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**APEGNB Foundation for Education Inc.**

**Financial Statements**  
**December 31, 2017**  
**(Unaudited)**

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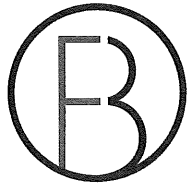
# APEGNB Foundation for Education Inc.

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December 31, 2017  
(Unaudited)

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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, 2017, 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.

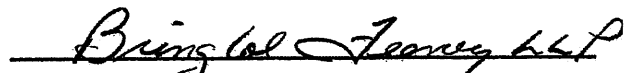
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical 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, 2017, 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  
February 5, 2018

  
Chartered Professional Accountants

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# APEGNB Foundation for Education Inc.

Statement of Financial Position  
As at December 31, 2017  
(Unaudited)

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	2017	2016
<b>ASSETS</b>		
Current		
Cash	\$ 25,656	\$ 41,729
Marketable securities (note 3)	1,013,836	953,953
Interest receivable	<u>3,882</u>	<u>2,514</u>
	<u>\$ 1,043,374</u>	<u>\$ 998,196</u>
<b>FUND BALANCES</b>		
Capital contributions fund (note 4)	\$ 421,964	\$ 421,964
Scholarship fund	<u>621,410</u>	<u>576,232</u>
	<u>\$ 1,043,374</u>	<u>\$ 998,196</u>

Approved

Chair

Secretary



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## APEGNB Foundation for Education Inc.

Statement of Changes in Net Assets  
Year ended December 31, 2017  
(Unaudited)

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	<b>Capital Contributions Fund</b>	<b>Scholarship Fund</b>	<b>Total 2017</b>	<b>Total 2016</b>
Balance, opening	\$ 421,964	\$ 576,232	\$ 998,196	\$ 971,598
Excess of revenues over expenditures	-	45,178	45,178	26,598
Balance, closing	<u>\$ 421,964</u>	<u>\$ 621,410</u>	<u>\$ 1,043,374</u>	<u>\$ 998,196</u>

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## APEGNB Foundation for Education Inc.

Statement of Operations  
Year ended December 31, 2017  
(Unaudited)

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	2017	2016
Revenues		
Donations	\$ 25,163	\$ 34,764
Investment income	4,353	6,283
Realized gain on investments	3,608	25,113
Unrealized gain on investments	<u>68,157</u>	<u>14,442</u>
	<u>101,281</u>	<u>80,602</u>
Expenditures		
Scholarships	50,000	50,000
Investment management fees	5,921	3,903
Interest and bank charges	<u>182</u>	<u>101</u>
	<u>56,103</u>	<u>54,004</u>
Excess of revenues over expenditures	<u>\$ 45,178</u>	<u>\$ 26,598</u>

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## APEGNB Foundation for Education Inc.

Statement of Cash Flows  
Year ended December 31, 2017  
(Unaudited)

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	2017	2016
Operating activities		
Cash received from donations	\$ 25,163	\$ 34,764
Cash received from investments	7,961	31,396
Cash paid for scholarships	(50,000)	(50,000)
Cash paid for interest and management fees	<u>(6,103)</u>	<u>(4,004)</u>
	(22,979)	12,156
Investing activity		
Investments - net	<u>6,906</u>	<u>22,244</u>
Change in cash position	(16,073)	34,400
Cash, opening	<u>41,729</u>	<u>7,329</u>
Cash, closing	<u>\$ 25,656</u>	<u>\$ 41,729</u>

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# APEGNB Foundation for Education Inc.

Notes to Financial Statements

December 31, 2017

(Unaudited)

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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 policies are detailed as follows:

(a) Revenue recognition

Revenue is recognized when donations are received. Investment income is recognized on an accrual basis as it is earned.

(b) 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.

(c) 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.

3. Marketable securities

	<u>2017</u>	<u>2016</u>
Manulife	\$ 835,780	\$ 778,458
CIBC Wood Gundy	176,465	159,979
Royal Bank Money Market Fund	<u>1,591</u>	<u>15,516</u>
	<u>\$ 1,013,836</u>	<u>\$ 953,953</u>

Investment management fees paid to CIBC Wood Gundy are included in the net costs and net proceeds of investment transactions and do not show up as expenses. These fees totalled \$264 in 2017.



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# APEGNB Foundation for Education Inc.

Notes to Financial Statements  
December 31, 2017  
(Unaudited)

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## 4. 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.

## 5. 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.

## 6. Related party transactions

Donations include \$2,477 (2016 - \$2,748) received from the Association of Professional Engineers and Geoscientists of New Brunswick which also provides goods and services to the Foundation. The cost of the goods and services received has not been identified or recorded in the financial statements.