
APEGNB Foundation for Education Inc.

Financial Statements

December 31, 2020

APEGNB Foundation for Education Inc.

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Independent Practitioner's Review Engagement Report

To: The Board of Directors of APEGNB Foundation for Education Inc.

We have reviewed the accompanying financial statements of APEGNB Foundation for Education Inc. that comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in 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 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.

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 APEGNB Foundation for Education Inc. as at December 31, 2020, 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.

Fredericton, New Brunswick
May 25, 2021


Chartered Professional Accountants

APEGNB Foundation for Education Inc.

Statement of Financial Position

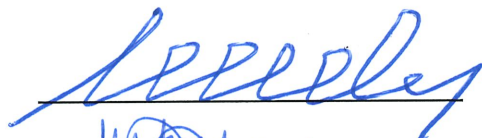
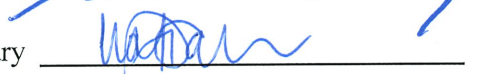
As at December 31, 2020

| | 2020 | 2019 |
|--------------------------------|---------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 49,534 | \$ 40,889 |
| Marketable securities (note 3) | 1,080,284 | 1,039,395 |
| Interest receivable | 4,787 | 5,180 |
| Due from APEGNB (note 4) | <u>6,630</u> | <u>-</u> |
| | <u>\$ 1,141,235</u> | <u>\$ 1,085,464</u> |
| LIABILITY | | |
| Current | | |
| Accounts payable (note 5) | <u>\$ 15,000</u> | <u>\$ -</u> |
| FUND BALANCES | | |
| Capital Contributions Fund | 421,964 | 421,964 |
| Scholarship Fund | <u>704,271</u> | <u>663,500</u> |
| | <u>1,126,235</u> | <u>1,085,464</u> |
| | <u>\$ 1,141,235</u> | <u>\$ 1,085,464</u> |

Approved

Chair

Secretary

APEGNB Foundation for Education Inc.

Statement of Changes in Net Assets
Year ended December 31, 2020

| | Capital Contributions Fund | Scholarship Fund | Total 2020 | Total 2019 |
|--------------------------------------|---|-----------------------------|-----------------------|-----------------------|
| Balance, opening | \$ 421,964 | \$ 663,500 | \$ 1,085,464 | \$ 979,539 |
| Excess of revenues over expenditures | <u>-</u> | <u>40,771</u> | <u>40,771</u> | <u>105,925</u> |
| Balance, closing | <u>\$ 421,964</u> | <u>\$ 704,271</u> | <u>\$ 1,126,235</u> | <u>\$ 1,085,464</u> |

APEGNB Foundation for Education Inc.

Statement of Operations
Year ended December 31, 2020

| | 2020 | 2019 |
|---|------------------|-------------------|
| Revenues | | |
| Realized gain on investments | \$ 609,353 | \$ 27,457 |
| Donations | 30,928 | 27,060 |
| Investment income | <u>7,140</u> | <u>4,648</u> |
| | <u>647,421</u> | <u>59,165</u> |
| Expenditures | | |
| Scholarships | 50,000 | 55,000 |
| Investment management fees | 5,637 | 6,269 |
| Bank charges | <u>115</u> | <u>93</u> |
| | <u>55,752</u> | <u>61,362</u> |
| Excess (deficiency) of revenues over expenditures from operations | 591,669 | (2,197) |
| Other income (expense) | | |
| Unrealized gain (loss) on investments | <u>(550,898)</u> | <u>108,122</u> |
| Excess of revenues over expenditures | <u>\$ 40,771</u> | <u>\$ 105,925</u> |

APEGNB Foundation for Education Inc.

Statement of Cash Flows
Year ended December 31, 2020

| | 2020 | 2019 |
|--|------------------|------------------|
| Operating activities | | |
| Cash received from donations | \$ 24,298 | \$ 27,060 |
| Cash paid for scholarships | (35,000) | (55,000) |
| Cash paid for bank and management fees | (5,752) | (6,363) |
| | <u>(16,454)</u> | <u>(34,303)</u> |
| Investing activities | | |
| Purchase of investments | (932,029) | (21,060) |
| Proceeds on sale of investments | 913,025 | 72,347 |
| Investments - net | 44,103 | 4,495 |
| | <u>25,099</u> | <u>55,782</u> |
| Change in cash position | 8,645 | 21,479 |
| Cash, opening | <u>40,889</u> | <u>19,410</u> |
| Cash, closing | <u>\$ 49,534</u> | <u>\$ 40,889</u> |

APEGNB Foundation for Education Inc.

Notes to Financial Statements

December 31, 2020

1. Nature of operations

APEGNB Foundation for Education Inc. ("the Foundation") is incorporated as a not-for-profit corporation without share capital under the laws of the Province of New Brunswick to promote the education and training of professional engineers, engineering students, professional geoscientists and geoscience students. The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash and cash equivalents

Cash and cash equivalents consist of balances held in bank accounts and investment cash accounts with financial institutions.

(b) Revenue recognition

Donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes dividend and interest income. Investment income is recognized when the right to receive payment is established. Income from realized gains and losses is recognized in the period in which the sale of an investment has occurred. Unrealized investment gains and losses reflect the change in the fair market value of the investments at year end.

(c) Marketable securities

The marketable securities are recorded at fair value using quoted market prices with changes in fair value recognized in the statement of operations as unrealized gains or losses.

(d) Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and interest receivable.

Financial liabilities measured at amortized cost include accounts payable.

APEGNB Foundation for Education Inc.

Notes to Financial Statements
December 31, 2020

3. Marketable securities

Marketable securities are held with the following investment brokers:

| | 2020 Cost | 2020 Market | 2019 Cost | 2019 Market |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| BMO Nesbitt Burns | \$ 866,556 | \$ 868,524 | \$ - | \$ - |
| CIBC Wood Gundy | 170,665 | 182,972 | 163,501 | 180,703 |
| Royal Bank | | | | |
| Money Market Fund | 28,788 | 28,788 | 740 | 740 |
| Manulife | - | - | 310,373 | 857,952 |
| Fair Market Value Adjustment | 14,275 | - | 564,781 | - |
| | <u>\$ 1,080,284</u> | <u>\$ 1,080,284</u> | <u>\$ 1,039,395</u> | <u>\$ 1,039,395</u> |

The composition of marketable securities is detailed below.

| | 2020 Cost | 2020 Market | 2019 Cost | 2019 Market |
|--|---------------------|---------------------|-------------------|---------------------|
| Fixed income | \$ 680,233 | \$ 685,983 | \$ 203,859 | \$ 402,034 |
| Equities | 385,776 | 394,301 | 212,928 | 579,534 |
| Cash and cash equivalents included in Manulife fund | - | - | 57,827 | 57,827 |
| | <u>\$ 1,066,009</u> | <u>\$ 1,080,284</u> | <u>\$ 474,614</u> | <u>\$ 1,039,395</u> |

4. Due from related party

The Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB) collects donations on behalf of the Foundation. At December 31, 2020, \$6,630 in donations had been collected on behalf of the Foundation and not transferred. In 2019, donations included \$500 received from APEGNB which also provides services to the Foundation. The cost of the services received has not been identified or recorded in the financial statements.

APEGNB Foundation for Education Inc.

Notes to Financial Statements
December 31, 2020

5. Accounts payable

Accounts payable include \$15,000 in scholarships payable to the Université de Moncton.

6. Capital contributions fund

Capital contributions represent restricted donations received by the Foundation. These funds are to be disbursed in the manner requested by the original donor.

7. Financial instruments

The Foundation is exposed to the following risk with respect of the marketable securities held:

(a) Market risk

Market risk is the risk that the fair value of expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Foundation is not exposed to significant interest or currency risks arising from these financial instruments. The Foundation is mainly exposed to other price risk.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments quoted in an active market.

All of the Foundation's marketable securities are managed by independent, external investment managers.