

Financial Statements of

**UNIVERSITY OF KING'S  
COLLEGE ALUMNI  
ASSOCIATION**

Year ended March 31, 2023

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

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## **INDEPENDENT PRACTITIONERS' 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, which comprise the statement of financial position as at March 31, 2023, the statement of operations and changes in fund balances and statement of cash flows for the year then ended, and notes, comprising 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.

### *Practitioners' 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 evaluates 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.



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*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 University of King's College Alumni Association as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants

Halifax, Canada

August 31, 2023

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	Endowment	General	2023 Total	2022 Total
<b>Assets</b>				
Current assets:				
Cash	\$ -	\$ 20,160	\$ 20,160	\$ 2,844
Accounts receivable	-	-	-	2,590
HST recoverable	-	1,451	1,451	601
Investment income receivable	-	2,537	2,537	5,906
Merchandise inventory	-	7,014	7,014	5,686
	-	31,162	31,162	17,627
Investments - at market (note 2)	433,527	310,877	744,404	822,873
	\$ 433,527	\$ 342,039	\$ 775,566	\$ 840,500

## Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 4,100	\$ 4,100	\$ 4,100
Deferred revenue	-	14,823	14,823	-
	-	18,923	18,923	4,100
Fund balances	433,527	323,116	756,643	836,400
	\$ 433,527	\$ 342,039	\$ 775,566	\$ 840,500

See accompanying notes to financial statements.

On behalf of the Board:

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# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	Endowment	General	2023 Total	2022 Total
<b>Revenue:</b>				
Donations	\$ 2,680	\$ -	\$ 2,680	\$ 2,480
Investment income	14,692	10,315	25,007	24,075
Sale of memorabilia	-	6,848	6,848	5,591
Other income and sponsorship	-	14,943	14,943	11,936
	17,372	32,106	49,478	44,082
<b>Expenses:</b>				
Awards and bursaries	16,000	-	16,000	14,000
Bank charges	-	185	185	185
Encaenia expenses	-	-	-	739
Professional fees	-	11,635	11,635	4,250
Memorabilia	-	3,489	3,489	3,630
Alumni day & communications	-	1,000	1,000	774
	16,000	16,309	32,309	23,578
Excess of revenue over expenses before other income (expense)	1,372	15,797	17,169	20,504
<b>Other income (expense):</b>				
Unrealized (loss) gain on investments	(56,944)	(39,982)	(96,926)	71,402
Excess (deficiency) of revenue over expenses	(55,572)	(24,185)	(79,757)	91,906
Fund balances, beginning of year	489,099	347,301	836,400	744,494
Fund balances, end of year	\$ 433,527	\$ 323,116	\$ 756,643	\$ 836,400

See accompanying notes to financial statements.

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (79,757)	\$ 91,906
Items not involving cash:		
Realized gain on sale of investments	-	58
Unrealized gain on investments	96,926	(71,402)
	<u>17,169</u>	<u>20,562</u>
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	2,590	(1,590)
Increase in HST recoverable	(850)	(64)
Decrease (increase) in investment income receivable	3,369	(372)
(Increase) decrease in merchandise inventory	(1,328)	325
Increase in deferred revenue	14,823	-
	<u>35,773</u>	<u>18,861</u>
Investing activities:		
Purchase of investments	(33,943)	(191,689)
Proceeds on sale of investments	15,486	165,712
	<u>(18,457)</u>	<u>(25,977)</u>
Increase (decrease) in cash	17,316	(7,116)
Cash, beginning of year	2,844	9,960
Cash, end of year	<u>\$ 20,160</u>	<u>\$ 2,844</u>

See accompanying notes to financial statements.

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2023

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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:

### (a) Basis of accounting:

These financial statements have been prepared by management in accordance with Part III of the CPA Canada Handbook which sets out generally accepted accounting principles for not-for-profit organizations in Canada.

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. The Association subsequently measures its financial instruments at cost or amortized cost, unless management has elected to carry the instrument 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.

### (c) 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.



# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (d) 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 mainly of memorabilia held for resale. Net realizable value is the estimated selling price in the ordinary course of business less the costs to make the sale.

### (e) 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 operations.

### (f) 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 the payment of income taxes.

### (g) 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. Revenue from event programming and other revenue is recognized when the services are provided, if the amount to be received can be reasonably estimated and collection is reasonably assured.

### (h) 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.

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (i) 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.

### (j) 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 the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at March 31, 2023 and the reported amount of revenues and expenses for the year then ended. Actual results could differ from these estimates.

## 2. Investment income:

Investment income of \$25,007 (2022 - \$24,075) represents interest and dividends received and realized gains and losses on the sale of investments.

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

### 3. Endowment receipts and expenditures:

	Investment income	Donations and other receipts	Total receipts	Total awards and expenditures	2023 Net receipts over (under) expenditures	2022 Net receipts over (under) expenditures
Athletics Appeal	\$ 468	\$ -	\$ 468	\$ (500)	\$ (32)	\$ (50)
Michael Saunders Award	545	-	545	(550)	(5)	525
G. Frederick Butler Scholarship	1,583	-	1,583	(1,750)	(167)	(176)
New Brunswick Award	678	-	678	(750)	(72)	652
Hunt Library Fund	995	-	995	(1,100)	(105)	(92)
Sandra MacLeod Award	4,071	-	4,071	(4,400)	(329)	(381)
E. Mabel Mason Bursary	895	-	895	(1,000)	(105)	(88)
Mark DeWolf Award	263	180	443	(250)	193	433
Memorial Fund Bursary	1,090	-	1,090	(1,200)	(110)	(150)
Marion G. Fry Bursary	2,091	2,000	4,091	(2,300)	1,791	1,813
Michael Elliott Award	2,013	500	2,513	(2,200)	313	138
	\$ 14,692	\$ 2,680	\$ 17,372	\$ (16,000)	\$ 1,372	\$ 2,624

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 4. Financial instruments:

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

(a) 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, 2023 an allowance for doubtful accounts of \$nil (2022 - \$nil) for accounts receivable was recorded. Any credit losses are provided for in the financial statements and consistently have been within management's expectations.

(b) 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.

(c) 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.

(d) 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.

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Schedule of Investment

Year ended March 31, 2023, with comparative information for 2022

	2023		2022	
	Market	Cost	Market	Cost
<b>Bonds, debentures GIC's and coupons</b>				
\$30,000 AG Growth 5.250%, due December 31, 2024	\$ 29,250	\$ 30,000	\$ 30,456	30,000
\$15,000 Bank of NS 2.540%, due July 17, 2023	15,000	15,000	15,000	15,000
\$20,000 Aecon Group Inc. 5.000%, due December 31, 2023	19,898	20,013	20,280	20,013
\$15,000 Bank of NS 1.120%, due July 22, 2022	-	-	15,000	15,000
\$36,000 Cargojet Inc. 5.750%, due April 30, 2024	34,405	35,980	35,612	35,980
\$26,000 Premium Brands 4.650%, due April 30, 2025	24,013	25,625	25,575	25,625
\$25,000 Chemtrade Log. 4.750%, due May 31, 2024	24,625	25,000	25,008	25,000
\$25,000 Bank of NS 3.250%, due March 25, 2025	25,000	25,000	25,000	25,000
\$20,000 Bank of NS 4.40%, due July 27, 2023	20,000	20,000	-	-
	192,191	196,618	191,931	191,618
<b>Shares / units</b>				
Bank of Nova Scotia - 700 shares	47,649	9,408	62,720	9,407
Royal Bank of Canada - 600 shares	77,550	25,173	82,584	25,173
Toronto-Dominion Bank - 500 shares	40,475	27,883	49,595	27,883
TC Energy Corporation - 1,000 shares	52,570	26,255	70,510	26,255
Enbridge Inc - 900 shares	46,377	14,927	51,795	14,927
Fortis Inc - 1,000 shares	57,450	28,230	61,830	28,230
Power Financial Corporation - 1,260 shares	43,520	43,230	48,762	43,230
Algonquin Power & Utilities - 3,000 shares	34,020	31,860	58,170	31,860
Bank of Nova Scotia Corporate Tiered - 125,772 Investment savings unit (2022 - 112,316 units)	125,772	125,772	112,316	112,316
Telus Corporation - 1,000 shares	26,830	20,325	32,660	20,325
	552,213	353,063	630,942	339,606
	\$ 744,404	\$ 549,681	\$ 822,873	\$ 531,224
<b>Investments</b>				
At market	\$	744,404	\$	822,873
At cost		(549,681)		(531,224)
Cumulative unrealized gains on investments (note 2)	\$	194,723	\$	291,649

# UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Schedule of Net Assets

Year ended March 31, 2023, with comparative information for 2022

Fair value				2023	2022
	Net assets, beginning of year	Net receipts over expenditures	Current unrealized gains	Net assets, end of year	Net assets, end of year
Athletics Appeal	\$ 15,477	\$ (32)	\$ (1,813)	\$ 13,632	\$ 15,477
Michael Saunders Award	18,201	(5)	(2,111)	16,085	18,201
G. F. Butler Scholarship	53,373	(167)	(6,135)	47,071	53,373
New Brunswick Award	23,120	(72)	(2,627)	20,421	23,120
Hunt Library Fund	33,087	(105)	(3,858)	29,124	33,087
Sandra Macleod Award	132,852	(329)	(15,780)	116,743	132,852
E. Mabel Mason Bursary	29,712	(105)	(3,470)	26,137	29,712
Mark Dewolf Award	8,185	193	(1,018)	7,360	8,185
Memorial Fund Bursary	36,725	(110)	(4,226)	32,389	36,725
Marion G. Fry Bursary	71,195	1,791	(8,103)	64,883	71,195
Michael Elliott Award	67,172	313	(7,803)	59,682	67,172
Endowment funds	489,099	1,372	(56,944)	433,527	489,099
General fund	347,301	15,797	(39,982)	323,116	347,301
Net assets	\$ 836,400	\$ 17,169	\$ (96,926)	\$ 756,643	\$ 836,400