

Financial Statements of

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

Year ended March 31, 2022

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, 2022, 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, 2022, 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.

Comparative Information

The comparative information presented as at and for the year ended March 31, 2021 was reviewed by another firm of chartered professional accountants.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that serves as a flourish or underline.

Chartered Professional Accountants

Halifax, Canada

September 1, 2022

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	Endowment	General	2022 Total	2021 Total
Assets				
Current assets:				
Cash	\$ -	\$ 2,844	\$ 2,844	\$ 9,960
Accounts receivable	-	2,590	2,590	1,000
HST recoverable	-	601	601	537
Investment income receivable	-	5,906	5,906	5,534
Merchandise inventory	-	5,686	5,686	6,011
	-	17,627	17,627	23,042
Investments - at market (note 2)	489,099	333,774	822,873	725,552
	\$ 489,099	\$ 351,401	\$ 840,500	\$ 748,594

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 4,100	\$ 4,100	\$ 4,100
Fund balances	489,099	347,301	836,400	744,494
	\$ 489,099	\$ 351,401	\$ 840,500	\$ 748,594

See accompanying notes to financial statements.

On behalf of the Board:

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	Endowment	General	2022 Total	2021 Total
Revenue:				
Donations	\$ 2,480	\$ -	\$ 2,480	\$ 2,658
Investment income	14,144	9,931	24,075	35,369
Sale of memorabilia	-	5,591	5,591	4,739
Other income and sponsorship	-	11,936	11,936	10,495
	<u>16,624</u>	<u>27,458</u>	<u>44,082</u>	<u>53,261</u>
Expenses:				
Awards and bursaries	14,000	-	14,000	15,000
Bank charges	-	185	185	185
Encaenia expenses	-	739	739	1,691
Professional fees	-	4,250	4,250	4,170
Memorabilia	-	3,630	3,630	3,489
Student support	-	-	-	3,500
The John Godfrey prize	-	-	-	100
Alumni day & communications	-	774	774	-
	<u>14,000</u>	<u>9,578</u>	<u>23,578</u>	<u>28,135</u>
Excess of revenue over expenses before other income	2,624	17,880	20,504	25,126
Other income:				
Unrealized gain on investments	41,949	29,453	71,402	71,400
Excess of revenue over expenses	44,573	47,333	91,906	96,526
Fund balances, beginning of year	444,526	299,968	744,494	647,968
Fund balances, end of year	\$ 489,099	\$ 347,301	\$ 836,400	\$ 744,494

See accompanying notes to financial statements.

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 91,906	\$ 96,526
Items not involving cash:		
Realized gain on sale of investments	58	(10,248)
Unrealized gain on investments	(71,402)	(71,400)
	20,562	14,878
Changes in non-cash operating working capital:		
Increase in accounts receivable	(1,590)	(650)
Increase in HST recoverable	(64)	(47)
Increase in investment income receivable	(372)	(556)
Decrease (increase) in merchandise inventory	325	(1,541)
Increase (decrease) in deferred revenue	-	(9,999)
	18,861	2,085
Investing activities:		
Purchase of investments	(191,689)	(95,465)
Proceeds on sale of investments	165,712	79,620
	(25,977)	(15,845)
Decrease in cash	(7,116)	(13,760)
Cash, beginning of year	9,960	23,720
Cash, end of year	\$ 2,844	\$ 9,960

See accompanying notes to financial statements.

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2022

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.

(d) 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.

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(e) 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.

(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, 2022

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, 2022 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 \$24,075 (2021 - \$35,369) 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, 2022

3. Endowment receipts and expenditures:

	Investment income	Donations and other receipts	Total receipts	Total awards and expenditures	2022 Net receipts over (under) expenditures	2021 Net receipts over (under) expenditures
Athletics Appeal	\$ 450	\$ -	\$ 450	\$ (500)	\$ (50)	160
Michael Saunders Award	525	-	525	-	525	270
G. Frederick Butler Scholarship	1,524	-	1,524	(1,700)	(176)	539
New Brunswick Award	652	-	652	-	652	257
Hunt Library Fund	958	-	958	(1,050)	(92)	408
Sandra MacLeod Award	3,919	-	3,919	(4,300)	(381)	1,457
E. Mabel Mason Bursary	862	-	862	(950)	(88)	365
Mark DeWolf Award	253	180	433	-	433	551
Memorial Fund Bursary	1,050	-	1,050	(1,200)	(150)	342
Marion G. Fry Bursary	2,013	2,000	4,013	(2,200)	1,813	1,856
Michael Elliott Award	1,938	300	2,238	(2,100)	138	2,231
	\$ 14,144	\$ 2,480	\$ 16,624	\$ (14,000)	\$ 2,624	\$ 8,436

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

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, 2022 an allowance for doubtful accounts of \$nil (2021 - \$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 Investments

Year ended March 31, 2022, with comparative information for 2021

	2022		2021	
	Market	Cost	Market	Cost
Bonds, debentures GIC's and coupons				
\$30,000 AG Growth 5.250%, due December 31, 2024	\$ 30,456	\$ 30,000	\$ 30,321	\$ 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	20,280	20,013	21,600	20,013
\$15,000 Bank of NS 1.120%, due July 22, 2022	15,000	15,000	15,000	15,000
\$15,000 Cargojet Inc. 5.750%, due April 30, 2024	35,612	35,980	15,531	15,380
\$15,000 Premium Brands 4.650%, due April 30, 2025	25,575	25,625	17,550	14,947
\$25,000 Chemtrade Log. 4.750%, due May 31, 2024	25,008	25,000	22,933	25,000
\$15,000 Bank of NS 0.450%, due December 18, 2021	-	-	15,000	15,000
\$20,000 Bell Canada 3.000%, due October 3, 2022	-	-	20,628	19,884
\$25,000 Manulife Bank 3.050%, due September 20, 2021	-	-	25,000	25,000
\$10,000 Bank of NS 2.960%, due February 28, 2022	-	-	10,000	10,000
\$17,500 Bank of NS 3.250%, due March 25, 2025	25,000	25,000	17,500	17,500
	<u>191,931</u>	<u>191,618</u>	<u>226,063</u>	<u>222,724</u>
Shares / units				
Bank of Nova Scotia - 700 shares	62,720	9,407	55,034	9,407
Royal Bank of Canada - 600 shares	82,584	25,173	69,522	25,173
Toronto-Dominion Bank - 500 shares	49,595	27,883	40,980	27,883
TC Energy Corporation - 1,000 shares	70,510	26,255	57,610	26,255
Enbridge Inc - 900 shares	51,795	14,927	41,202	14,927
Fortis Inc - 1,000 shares	61,830	28,230	54,530	28,230
Power Financial Corporation - 1,260 shares	48,762	43,230	41,618	43,230
Algonquin Power & Utilities - 3,000 shares	58,170	31,860	59,730	31,860
BMO Bond Index - nil shares (2021 - 1,200 shares)	-	-	18,864	19,920
Bank of Nova Scotia Corporate Tiered - 112,316 Investment savings unit (2021 - 35,369 units)	112,316	112,316	35,369	35,369
Telus Corporation - 1,000 shares	32,660	20,325	25,030	20,325
	<u>630,942</u>	<u>339,606</u>	<u>499,489</u>	<u>282,579</u>
	\$ 822,873	\$ 531,224	\$ 725,552	\$ 505,303
Investments				
At market	\$	822,873	\$	725,552
At cost		(531,224)		(505,303)
Cumulative unrealized gains on investment (note 2)				
	\$	291,649	\$	220,249

UNIVERSITY OF KING'S COLLEGE ALUMNI ASSOCIATION

Schedule of Net assets

Year ended March 31, 2022, with comparative information for 2021

Fair value				2022	2021
	Net assets, beginning of year	Net receipts over expenditures	Current unrealized gains	Net assets, end of year	Net assets, end of year
Athletics Appeal	\$ 14,192	\$ (50)	\$ 1,335	\$ 15,477	\$ 14,192
Michael Saunders Award	16,119	525	1,557	18,201	16,119
G. F. Butler Scholarship	49,029	(176)	4,520	53,373	49,029
New Brunswick Award	20,533	652	1,935	23,120	20,533
Hunt Library Fund	30,337	(92)	2,842	33,087	30,337
Sandra Macleod Award	121,609	(381)	11,624	132,852	121,609
E. Mabel Mason Bursary	27,244	(88)	2,556	29,712	27,244
Mark Dewolf Award	7,002	433	750	8,185	7,002
Memorial Fund Bursary	33,762	(150)	3,113	36,725	33,762
Marion G. Fry Bursary	63,413	1,813	5,969	71,195	63,413
Michael Elliott Award	61,286	138	5,748	67,172	61,286
Endowment funds	444,526	2,624	41,949	489,099	444,526
General fund	299,968	17,880	29,453	347,301	299,968
Net assets	\$ 744,494	\$ 20,504	\$ 71,402	\$ 836,400	\$ 744,494