

University of King's College Alumni Association

Financial Statements

March 31, 2021

University of King's College Alumni Association

March 31, 2021

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Independent Practitioner's Review Engagement Report

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, 2021 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

G&R CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Dartmouth, Nova Scotia
May 26, 2021

University of King's College Alumni Association

Balance Sheet

March 31, 2021

	Endowment \$	General \$	2021 \$	2020 \$
Assets				
Current Assets				
Cash	-	9,960	9,960	23,720
Accounts receivable	-	1,000	1,000	350
HST recoverable	-	537	537	490
Investment income receivable	-	5,534	5,534	4,979
Merchandise inventory	-	6,011	6,011	4,469
	-	23,042	23,042	34,008
Investments - at market (Schedule A)	444,526	281,026	725,552	628,059
Total Assets	444,526	304,068	748,594	662,067
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	-	4,100	4,100	4,100
Deferred revenue	-	-	-	9,999
Total Liabilities	-	4,100	4,100	14,099
Fund Balances				
General Fund (Schedule B)	-	299,968	299,968	253,822
Endowment Funds - restricted (Schedule B)	444,526	-	444,526	394,146
Total Funds	444,526	299,968	744,494	647,968
Total Liabilities and Funds	444,526	304,068	748,594	662,067

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, 2021

	(note 4) Endowment \$	General \$	2021 \$	2020 \$
Receipts				
Annual brunch	-	-	-	11,020
Donations	2,658	-	2,658	1,930
Golf tournament	-	-	-	31,422
Investment income (note 3)	20,778	14,591	35,369	32,807
Other income and sponsorship	-	10,495	10,495	351
Sale of memorabilia	-	4,739	4,739	6,465
Total Receipts	23,436	29,825	53,261	83,995
Expenditures				
Alumni travel and meetings	-	-	-	36
Annual brunch	-	-	-	3,534
Awards and bursaries	15,000	-	15,000	14,700
Bank charges	-	185	185	177
Enceania expenses	-	1,691	1,691	-
Golf tournament	-	-	-	11,089
OAC/Hudson awards	-	-	-	1,544
Professional fees	-	4,170	4,170	4,015
Purchase of memorabilia	-	3,489	3,489	4,292
Student entrance awards	-	-	-	20,333
Student support	-	3,500	3,500	250
The John Godfrey prize	-	100	100	100
Worldwide alumni celebration	-	-	-	987
Total Expenditures	15,000	13,135	28,135	61,057
Excess of Receipts over Expenditures before				
Other Income (Schedule B)	8,436	16,690	25,126	22,938
Other Income				
Unrealized gain (loss) on investments (note 5)	41,945	29,455	71,400	(50,264)
Excess (Deficiency) of Receipts over Expenditures	50,381	46,145	96,526	(27,326)

University of King's College Alumni Association

Statement of Net Assets

For the Year Ended March 31, 2021

	Endowment \$	General \$	2021 \$	2020 \$
Net Assets - Beginning of year	394,146	253,822	647,968	675,294
Excess (Deficiency) of receipts over expenditures	50,381	46,145	96,526	(27,326)
Net Assets - End of Year (Schedule B)	444,526	299,968	744,494	647,968

University of King's College Alumni Association

Statement of Cash Flows

For the Year Ended March 31, 2021

	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (Deficiency) of receipts over expenditures	96,526	(27,326)
Realized gain on sale of investments	(10,248)	(7,302)
Unrealized (Gain) loss on investments	(71,400)	50,264
	14,878	15,636
Changes in non-cash working capital -		
Decrease (Increase) in accounts receivable	(650)	101
Increase in HST recoverable	(47)	(28)
Increase in investment income receivable	(556)	(1,857)
Decrease (Increase) in inventory	(1,541)	814
Increase (Decrease) in deferred revenue	(9,999)	1,629
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	2,085	16,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(95,465)	(108,787)
Proceeds on sale of investments	79,620	98,267
NET CASH USED BY INVESTING ACTIVITIES	(15,845)	(10,520)
INCREASE (DECREASE) IN CASH FOR THE YEAR	(13,760)	5,775
CASH - BEGINNING OF YEAR	23,720	17,945
CASH - END OF YEAR	9,960	23,720

University of King's College Alumni Association

Notes to Financial Statements

For the Year Ended March 31, 2021

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 (ASNFP) 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 \$71,400 (2020 - \$50,264 loss).

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.

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

. . . (continued) . . .

University of King's College Alumni Association

Notes to the Financial Statements

For the Year Ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES . . . (continued)

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, 2021 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, 2021 an allowance for doubtful accounts of \$nil (2020 - \$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.

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

. . . (continued) . . .

University of King's College Alumni Association

Notes to Financial Statements

For the Year Ended March 31, 2021

2. FINANCIAL INSTRUMENTS . . . (continued)

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 \$35,369 (2020 - \$32,807) represents interest and dividends received and actual gains and losses on the sale of investments.

4. ENDOWMENT RECEIPTS AND EXPENDITURES

				2021	2020	
	Investment	Donation	Total	Total	Net Receipts	Net Receipts
	Income	and Other	Receipts	Awards and	over (under)	over (under)
	\$	Receipts	\$	Expenditures	Expenditures	Expenditures
	\$	\$	\$	\$	\$	\$
Athletics Appeal	660	-	660	(500)	160	133
Michael Saunders Award	770	-	770	(500)	270	232
G. Frederick Butler Scholarship	2,239	-	2,239	(1,700)	539	446
New Brunswick Award	957	-	957	(700)	257	216
Hunt Library Fund	1,408	-	1,408	(1,000)	408	346
Sandra MacLeod Award	5,757	-	5,757	(4,300)	1,457	1,400
E. Mabel Mason Bursary	1,265	-	1,265	(900)	365	309
Mark DeWolf Award	371	180	551	-	551	505
Memorial Fund Bursary	1,542	-	1,542	(1,200)	342	280
Marion G. Fry Bursary	2,956	1,000	3,956	(2,100)	1,856	1,660
Michael Elliott Award	2,853	1,478	4,331	(2,100)	2,231	1,425
	20,778	2,658	23,436	(15,000)	8,436	6,952

5. UNREALIZED GAINS ON INVESTMENTS

During the year, the Association recorded non-cash, unrealized gain on investments of \$71,400 (2020 - \$50,264 loss). The cumulative unrealized gain on investments as at March 31, 2021 is \$220,249 (2020 - \$148,851).

University of King's College Alumni Association

Schedule of Investments

SCHEDULE A

For the Year Ended March 31, 2021

	2021		2020	
	Market \$	Cost \$	Market \$	Cost \$
BONDS, DEBENTURES GIC'S AND COUPONS				
\$30,000 AG Growth 5.250%, due Dec 31, 2024	30,321	30,000	23,100	30,000
\$15,000 Bank of NS 2.540%, due Jul 17, 2023	15,000	15,000	15,000	15,000
\$20,000 Province of ON. 4.200%, due Jun 2, 2020	-	-	20,124	19,737
\$20,000 Aecon Group Inc. 5.000%, due Dec 31, 2023	21,600	20,013	-	-
\$15,000 Bank of NS 1.120%, due Jul 22, 2022	15,000	15,000	-	-
\$15,000 Cargojet Inc. 5.750%, due Apr 30, 2024	15,531	15,380	-	-
\$15,000 Premium Brands 4.600%, due Dec 31, 2023	17,550	14,947	14,395	14,947
\$25,000 Chemtrade Log. 4.750%, due May 31, 2024	22,933	25,000	14,500	25,000
\$15,000 Bank of NS 0.450%, due Dec 18, 2021	15,000	15,000	-	-
\$20,000 Bell Canada 3.000%, due Oct 03, 2022	20,628	19,884	20,057	19,884
\$25,000 Manulife Bank 3.050%, due Sep 20, 2021	25,000	25,000	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	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	17,500	17,500
	226,063	222,724	187,176	204,568
SHARES / UNITS				
Bank of Nova Scotia - 700 shares	55,034	9,407	40,229	9,407
Royal Bank of Canada - 600 shares	69,522	25,173	52,302	25,173
Toronto-Dominion Bank - 500 shares	40,980	27,883	29,915	27,883
TC Energy Corporation - 1,000 shares	57,610	26,255	62,550	26,255
Enbridge Inc - 900 shares (2020 - 1,300)	41,202	14,927	53,274	21,561
Fortis Inc - 1,000 shares	54,530	28,230	54,270	28,230
Power Financial Corporation - 1,260 shares	41,618	43,230	28,527	43,230
Algonquin Power & Utilities - 3,000 shares	59,730	31,860	56,850	31,860
BMO Bond Index - 1,200 shares	18,864	19,920	-	-
Bank of Nova Scotia Corporate Tiered - 35,369 investment savings units	35,369	35,369	40,716	40,716
Telus Corporation - 1,000 shares	25,030	20,325	22,250	20,325
	499,489	282,579	440,883	274,640
	725,552	505,303	628,059	479,208
INVESTMENTS				
- at market		725,552		628,059
- at cost		(505,303)		(479,208)
CUMULATIVE UNREALIZED GAINS ON INVESTMENTS - (note 5)				
		220,249		148,851

University of King's College Alumni Association

Schedule of Net Assets

SCHEDULE B

For the Year Ended March 31, 2021

	Fair Value Net Assets Beginning of Year \$	Fair Value Net Receipts Over Expenditures \$	Fair Value Current Unrealized gains \$	2021 Fair Value Net Assets End of Year \$	2020 Fair Value Net Assets End of Year \$
ATHLETICS APPEAL	12,698	160	1,334	14,192	12,698
MICHAEL SAUNDERS AWARD	14,295	270	1,554	16,119	14,295
G. F. BUTLER SCHOLARSHIP	43,972	538	4,519	49,029	43,972
NEW BRUNSWICK AWARD	18,343	257	1,933	20,533	18,343
HUNT LIBRARY FUND	27,086	408	2,843	30,337	27,086
SANDRA MACLEOD AWARD	108,532	1,456	11,620	121,608	108,532
E. MABEL MASON BURSARY	24,325	365	2,554	27,244	24,325
MARK DEWOLF AWARD	5,703	551	748	7,002	5,703
MEMORIAL FUND BURSARY	30,306	342	3,114	33,762	30,306
MARION G. FRY BURSARY	55,589	1,856	5,968	63,413	55,589
MICHAEL ELLIOTT AWARD	53,297	2,231	5,758	61,286	53,297
ENDOWMENT FUNDS	394,146	8,434	41,945	444,526	394,146
GENERAL FUND	253,822	16,691	29,455	299,968	253,822
NET ASSETS	647,968	25,125	71,400	744,494	647,968