

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017



*Expertise, value, and trust  
you can build on.*

T 902.463.9571  
F 902.466.8419  
decisionsmatter@grcpa.ca  
www.grcpa.ca

G&R CPA  
3 Spectacle Lake Drive  
Suite 230  
Dartmouth, NS B3B 1W8

## REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF THE  
UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

We have reviewed the balance sheet of the University of King's College Alumni Association as at March 31, 2017 and the statements of receipts and expenditures, 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 enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, 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.

A handwritten signature in dark ink, consisting of the stylized letters 'G', '&amp;', and 'R'.

CHARTERED PROFESSIONAL ACCOUNTANTS

Dartmouth, Nova Scotia  
June 11, 2017

## UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## UNAUDITED BALANCE SHEET AS AT MARCH 31, 2017

ASSETS	Endowment \$	General \$	2017 \$	2016 \$
<b>CURRENT ASSETS</b>				
Cash	-	32,652	32,652	8,440
Accounts receivable	-	-	-	350
HST recoverable	-	406	406	413
Investment income receivable	-	2,437	2,437	1,898
Merchandise inventory	-	5,663	5,663	5,208
	-	41,158	41,158	16,309
INVESTMENTS - at market (Schedule A)	<u>416,988</u>	<u>200,908</u>	<u>617,896</u>	<u>572,486</u>
	<u>416,988</u>	<u>242,066</u>	<u>659,054</u>	<u>588,795</u>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	<u>-</u>	<u>4,100</u>	<u>4,100</u>	<u>4,000</u>
<b>FUND BALANCES</b>				
GENERAL FUND (Schedule B)	-	237,966	237,966	206,405
ENDOWMENT FUNDS - restricted (Schedule B)	<u>416,988</u>	<u>-</u>	<u>416,988</u>	<u>378,390</u>
	<u>416,988</u>	<u>237,966</u>	<u>654,954</u>	<u>584,795</u>
	<u>416,988</u>	<u>242,066</u>	<u>659,054</u>	<u>588,795</u>

SIGNED ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

UNAUDITED STATEMENT OF NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	Endowment \$	General \$	2017 \$	2016 \$
NET ASSETS - BEGINNING OF YEAR	378,390	206,405	584,795	629,345
Excess (Deficiency) of receipts over expenditures	<u>38,598</u>	<u>31,561</u>	<u>70,159</u>	<u>(44,550)</u>
NET ASSETS - END OF YEAR (Schedule B)	<u><u>416,988</u></u>	<u><u>237,966</u></u>	<u><u>654,954</u></u>	<u><u>584,795</u></u>

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION  
 UNAUDITED STATEMENT OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2017

	(note 4) Endowment \$	General \$	2017 \$	2016 \$
<b>RECEIPTS</b>				
Annual dinner	-	11,825	11,825	9,797
Donations	1,180	-	1,180	3,105
Golf tournament	-	27,962	27,962	29,400
Investment income (note 3)	10,656	5,985	16,641	39,941
Other	-	75	75	106
Sale of memorabilia	-	5,727	5,727	6,059
<b>TOTAL RECEIPTS</b>	<u>11,836</u>	<u>51,574</u>	<u>63,410</u>	<u>88,408</u>
<b>EXPENDITURES</b>				
Advertising	-	63	63	-
Ancient Commoner award	-	94	94	84
Annual dinner	-	3,916	3,916	6,327
Awards	12,950	-	12,950	12,950
Bank charges	-	176	176	180
Branch development	-	400	400	-
Bursaries	1,150	18,871	20,021	21,688
Enceania expenses	-	813	813	-
Golf tournament	-	9,094	9,094	8,862
Professional fees	-	3,887	3,887	3,852
Purchase of memorabilia	-	3,535	3,535	3,793
Student support	-	559	559	775
The John Godfrey prize	-	100	100	100
Worldwide alumni celebration	-	1,457	1,457	-
<b>TOTAL EXPENDITURES</b>	<u>14,100</u>	<u>42,965</u>	<u>57,065</u>	<u>58,611</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES BEFORE OTHER INCOME (Schedule B)</b>	<u>(2,264)</u>	<u>8,609</u>	<u>6,345</u>	<u>29,797</u>
<b>OTHER INCOME</b>				
Unrealized gain (loss) on investments (note 5)	<u>40,862</u>	<u>22,952</u>	<u>63,814</u>	<u>(74,347)</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES</b>	<u><u>38,598</u></u>	<u><u>31,561</u></u>	<u><u>70,159</u></u>	<u><u>(44,550)</u></u>

## UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## UNAUDITED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (Deficiency) of receipts over expenditures	70,159	(44,550)
Realized (gain) loss on sale of investments	318	(23,491)
Unrealized (gain) loss on investments	<u>(63,814)</u>	<u>74,347</u>
	6,663	6,306
Changes in non-cash working capital -		
Decrease (Increase) in accounts receivable	350	(260)
Decrease in HST recoverable	7	22
Decrease (Increase) in investment income receivable	(539)	46
Decrease (Increase) in inventory	(455)	1,265
Increase in accounts payable	<u>100</u>	<u>99</u>
	<u>6,126</u>	<u>7,478</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(137,566)	(146,473)
Proceeds on sale of investments	<u>155,652</u>	<u>137,869</u>
	<u>18,086</u>	<u>(8,604)</u>
<b>INCREASE (DECREASE) IN CASH FOR THE YEAR</b>		
	24,212	(1,126)
<b>CASH - BEGINNING OF YEAR</b>		
	<u>8,440</u>	<u>9,566</u>
<b>CASH - END OF YEAR</b>		
	<u><u>32,652</u></u>	<u><u>8,440</u></u>

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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 gains on investments of \$63,814 (2016 - \$74,347 losses), realized loss on investments of \$318 (2016 - \$23,491 gain).

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) ...

## NOTES TO UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

## 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, 2017 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, 2017 an allowance for doubtful accounts of \$nil (2016 - 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 UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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 \$16,641 (2016 - \$39,941) represents interest and dividends received and actual gains and losses on the sale of investments.

4. ENDOWMENT RECEIPTS AND EXPENDITURES	2017			2016		
	Investment Income \$	Donation and Other Receipts \$	Total Receipts \$	Total Awards and Expenditures \$	Net Receipts over Expenditures \$	Net Receipts over Expenditures \$
Athletics Appeal	352	-	352	(450)	(98)	416
Michael Saunders Award	370	-	370	(500)	(130)	412
G. Frederick Butler Scholarship	1,205	-	1,205	(1,650)	(445)	1,323
New Brunswick Award	486	-	486	(650)	(164)	547
Hunt Library Fund	747	-	747	(1,000)	(253)	840
Sandra MacLeod Award	2,974	-	2,974	(3,900)	(926)	5,245
E. Mabel Mason Bursary	652	-	652	(900)	(248)	711
Mark DeWolf Award	138	180	318	-	318	487
Memorial Fund Bursary	832	-	832	(1,150)	(318)	904
Marion G. Fry Bursary	1,468	500	1,968	(2,000)	(32)	1,849
Michael Elliott Award	1,432	500	1,932	(1,900)	32	2,243
	<u>10,656</u>	<u>1,180</u>	<u>11,836</u>	<u>(14,100)</u>	<u>(2,264)</u>	<u>14,977</u>

5. UNREALIZED GAINS ON INVESTMENTS

During the year, the Association recorded non-cash, unrealized gains on investments of \$63,814 (2016 - \$74,347 losses). The cumulative unrealized gains, net losses on investments as at March 31, 2017 are \$205,458 (2016 - \$141,643).

## UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## UNAUDITED SCHEDULE OF INVESTMENTS

## SCHEDULE A

FOR THE YEAR ENDED MARCH 31, 2017

	2017		2016	
	Market \$	Cost \$	Market \$	Cost \$
<b>BONDS, DEBENTURES GIC'S AND COUPONS</b>				
\$25,000 Bank of NS 1.700%, due Feb 21, 2017	-	-	25,000	25,000
\$23,000 Bank of NS 1.000%, due Sept 23, 2016	-	-	23,000	23,000
\$20,000 Concentra 2.120%, due Feb 19, 2019	20,000	20,000	20,000	20,000
\$30,000 Crombie 5.250%, due Mar 31, 2021	31,350	30,357	30,900	30,357
\$25,000 Concentra 2.200%, due Jul 15, 2020	25,000	25,000	-	-
\$15,000 AG Growth 4.601%, due Dec 31, 2020	15,637	15,225	-	-
\$40,000 Veresen Inc. 4.000%, due Nov 22, 2018	41,273	39,744	40,458	39,744
\$20,000 Province of ON. 4.200%, due Jun 2, 2020	21,777	19,737	22,372	19,737
\$15,000 Premium Brands 4.600%, due Dec 31, 2023	16,125	14,947	-	-
	<u>171,162</u>	<u>165,010</u>	<u>161,730</u>	<u>157,838</u>
<b>SHARES / UNITS</b>				
Bank of Nova Scotia - 700 shares	54,460	9,407	44,429	9,407
Royal Bank of Canada - 600 shares	58,134	25,173	44,898	25,173
TD Bank - 500 shares	33,305	27,883	28,030	27,883
Transcanada Corporation - 1,000 shares	61,370	26,255	51,060	26,255
Enbridge Inc - 1,300 shares	72,423	21,561	65,728	21,561
Fortis Inc - 1,000 subscription receipts	44,070	28,230	40,710	28,230
Algonquin Power & Utilities - 3,000 shares	38,100	31,860	32,610	31,860
Power Financial Corporation - 1,200 shares	42,204	35,651	-	-
Great-West Lifeco Inc - 500 shares	-	-	17,870	17,215
Bank of Nova Scotia - investment savings units	21,083	21,083	85,421	85,421
Telus Corporation - 500 shares	21,585	20,325	-	-
	<u>446,734</u>	<u>247,428</u>	<u>410,756</u>	<u>273,005</u>
	<u>617,896</u>	<u>412,438</u>	<u>572,486</u>	<u>430,843</u>
<b>INVESTMENTS</b>				
- at market		617,896		572,486
- at cost		(412,438)		(430,843)
<b>CUMULATIVE UNREALIZED GAINS ON INVESTMENTS - (note 5)</b>				
		<u>205,458</u>		<u>141,643</u>

## UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

## UNAUDITED SCHEDULE OF NET ASSETS

## SCHEDULE B

FOR THE YEAR ENDED MARCH 31, 2017

	2017			2016	
	Fair Value Net Assets Beginning of Year \$	Fair Value Net Receipts Over Expenditures \$	Fair Value Current Unrealized gains \$	Fair Value Net Assets End of Year \$	Fair Value Net Assets End of Year \$
ATHLETICS APPEAL	12,525	(98)	1,351	13,778	12,525
MICHAEL SAUNDERS AWARD	13,116	(130)	1,418	14,404	13,116
G. F. BUTLER SCHOLARSHIP	43,641	(445)	4,621	47,817	43,641
NEW BRUNSWICK AWARD	17,513	(164)	1,863	19,212	17,513
HUNT LIBRARY FUND	26,600	(254)	2,863	29,209	26,600
SANDRA MACLEOD AWARD	104,741	(926)	11,404	115,219	104,741
E. MABEL MASON BURSARY	23,468	(247)	2,502	25,723	23,468
MARK DEWOLF AWARD	4,155	318	528	5,001	4,155
MEMORIAL FUND BURSARY	30,119	(318)	3,191	32,992	30,119
MARION G. FRY BURSARY	52,155	(32)	5,630	57,753	52,155
MICHAEL ELLIOTT AWARD	<u>50,357</u>	<u>32</u>	<u>5,491</u>	<u>55,880</u>	<u>50,357</u>
ENDOWMENT FUNDS	378,390	(2,264)	40,862	416,988	378,390
GENERAL FUND	<u>206,405</u>	<u>8,609</u>	<u>22,952</u>	<u>237,966</u>	<u>206,405</u>
NET ASSETS	<u>584,795</u>	<u>6,345</u>	<u>63,814</u>	<u>654,954</u>	<u>584,795</u>