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**APEGNB Foundation for Education Inc.**

**Financial Statements**  
**December 31, 2019**

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# APEGNB Foundation for Education Inc.

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December 31, 2019

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168 Dundonald Street, Suite 100  
Fredericton, NB E3B 0Y8

(506) 458 8326 TEL.  
(506) 458 9293 FAX.

## 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, 2019, 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, 2019, 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 19, 2020

  
Chartered Professional Accountants

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# APEGNB Foundation for Education Inc.

Statement of Financial Position

As at December 31, 2019

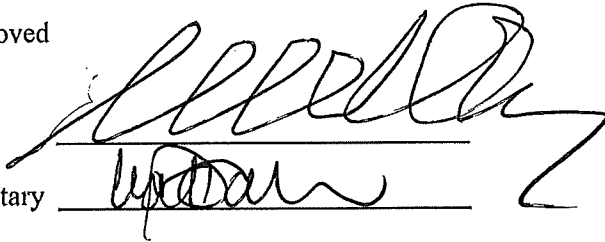
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	2019	2018
<b>ASSETS</b>		
Current		
Cash	\$ 40,889	\$ 19,410
Marketable securities (note 3)	1,039,395	954,920
Interest receivable	<u>5,180</u>	<u>5,209</u>
	<u>\$ 1,085,464</u>	<u>\$ 979,539</u>
<b>FUND BALANCES</b>		
Capital Contributions Fund	\$ 421,964	\$ 421,964
Scholarship Fund	<u>663,500</u>	<u>557,575</u>
	<u>\$ 1,085,464</u>	<u>\$ 979,539</u>

Approved

Chair

Secretary



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## APEGNB Foundation for Education Inc.

Statement of Changes in Net Assets

Year ended December 31, 2019

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	<u>Capital</u>				
	<u>Contributions</u>	<u>Scholarship</u>		<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>		<u>2019</u>	<u>2018</u>
Balance, opening	\$ 421,964	\$ 557,575	\$	979,539	\$ 1,043,374
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>105,925</u>		<u>105,925</u>	<u>(63,835)</u>
Balance, closing	<u>\$ 421,964</u>	<u>\$ 663,500</u>	<u>\$</u>	<u>1,085,464</u>	<u>\$ 979,539</u>

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## APEGNB Foundation for Education Inc.

Statement of Operations  
Year ended December 31, 2019

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	2019	2018
Revenues		
Donations	\$ 27,060	\$ 22,295
Investment income	4,648	5,403
Realized gain on investments	27,457	21,103
	59,165	48,801
 Expenditures		
Scholarships	55,000	50,000
Investment management fees	6,269	6,096
Bank charges	93	111
	61,362	56,207
Deficiency of revenues over expenditures from operations	(2,197)	(7,406)
 Other income (expense)		
Unrealized gain (loss) on investments	108,122	(56,429)
Excess (deficiency) of revenues over expenditures	\$ 105,925	\$ (63,835)



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## APEGNB Foundation for Education Inc.

Statement of Cash Flows  
Year ended December 31, 2019

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	2019	2018
Operating activities		
Cash received from donations	\$ 27,060	\$ 22,295
Cash received from investments	32,105	26,613
Cash paid for scholarships	(55,000)	(50,000)
Cash paid for bank and management fees	<u>(6,363)</u>	<u>(6,206)</u>
	(2,198)	(7,298)
Investing activity		
Investments - net	<u>23,677</u>	<u>1,052</u>
Change in cash position	21,479	(6,246)
Cash, opening	<u>19,410</u>	<u>25,656</u>
Cash, closing	<u><u>\$ 40,889</u></u>	<u><u>\$ 19,410</u></u>

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# APEGNB Foundation for Education Inc.

Notes to Financial Statements

December 31, 2019

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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 accounting 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>2019</u>	<u>2018</u>
Manulife	\$ 857,952	\$ 772,030
CIBC Wood Gundy	180,703	171,264
Royal Bank Money Market Fund	<u>740</u>	<u>11,626</u>
	<u>\$ 1,039,395</u>	<u>\$ 954,920</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 were \$0 for 2019 (2018 - \$350).



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## APEGNB Foundation for Education Inc.

Notes to Financial Statements

December 31, 2019

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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 \$500 (2018 - \$230) received from the Association of Professional Engineers and Geoscientists of New Brunswick which also provides services to the Foundation. The cost of the services received has not been identified or recorded in the financial statements.