

# **University of King's College Alumni Association**

**Financial Statements**

**March 31, 2019**

# University of King's College Alumni Association

March 31, 2019

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## **Independent Practitioner's Review Engagement Report**

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To the Members of the  
University of King's College Alumni Association

We have reviewed the accompanying financial statements of the University of King's College Alumni Association that comprise of the balance sheet as at March 31, 2019 and the statements of receipts and expenditures, net assets, and cash flows 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 accounting standards for not-for-profit organizations, 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.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the University of King's College Alumni Association as at March 31, 2019, in accordance with Canadian accounting standards for not-for-profit organizations

**G&R CHARTERED PROFESSIONAL ACCOUNTANTS**

*Licensed Public Accountants*

Dartmouth, Nova Scotia  
May 16, 2019

# University of King's College Alumni Association

## Balance Sheet

March 31, 2019

	Endowment \$	General \$	2019 \$	2018 \$
<b>Assets</b>				
<b>Current Assets</b>				
Cash	-	17,945	17,945	18,437
Accounts receivable	-	451	451	-
HST recoverable	-	462	462	474
Investment income receivable	-	3,121	3,121	2,786
Merchandise inventory	-	5,283	5,283	6,148
	-	27,262	27,262	27,845
Investments - at market (Schedule A)	417,465	243,037	660,502	617,809
<b>Total Assets</b>	<b>417,465</b>	<b>270,299</b>	<b>687,764</b>	<b>645,654</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	-	4,100	4,100	4,100
Deferred revenue	-	8,370	8,370	-
<b>Total Liabilities</b>	<b>-</b>	<b>12,470</b>	<b>12,470</b>	<b>4,100</b>
<b>Fund Balances</b>				
General Fund (Schedule B)	-	257,829	257,829	240,546
Endowment Funds - restricted (Schedule B)	417,465	-	417,465	401,008
<b>Total Funds</b>	<b>417,465</b>	<b>257,829</b>	<b>675,294</b>	<b>641,554</b>
<b>Total Liabilities and Funds</b>	<b>417,465</b>	<b>270,299</b>	<b>687,764</b>	<b>645,654</b>

SIGNED ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# University of King's College Alumni Association

## Statement of Receipts and Expenditures

For the Year Ended March 31, 2019

	(note 4) Endowment \$	General \$	2019 \$	2018 \$
<b>Receipts</b>				
Annual dinner	-	12,468	12,468	13,033
Donations	4,335	500	4,835	1,180
Golf tournament	-	27,924	27,924	25,534
Investment income (note 3)	13,586	8,693	22,279	19,588
Other	-	186	186	578
Sale of memorabilia	-	5,126	5,126	6,577
<b>Total Receipts</b>	<b>17,921</b>	<b>54,897</b>	<b>72,818</b>	<b>66,490</b>
<b>Expenditures</b>				
Advertising	-	-	-	38
Ancient Commoner/Hudson awards	-	1,716	1,716	115
Annual dinner	-	4,615	4,615	4,530
Awards	11,800	-	11,800	12,450
Bank charges	-	174	174	174
Branch development	-	-	-	-
Bursaries	1,200	17,796	18,996	16,215
Enceania expenses	-	863	863	719
Golf tournament	-	10,128	10,128	10,469
Professional fees	-	3,938	3,938	3,899
Purchase of memorabilia	-	3,151	3,151	4,293
Student support	-	288	288	420
The John Godfrey prize	-	100	100	100
Worldwide alumni celebration	-	2,226	2,226	1,196
<b>Total Expenditures</b>	<b>13,000</b>	<b>44,995</b>	<b>57,995</b>	<b>54,618</b>
<b>Excess of Receipts over Expenditures before</b>				
<b>Other Income (Schedule B)</b>	<b>4,921</b>	<b>9,902</b>	<b>14,823</b>	<b>11,872</b>
<b>Other Income</b>				
Unrealized gain (loss) on investments (note 5)	11,536	7,381	18,917	(25,272)
<b>Excess (Deficiency) of Receipts over Expenditures</b>	<b>16,457</b>	<b>17,283</b>	<b>33,740</b>	<b>(13,400)</b>

# University of King's College Alumni Association

## Statement of Net Assets

For the Year Ended March 31, 2019

	Endowment \$	General \$	2019 \$	2018 \$
Net Assets - Beginning of year	401,008	240,546	641,554	654,954
Excess (Deficiency) of receipts over expenditures	16,457	17,283	33,740	(13,400)
<b>Net Assets - End of Year (Schedule B)</b>	<b>417,465</b>	<b>257,829</b>	<b>675,294</b>	<b>641,554</b>

# University of King's College Alumni Association

## Statement of Cash Flows

For the Year Ended March 31, 2019

	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (Deficiency) of receipts over expenditures	33,740	(13,400)
Unrealized (gain) loss on investments	(18,917)	25,272
	14,823	11,872
Changes in non-cash working capital -		
Increase in accounts receivable	(451)	-
Decrease (Increase) in HST recoverable	12	(68)
Increase in investment income receivable	(335)	(350)
Decrease (Increase) in inventory	865	(485)
Increase in deferred revenue	8,370	-
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>23,284</b>	<b>10,969</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(136,437)	(25,184)
Proceeds on sale of investments	112,661	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(23,776)</b>	<b>(25,184)</b>
<b>DECREASE IN CASH FOR THE YEAR</b>	<b>(492)</b>	<b>(14,215)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>18,437</b>	<b>32,652</b>
<b>CASH - END OF YEAR</b>	<b>17,945</b>	<b>18,437</b>

# University of King's College Alumni Association

## Notes to Financial Statements

For the Year Ended March 31, 2019

The University of King's College Alumni Association (the "Association") promotes the interest of the University and helps alumni connect with one another and the College.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO) and include the following significant accounting policies:

#### Financial Instruments

The financial assets and liabilities are recorded at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost and at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost include cash, accounts receivable, HST recoverable, and investment income receivable. Financial assets measured at fair value include investments. Financial liabilities measured at cost include accounts payable and accrued liabilities.

#### Cash

The Association defines cash as the amount of cash on hand and cash on deposit net of cheques that are issued and outstanding at the end of the year.

#### Investments

Investments consist of guaranteed investment certificates and securities that are publicly traded on Canadian exchanges and are initially and subsequently measured at fair value, determined on the basis of market value. Changes in fair value are recognized in net income in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred. Realized and unrealized gains and losses on investments are reported in the statement of receipts and expenditures. During the year, the Association recorded non-cash, unrealized gain on investments of \$18,917 (2018 - \$25,272 loss), realized gain/loss on investments of \$nil (2018 - \$nil).

#### Inventory

Inventory is valued at the lower of average cost determined on the first-in, first-out cost method and net realizable value and consists entirely of memorabilia held for resale. Net realizable value is defined as replacement cost.

#### Income Taxes

The Association is a not-for-profit organization, as described in Section 149(1)(1) of the *Income Tax Act*, and is therefore exempt from taxes.

#### Revenue Recognition

The Association follows the restricted fund method of accounting for contributions. Contributions are recognized in the fund corresponding to the purpose for which they were contributed and recognized as revenue when received.

... (continued) ...



# University of King's College Alumni Association

## Notes to the Financial Statements

For the Year Ended March 31, 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES . . . (continued)

#### Fund Accounting

The Association follows the fund method of accounting for contributions. The Association follows the restricted fund method in which externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized in the general fund.

The Association has received various gifts over the years that are for specific endowment purposes, and as such are restricted funds, recognized as the endowment fund. These gifts have been set up in separate individual funds, with disbursements made according to the fund specifications. Any amounts received for non-specific purposes are allocated to the general fund.

#### Contributed Services

The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable amount of time. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

#### Statement of Cash Flows

The Association prepares the statement of cash flows on a net cash basis and reports cash flows from operating and investing activities using the indirect method.

#### Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that effect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at March 31, 2019 and the reported amount of revenues and expenses for the year then ended. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

### 2. FINANCIAL INSTRUMENTS

The significant financial risks to which the Association is exposed are credit risk, market risk, interest rate risk, and liquidity risk

#### Credit Risk

Financial instruments that potentially subject the Association to credit risk consist of cash, accounts receivable, investment income receivable, and investments. The Association uses reputable institutions for cash and investments and believes risk of loss to be remote. The Association estimated an allowance for doubtful accounts receivable. As at March 31, 2019 an allowance for doubtful accounts of \$nil (2018 - \$nil) for accounts receivable was recorded. Any credit losses are provided for in the financial statements and consistently have been within management's expectations.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association's investments in publicly traded securities expose the Association to market risk as such investments are subject to price changes in the open market. The Association does not use derivative financial instruments to alter the effects of this risk.

. . . (continued) . . .

# University of King's College Alumni Association

## Notes to Financial Statements

For the Year Ended March 31, 2019

### 2. FINANCIAL INSTRUMENTS . . . (continued)

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The value of the investments held by the Association, fluctuate with market rates. The association does not use derivative financial instruments to alter the effects of this risk.

#### Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its obligations as they become due. The Association is exposed to liquidity risk arising primarily from accounts payable. The Association's approach to managing liquidity risk is to ensure that it always has sufficient cash flows and cash on hand to meet its operating obligations.

### 3. INVESTMENT INCOME

Investment income of \$22,279 (2018 - \$19,588) represents interest and dividends received and actual gains and losses on the sale of investments.

### 4. ENDOWMENT RECEIPTS AND EXPENDITURES

				2019	2018	
	Investment Income	Donation and Other Receipts	Total Receipts	Total Awards and Expenditures	Net Receipts over (under) Expenditures	Net Receipts over (under) Expenditures
	\$	\$	\$	\$	\$	\$
Athletics Appeal	446	-	446	(500)	(54)	(45)
Michael Saunders Award	490	-	490	-	490	423
G. Frederick Butler Scholarship	1,515	-	1,515	(1,750)	(235)	(271)
New Brunswick Award	612	-	612	-	612	(93)
Hunt Library Fund	941	105	1,046	(1,000)	46	(145)
Sandra MacLeod Award	3,756	2,500	6,256	(4,200)	2,056	(489)
E. Mabel Mason Bursary	820	-	820	(250)	570	(154)
Mark DeWolf Award	209	180	389	-	389	354
Memorial Fund Bursary	1,045	-	1,045	(1,200)	(155)	(198)
Marion G. Fry Bursary	1,896	1,000	2,896	(2,100)	796	202
Michael Elliott Award	1,856	550	2,406	(2,000)	406	263
	13,586	4,335	17,921	(13,000)	4,921	(153)

### 5. UNREALIZED GAINS ON INVESTMENTS

During the year, the Association recorded non-cash, unrealized gain on investments of \$18,917 (2018 - \$25,272 loss). The cumulative unrealized gain on investments as at March 31, 2019 are \$199,205 (2018 - \$180,187).

# University of King's College Alumni Association

## Schedule of Investments

## SCHEDULE A

For the Year Ended March 31, 2019

	2019		2018	
	Market \$	Cost \$	Market \$	Cost \$
<b>BONDS, DEBENTURES GIC'S AND COUPONS</b>				
\$40,000 Veresen Inc. 4.000%, due Nov 22, 2018	-	-	40,496	39,744
\$20,000 Concentra 2.120%, due Feb 19, 2019	-	-	20,000	20,000
\$20,000 Province of ON. 4.200%, due Jun 2, 2020	20,562	19,737	20,914	19,737
\$25,000 Concentra 2.200%, due Jul 15, 2019	25,000	25,000	25,000	25,000
\$15,000 AG Growth 5.000%, due Dec 31, 2020	16,481	15,225	15,600	15,225
\$30,000 Crombie 5.250%, due Mar 31, 2021	-	-	30,825	30,357
\$15,000 Premium Brands 4.600%, due Dec 31, 2023	15,450	14,947	18,300	14,947
\$25,000 Chemtrade Log. 4.750%, due May 31, 2024	21,345	25,000	24,500	25,000
\$15,000 AG Growth 4.500%, due Dec 31, 2022	15,075	14,999	-	-
\$20,000 Bell Canada 3.000%, due Oct 03, 2022	20,265	19,884	-	-
\$25,000 Manulife Bank 3.050%, due Sep 20, 2021	25,000	25,000	-	-
\$10,000 Bank of NS 2.700%, due Jul 02, 2020	10,000	10,000	-	-
\$10,000 Bank of NS 2.960%, due Feb 28, 2022	10,000	10,000	-	-
\$17,500 Bank of NS 3.150%, due Dec 11, 2020	17,500	17,500	-	-
\$17,500 Bank of NS 3.250%, due Dec 13, 2021	17,500	17,500	-	-
	214,178	214,792	195,635	190,010
<b>SHARES / UNITS</b>				
Bank of Nova Scotia - 700 shares	49,798	9,407	55,552	9,407
Royal Bank of Canada - 600 shares	60,492	25,173	59,712	25,173
Toronto-Dominion Bank - 500 shares	36,260	27,883	36,555	27,883
Transcanada Corporation - 1,000 shares	60,020	26,255	53,280	26,255
Enbridge Inc - 1,300 shares	62,920	21,561	52,676	21,561
Fortis Inc - 1,000 shares	49,390	28,230	43,490	28,230
Algonquin Power & Utilities - 3,000 shares	45,090	31,860	38,310	31,860
Power Financial Corporation - 1,200 shares	37,464	35,651	38,712	35,651
Bank of Nova Scotia Corporate Tiered - 20,160 investment savings units	20,160	20,160	21,267	21,267
Telus Corporation - 500 shares	24,730	20,325	22,620	20,325
	446,324	246,505	422,174	247,612
	660,502	461,297	617,809	437,622
<b>INVESTMENTS</b>				
- at market		660,502		617,809
- at cost		(461,297)		(437,622)
<b>CUMULATIVE UNREALIZED GAINS ON INVESTMENTS - (note 5)</b>				
		199,205		180,187

# University of King's College Alumni Association

## Schedule of Net Assets

For the Year Ended March 31, 2019

SCHEDULE B

	Fair Value Net Assets Beginning of Year \$	Fair Value Net Receipts Over Expenditures \$	Fair Value Current Unrealized gains \$	2019 Fair Value Net Assets End of Year \$	2018 Fair Value Net Assets End of Year \$
ATHLETICS APPEAL	13,211	(54)	379	13,536	13,211
MICHAEL SAUNDERS AWARD	14,281	490	416	15,187	14,281
G. F. BUTLER SCHOLARSHIP	45,767	(235)	1,287	46,819	45,767
NEW BRUNSWICK AWARD	18,401	612	520	19,533	18,401
HUNT LIBRARY FUND	27,960	46	799	28,805	27,960
SANDRA MACLEOD AWARD	110,330	2,056	3,189	115,575	110,330
E. MABEL MASON BURSARY	24,605	570	696	25,871	24,605
MARK DEWOLF AWARD	5,131	389	178	5,698	5,131
MEMORIAL FUND BURSARY	31,566	(155)	887	32,298	31,566
MARION G. FRY BURSARY	55,759	796	1,610	58,165	55,759
MICHAEL ELLIOTT AWARD	53,997	406	1,575	55,978	53,997
ENDOWMENT FUNDS	401,008	4,921	11,536	417,465	401,008
GENERAL FUND	240,546	9,902	7,381	257,829	240,546
<b>NET ASSETS</b>	<b>641,554</b>	<b>14,823</b>	<b>18,917</b>	<b>675,294</b>	<b>641,554</b>