
APEGNB Foundation for Education Inc.

Financial Statements

December 31, 2021

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, 2021, 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, 2021, 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.

Fredericton, New Brunswick
June 14, 2022


Chartered Professional Accountants

APEGNB Foundation for Education Inc.

Statement of Financial Position

As at December 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 52,505	\$ 49,534
Marketable securities (note 3)	1,136,146	1,080,284
Interest receivable	3,993	4,787
Due from APEGNB (note 4)	10,511	6,630
	<u>\$ 1,203,155</u>	<u>\$ 1,141,235</u>
LIABILITY		
Current		
Accounts payable (note 5)	\$ 35,000	\$ 15,000
FUND BALANCES		
Capital Contributions Fund	421,964	421,964
Scholarship Fund	746,191	704,271
	<u>1,168,155</u>	<u>1,126,235</u>
	<u>\$ 1,203,155</u>	<u>\$ 1,141,235</u>

Approved

Chair

Secretary



The image shows two handwritten signatures in black ink. The first signature is larger and more stylized, positioned above the 'Chair' label. The second signature is smaller and more cursive, positioned above the 'Secretary' label. Both signatures are written over horizontal lines.

APEGNB Foundation for Education Inc.

Statement of Changes in Net Assets
Year ended December 31, 2021

	Capital Contributions Fund	Scholarship Fund	Total 2021	Total 2020
Balance, opening	\$ 421,964	\$ 704,271	\$ 1,126,235	\$ 1,085,464
Excess of revenues over expenditures	<u>-</u>	<u>41,920</u>	<u>41,920</u>	<u>40,771</u>
Balance, closing	<u>\$ 421,964</u>	<u>\$ 746,191</u>	<u>\$ 1,168,155</u>	<u>\$ 1,126,235</u>

APEGNB Foundation for Education Inc.

Statement of Operations
Year ended December 31, 2021

	2021	2020
Revenues		
Donations	\$ 20,777	\$ 30,928
Investment income	29,029	7,140
Realized gain on investments	<u>(4,115)</u>	<u>609,353</u>
	<u>45,691</u>	<u>647,421</u>
Expenditures		
Scholarships	50,000	50,000
Investment management fees	8,134	5,637
Bank charges	<u>470</u>	<u>115</u>
	<u>58,604</u>	<u>55,752</u>
Excess (deficiency) of revenues over expenditures from operations	(12,913)	591,669
Other income (expense)		
Unrealized gain (loss) on investments	<u>54,833</u>	<u>(550,898)</u>
Excess of revenues over expenditures	<u>\$ 41,920</u>	<u>\$ 40,771</u>

APEGNB Foundation for Education Inc.

Statement of Cash Flows
Year ended December 31, 2021

	2021	2020
Operating activities		
Cash received from donations	\$ 16,896	\$ 24,298
Cash paid for scholarships	(30,000)	(35,000)
Cash paid for bank and management fees	<u>(8,604)</u>	<u>(5,752)</u>
	<u>(21,708)</u>	<u>(16,454)</u>
Investing activities		
Purchase of investments	(435,357)	(932,029)
Proceeds on sale of investments	432,176	913,025
Investments - net	<u>27,860</u>	<u>44,103</u>
	<u>24,679</u>	<u>25,099</u>
Change in cash position	2,971	8,645
Cash, opening	<u>49,534</u>	<u>40,889</u>
Cash, closing	<u>\$ 52,505</u>	<u>\$ 49,534</u>

APEGNB Foundation for Education Inc.

Notes to Financial Statements
December 31, 2021

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
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3. Marketable securities

Marketable securities are held with the following investment brokers:

	2021 Cost	2021 Market	2020 Cost	2020 Market
BMO Nesbitt Burns	\$ 866,017	\$ 915,619	\$ 866,556	\$ 868,524
CIBC Wood Gundy	171,129	191,709	170,665	182,972
Royal Bank				
Money Market Fund	28,818	28,818	28,788	28,788
Fair Market Value Adjustment	70,182	-	14,275	-
	<u>\$ 1,136,146</u>	<u>\$ 1,136,146</u>	<u>\$ 1,080,284</u>	<u>\$ 1,080,284</u>

The composition of marketable securities is detailed below.

	2021 Cost	2021 Market	2020 Cost	2020 Market
Fixed income	\$ 674,309	\$ 663,459	\$ 680,233	\$ 685,983
Equities	391,655	472,687	385,776	394,301
	<u>\$ 1,065,964</u>	<u>\$ 1,136,146</u>	<u>\$ 1,066,009</u>	<u>\$ 1,080,284</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, \$10,511 (2020 - \$6,630) in donations had been collected on behalf of the Foundation and not transferred.

APEGNB Foundation for Education Inc.

Notes to Financial Statements

December 31, 2021

5. Accounts payable

Accounts payable include \$15,000 in scholarships payable to the Université de Moncton and \$20,000 in scholarships payable to the University of New Brunswick.

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 investments managers.