 2004. The financials printed here have not had a third party review.
### AEG Foundation
#### Profit & Loss
January through December 2004

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary Income and Expense</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Contribution Income</strong></td>
<td></td>
</tr>
<tr>
<td>Program Contributions Income</td>
<td>$14,000</td>
</tr>
<tr>
<td>Governmental Fund Contributions</td>
<td>$20,000</td>
</tr>
<tr>
<td>Total Ordinary Income</td>
<td>$34,000</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
</tr>
<tr>
<td>Administration Expense</td>
<td>$10,000</td>
</tr>
<tr>
<td>Total Expense</td>
<td>$10,000</td>
</tr>
<tr>
<td>Net Ordinary Income</td>
<td>$24,000</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$24,000</td>
</tr>
</tbody>
</table>

AEG Foundation was not required to complete an audit or tax returns for the fiscal year ending December 31, 2004. The financials printed here have not had a third party review.

**Note:**

Investment Income includes an adjustment by the AEG Foundation CPA Firm during their assessment of the 2005 financials.
AEG Foundation—The Short Story

- Founded in 1992 by three past presidents of AEG. Incorporated in California, headquartered in Colorado.
- We are an IRS 501 c 3 public charity. Our Federal Tax Identification Number is 94-3168991. Our California Registry of Charitable Trusts number is CT87308. Our California Corporation number is C1524975.
- Net assets of about $217,129 at close of Fiscal 2004

<table>
<thead>
<tr>
<th>WHAT WE DO</th>
<th>OUTCOMES IN FISCAL YEAR 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage two scholarship funds that support students at both the undergraduate and graduate levels.</td>
<td>Awarded 3 scholarships with a total value of $3,000.</td>
</tr>
<tr>
<td>Manage three program funds that support advanced practice specialty conferences, distinguished speakers for university tours, and scientific publications</td>
<td>Sponsored a Shlemon Specialty Conference</td>
</tr>
<tr>
<td>Seek donations from engineering geologists and the public to support our programs and operations.</td>
<td>Donation income of $36,436</td>
</tr>
</tbody>
</table>

WE ARE SERIOUS ABOUT BEING IN BUSINESS

- Seven-member Board of Directors meets at the table twice a year and by telephone conference several times a year. Directors donate their time and expenses to attend board meetings.
- Board governance includes: formal agendas and minutes, annual budget process, and contract part-time Executive Director.
- We file these tax and information returns:
  - Federal form 990
  - California form 199
  - California form RRF-1, Attorney General’s Registry of Charitable Trusts
  - California Secretary of State form SI-100
- Listed in GuideStar (May be listed under the original name: Engineering Geology Foundation.)
AEG Foundation
PO Box 460518
Denver, CO 80246
(303) 757-2926
www.aegfoundation.org